

**State of Illinois
Deaf and
Hard of Hearing
Commission**

**STATE COMPLIANCE
EXAMINATION**

**FOR THE TWO YEARS ENDED
JUNE 30, 2025**

**Performed as Special
Assistant Auditors
for the Auditor General,
State of Illinois**

**STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
STATE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2025**

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**STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
STATE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2025**

COMMISSION OFFICIALS

Director	Mr. Benro T. Olives
Legal Counsel	Ms. Tonia Bogener
Acting Chief Operating Officer (02/13/26 to Present)	Ms. Patty Greene
Chief Operating Officer (08/16/25 to 02/12/26)	Ms. Cary Smith
Chief Operating Officer (07/01/23 to 08/15/25)	Ms. Patty Greene

GOVERNING COMMISSION MEMBERS

Commission Chair	Mr. Dennis O'Brien
Commissioner Vice Chair (08/08/25 to Present)	Ms. Karla Giese
Commissioner Vice Chair (07/01/23 to 08/07/25)	Ms. Lori Krakora
Commissioner	Mr. Tyrone Barnes
Commissioner (03/21/25 to Present)	Mr. Carlos I. Colon
Commissioner (07/01/23 to 03/20/25)	Vacant
Commissioner (05/23/25 to Present)	Ms. Wendy Deters
Commissioner (09/17/24 to 05/22/25)	Vacant
Commissioner (07/10/23 to 09/16/24)	Ms. Jean Draths
Commissioner	Mr. Michael Dubowe
Commissioner (04/25/25 to Present)	Ms. Kimberly Mokris
Commissioner (05/18/24 to 04/24/25)	Vacant
Commissioner (07/01/23 to 05/17/24)	Mr. David Frazier
Commissioner (06/06/25 to Present)	Mr. Roy Pyers
Commissioner (07/01/23 to 06/05/25)	Mr. Kevin Smith
Commissioner	Ms. Jennifer Sender
Commissioner	Mr. Joshua D. Sevier
Commissioner (10/10/25 to Present)	Mr. Jason Weiland
Commissioner (07/01/23 to 10/09/25)	Mr. John R. Jun

COMMISSION OFFICE

The Commission's office is located at:

528 South Fifth Street, Suite 209
Springfield, Illinois 62701



MANAGEMENT ASSERTION LETTER

March 16, 2026

Roth & Company LLP
540 West Madison St., Suite 2450
Chicago, Illinois, 60661

Roth & Company LLP:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the State of Illinois, Deaf and Hard of Hearing Commission (Commission). We are responsible for and we have established and maintained an effective system of internal controls over compliance requirements. We have performed an evaluation of the Commission's compliance with the following specified requirements during the two-year period ended June 30, 2025. Based on this evaluation, we assert that during the years ended June 30, 2024, and June 30, 2025, the Commission has materially complied with the specified requirements listed below.

- A. The Commission has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The Commission has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions, or mandatory directions imposed by law upon such obligation, expenditure, receipt, or use.
- C. The Commission has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by the Commission are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate, and in accordance with law.
- E. Money or negotiable securities or similar assets handled by the Commission on behalf of the State or held in trust by the Commission have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Yours truly,

State of Illinois, Deaf and Hard of Hearing Commission

SIGNED ORIGINAL ON FILE

Mr. Benro T. Olives
Director

SIGNED ORIGINAL ON FILE

Ms. Patty Greene
Acting Chief Operating Officer

SIGNED ORIGINAL ON FILE

Ms. Tonia R. Bogener
Legal Counsel

**STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
STATE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2025**

STATE COMPLIANCE REPORT

SUMMARY

The State compliance testing performed during this examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the Illinois State Auditing Act (Act); and the *Audit Guide*.

ACCOUNTANTS' REPORT

The Independent Accountants' Report on State Compliance and on Internal Control Over Compliance does not contain scope limitations or disclaimers, but does contain a modified opinion on compliance and identifies material weaknesses over internal control over compliance.

SUMMARY OF FINDINGS

<u>Number of</u>	<u>Current Report</u>	<u>Prior Report</u>
Findings	8	12
Repeated Findings	8	10
Prior Recommendations Implemented or Not Repeated	4	1

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
Current Findings				
2025-001	9	2023/2021	Inadequate Controls over State Property	Material Weakness and Material Noncompliance
2025-002	12	2023/2017	Receipt Processing Internal Controls Not Operating Effectively	Material Weakness and Material Noncompliance
2025-003	14	2023/2017	Voucher Processing Internal Controls Not Operating Effectively	Material Weakness and Material Noncompliance
2025-004	17	2023/2021	Weaknesses in Cybersecurity Programs and Practices	Material Weakness and Material Noncompliance

**STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
STATE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2025**

SCHEDULE OF FINDINGS (CONTINUED)

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
Current Findings				
2025-005	20	2023/2021	Information System Contingency Planning Weaknesses	Significant Deficiency and Noncompliance
2025-006	22	2023/2019	Inadequate Controls over Personal Services	Significant Deficiency and Noncompliance
2025-007	25	2023/2023	Inadequate Controls over Census Data	Significant Deficiency and Noncompliance
2025-008	27	2023/2021	Lack of Adequate Controls over the Review of Internal Controls for Service Providers	Significant Deficiency and Noncompliance
Prior Finding Not Repeated				
A	30	2023/2017	Inadequate Controls over Reconciliations	
B	30	2023/2019	Failure to Submit Internal Control Certifications	
C	30	2023/2019	Noncompliance with the Interpreter for the Deaf License Act	
D	30	2023/2023	Inadequate Controls over Travel	

EXIT CONFERENCE

The Commission waived an exit conference in a correspondence from Mr. Benro Olives, Director on March 9, 2026. The responses to the recommendations were provided by Mr. Benro Olives, Director, in a correspondence dated March 13, 2026.



INDEPENDENT ACCOUNTANTS' REPORT
ON STATE COMPLIANCE AND ON INTERNAL CONTROL OVER COMPLIANCE

Honorable Frank J. Mautino
Auditor General
State of Illinois

and

Governing Board
State of Illinois, Deaf and Hard of Hearing Commission

Report on State Compliance

As Special Assistant Auditors for the Auditor General, we have examined compliance by the State of Illinois, Deaf and Hard of Hearing Commission (Commission) with the specified requirements listed below, as more fully described in the *Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide)* as adopted by the Auditor General, during the two years ended June 30, 2025. Management of the Commission is responsible for compliance with the specified requirements. Our responsibility is to express an opinion on the Commission's compliance with the specified requirements based on our examination.

The specified requirements are:

- A. The Commission has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The Commission has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions, or mandatory directions imposed by law upon such obligation, expenditure, receipt, or use.
- C. The Commission has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by the Commission are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate, and in accordance with law.

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- E. Money or negotiable securities or similar assets handled by the Commission on behalf of the State or held in trust by the Commission have been properly and legally administered and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Illinois State Auditing Act (Act), and the *Audit Guide*. Those standards, the Act, and the *Audit Guide* require that we plan and perform the examination to obtain reasonable assurance about whether the Commission complied with the specified requirements in all material respects. An examination involves performing procedures to obtain evidence about whether the Commission complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance with the specified requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our modified opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the Commission's compliance with the specified requirements.

Our examination disclosed material noncompliance with the specified requirements applicable to the Commission during the two years ended June 30, 2025. As described in the accompanying Schedule of Findings as items 2025-001 through 2025-004, the Commission had not complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.

In our opinion, except for the material noncompliance with the specified requirements described in the preceding paragraph, the Commission complied with the specified requirements during the two years ended June 30, 2025, in all material respects. However, the results of our procedures disclosed instances of noncompliance with the specified requirements, which are required to be reported in accordance with criteria established by the *Audit Guide* and are described in the accompanying Schedule of Findings as items 2025-005 through 2025-008.

The Commission's responses to the compliance findings identified in our examination are described in the accompanying Schedule of Findings. The Commission's responses were not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the responses.

The purpose of this report is solely to describe the scope of our testing and the results of that testing in accordance with the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.



Report on Internal Control Over Compliance

Management of the Commission is responsible for establishing and maintaining effective internal control over compliance with the specified requirements (internal control). In planning and performing our examination, we considered the Commission's internal control to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Commission's compliance with the specified requirements and to test and report on the Commission's internal control in accordance with the *Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying Schedule of Findings, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with the specified requirements on a timely basis. A material weakness in internal control is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material noncompliance with the specified requirements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings as items 2025-001 through 2025-004 to be material weaknesses.

A significant deficiency in internal control is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings as items 2025-005 through 2025-008 to be significant deficiencies.

As required by the *Audit Guide*, immaterial findings excluded from this report have been reported in a separate letter.

The Commission's responses to the internal control findings identified in our examination are described in the accompanying Schedule of Findings. The Commission's responses were not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the responses.

The purpose of this report is solely to describe the scope of our testing of internal control and the results of that testing based on the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

SIGNED ORIGINAL ON FILE

Chicago, Illinois
March 16, 2026



**STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
SCHEDULE OF FINDINGS - CURRENT FINDINGS
For the Two Years Ended June 30, 2025**

2025-001. **FINDING** (Inadequate Controls over State Property)

The Deaf and Hard of Hearing Commission (Commission) did not maintain adequate documentation and control over its state property during the examination period.

During testing, we noted the property listing provided by the Commission in response to audit requests could not be reconciled with the ending balances reported in the Form C-15 Reports for the fourth quarters ended June 30, 2024 and June 30, 2025 and to the balances reported in the annual inventory certifications submitted to the Department of Central Management Services (CMS). Further, the property listing did not indicate whether the equipment was classified as high-theft, therefore, we could not determine whether the item was reportable under the C-15 Report.

In addition, 35 equipment items totaling \$21,912 that were purchased as of Fiscal Year 2025 were not recorded in the property listing.

Due to these conditions, we were unable to conclude whether the Commission's population of property control records were sufficiently precise and detailed under Attestation Standards promulgated by the American Institute of Certified Public Accountants (AT-C § 205.36) to test the Commission's equipment.

The State Property Control Act (Act) (30 ILCS 605/4) requires the Commission to be accountable for the supervision, control, and inventory of all property under its jurisdiction. In addition, the State Records Act (5 ILCS 160/9) requires the Commission to establish and maintain a program for agency records management, which should include effective controls over the maintenance of records. The Statewide Accounting Management System (SAMS) Manual (Procedure 07.30.20) states the effectiveness of any accounting and financial information system is very much dependent on the accuracy of data submitted and the confidence of its users that the system handles that data properly.

Even given the population limitations noted above which hindered our ability to conclude whether selected samples were representative of the population as a whole, we selected a sample of items from the property listing and performed testing. During testing, we noted the following:

List to Floor and Floor to List Testing

- Two of 16 (13%) equipment items, totaling \$4,851, were reported in the Agency Discrepancy Report for Fiscal Year 2022 as surplus but had not been removed from the property listing as of Fiscal Year 2025.

**STATE OF ILLINOIS
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SCHEDULE OF FINDINGS - CURRENT FINDINGS
For the Two Years Ended June 30, 2025**

2025-001. **FINDING** (Inadequate Controls over State Property) (Continued)

- Seven of 16 (44%) equipment items were not found in the Annual Inventory Certification submitted to CMS for Fiscal Year 2025. These items could not be traced to Commission records to identify their costs. In addition, one of these items did not have a tag number.

The SAMS Manual (Procedure 29.10.10) requires agencies to maintain detailed property records and update property records as necessary to reflect the current balance of the State property. Such detailed records are to be organized by major asset category and include information such as the equipment tag number, location, item function and activity, among others.

The Illinois Administrative Code (Code) (44 Ill. Admin. Code 5010.220) requires the Commission to report to CMS all equipment with an acquisition value greater than the nominal value of \$2,500 and equipment that is subject to theft with a value less than the nominal value.

The Illinois Administrative Code (44 Ill. Admin. Code 5010.210) requires the Commission to mark each piece of State-owned equipment in its possession with a unique identification number.

Form C-15 Testing:

- One of 8 (13%) Form C-15 Report was not submitted timely. The Form C-15 Report was submitted three days late.

The SAMS Manual (Procedure 29.20.10) requires Agencies to submit the quarterly C-15 reports no later than the last day of the month following the last day of the quarter.

Surplus Testing

- We noted 33 equipment items consisting of projectors, DVD players, and various other equipment, totaling \$20,116, were no longer used or obsolete. These assets were not transferred to CMS or appropriately disposed.

The Illinois Administrative Code (44 Ill. Admin. Code 5010.610) requires all transferable equipment which is no longer serviceable to be scrapped. Scrap having a market value is required to be sold.

**STATE OF ILLINOIS
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SCHEDULE OF FINDINGS - CURRENT FINDINGS
For the Two Years Ended June 30, 2025**

2025-001. **FINDING** (Inadequate Controls over State Property) (Continued)

We also noted the Commission submitted its Annual Certification of Inventory (Certification) for Fiscal Year 2023 to CMS 7 days late. The Illinois Administrative Code (Code) (44 Ill. Admin. Code 5010.460) requires the Commission to complete and certify the Commission's annual physical inventory of State equipment and submit a property listing to CMS on dates designated by CMS.

This exception was first reported in the Commission's State Compliance Examination report for the two years ended June 30, 2021. In subsequent years, the Commission has been unsuccessful in implementing adequate corrective action.

Commission officials indicated the exceptions identified were a result of competing priorities and staffing vacancies inherent to operations in a small agency.

Failure to maintain accurate property and equipment records and submit Form C-15 Reports and Certification timely and accurately represents noncompliance with State laws and regulations and increases the potential for fraud and the possible loss or theft of State property. (Finding Code No. 2025-001, 2023-001, 2021-001)

RECOMMENDATION

We recommend the Commission strengthen its controls over property and equipment to ensure all equipment transactions are recorded timely and accurately, tag numbers are properly attached to equipment items, obsolete or no longer used equipment items are transferred to CMS or properly disposed, and Form C-15 Reports and Certification are timely filed.

COMMISSION RESPONSE

The Commission agrees with the recommendation and will implement procedures to strengthen controls over property and equipment, ensure equipment transactions are recorded timely and accurately, tag numbers are properly affixed, obsolete equipment is transferred to CMS or properly disposed of, and Form C-15 Reports and Certifications are filed timely.

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
SCHEDULE OF FINDINGS - CURRENT FINDINGS
For the Two Years Ended June 30, 2025

2025-002. **FINDING** (Receipt Processing Internal Controls Not Operating Effectively)

The Deaf and Hard of Hearing Commission's (Commission) internal controls over its receipt processing function were not operating effectively during the examination period.

Due to our ability to rely upon the processing integrity of the Enterprise Resource Planning (ERP) System operated by the Department of Innovation and Technology (DoIT), we were able to limit our receipt testing at the Commission to determine whether certain key attributes were properly entered by the Commission's staff into the ERP System. In order to determine the operating effectiveness of the Commission's internal controls related to receipt processing, we selected a sample of key attributes (attributes) to determine if the attributes were properly entered into the ERP System based on supporting documentation. The attributes tested were (1) amount, (2) fund being deposited into, (3) date of receipt, (4) date deposited, and (5) SAMS Source Code.

Our testing noted 28 of 140 (20%) attributes for receipts testing, specifically the date of receipt, were not properly entered into the ERP System. Therefore, the Commission's internal controls over receipt processing **were not operating effectively**.

The State Officers and Employees Money Disposition Act (Act) (30 ILCS 230/2(a)) requires the Commission to maintain a detailed record of all moneys received, which is to include date of receipt, the payor, purpose and amount, and the date and manner of disbursement. Additionally, Statewide Accounting Management System (Manual) (Procedure 25.10.10) requires the Commission to segregate the moneys into funds and document the source of the moneys. Further, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Commission to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance revenues, expenditures, and transfers of assets, resources, or funds applicable to the operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the State's resources.

Due to this condition, we qualified our opinion because we determined the Commission had not complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
SCHEDULE OF FINDINGS - CURRENT FINDINGS
For the Two Years Ended June 30, 2025

2025-003. **FINDING** (Voucher Processing Internal Controls Not Operating Effectively)

The Deaf and Hard of Hearing Commission's (Commission) internal controls over its voucher processing function were not operating effectively during the examination period.

Due to our ability to rely upon the processing integrity of the Enterprise Resource Planning (ERP) System operated by the Department of Innovation and Technology (DoIT), we were able to limit our voucher testing at the Commission to determine whether certain key attributes were properly entered by the Commission's staff into the ERP System. In order to determine the operating effectiveness of the Commission's internal controls related to voucher processing and subsequent payment of interest, we selected a sample of key attributes (attributes) to determine if the attributes were properly entered into the State's ERP System based on supporting documentation. The attributes tested were (1) vendor information, (2) expenditure amount, (3) object(s) of expenditure, and (4) the later of the receipt date of the proper bill or the receipt date of the goods and/or services.

Our testing noted 15 of 140 (11%) attributes were not properly entered into the ERP System. Therefore, the Commission's internal controls over voucher processing **were not operating effectively.**

The Statewide Accounting Management System (SAMS) Manual (Procedure 17.20.20) requires the Commission to, after receipt of goods or services, verify the goods or services received met the stated specifications and prepare a voucher for submission to the Comptroller's Office to pay the vendor, including providing vendor information, the amount expended, and object(s) of expenditure. Further, the Illinois Administrative Code (Code) (74 Ill. Admin. Code 900.30) requires the Commission to maintain records which reflect the date goods were received and accepted, the date services were rendered, and the proper bill date. Finally, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Commission to establish and maintain a system of internal fiscal and administrative controls to provide assurance expenditures are properly recorded and accounted for to maintain accountability over the State's resources.

Due to this condition, we qualified our opinion because we determined the Commission had not complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.

Even given the limitations noted above, we conducted an analysis of the Commission's expenditures data for fiscal years 2024 and 2025 and noted the following:

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DEAF AND HARD OF HEARING COMMISSION
SCHEDULE OF FINDINGS - CURRENT FINDINGS
For the Two Years Ended June 30, 2025**

2025-003. **FINDING** (Voucher Processing Internal Controls Not Operating Effectively)
(Continued)

- The Commission owed one vendor interest totaling \$15 in fiscal year 2025; however, the Commission had not approved this voucher for payment to the vendor.

The Act (30 ILCS 540) requires the Commission to pay vendors who had not been paid within 90 days of receipt of a proper bill or invoice interest.

- The Commission did not timely approve 25 of 923 (3%) vouchers processed during the examination period, totaling \$31,952. We noted these vouchers were approved between 32 and 99 days after receipt of a proper bill or other obligating document.

The Code (74 Ill. Admin. Code 900.70) requires the Commission to timely review each vendor's invoice and approve proper bills within 30 days after receipt. The Code (74 Ill. Admin. Code 1000.50) also requires the Commission to process payments within 30 days after physical receipt of Internal Service Fund bills.

The Fiscal Control and Internal Auditing Act (FCIAA) (30 ILCS 10/3001) requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls, which shall provide assurance that revenues, expenditures, and transfers of assets, resources, or funds applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the State's resources.

This exception was first reported in the Commission's State Compliance Examination report for the two years ended June 30, 2017. In subsequent years, the Commission has been unsuccessful in implementing adequate corrective action.

Commission officials indicated the exceptions identified were a result of competing priorities and staffing vacancies inherent to operations in a small agency.

Failure to properly enter the key attributes into the State's ERP System when processing a voucher for payment hinders the reliability and usefulness of data extracted from the ERP System, which can result in improper interest calculations and expenditures. Further, failure to timely process proper bills and obligations due may result in noncompliance, unnecessary interest charges, and cash flow challenges for payees. In addition, failure to approve vouchers for payment of interest due represents noncompliance with the Act. (Finding Code No. 2025-003, 2023-003, 2021-006, 2019-004, 2017-005)

**STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
SCHEDULE OF FINDINGS - CURRENT FINDINGS
For the Two Years Ended June 30, 2025**

2025-003. **FINDING** (Voucher Processing Internal Controls Not Operating Effectively)
(Continued)

RECOMMENDATION

We recommend the Commission design and maintain internal controls to provide assurance its data entry of key attributes into the ERP System is complete and accurate. Further, we recommend the Department timely approve proper bills and obligations due and approve vouchers for payment of interest due to vendors.

COMMISSION RESPONSE

The Commission agrees with the recommendation and will implement procedures to ensure internal controls support complete and accurate data entry of key attributes into the ERP system and that proper bills and obligations due are timely approved, including vouchers for payment of interest due to vendors.

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
SCHEDULE OF FINDINGS - CURRENT FINDINGS
For the Two Years Ended June 30, 2025

2025-004. **FINDING** (Weaknesses in Cybersecurity Programs and Practices)

The Deaf and Hard of Hearing Commission (Commission) had not implemented adequate internal controls related to cybersecurity programs, practices, and control of confidential information.

In order to meet its primary role of “promoting education and awareness of the legal requirements for effective communication on behalf of people with hearing loss in Illinois,” the Commission utilized several Information Technology (IT) applications which contained confidential and personal information.

The Illinois State Auditing Act (30 ILCS 5/3-2.4) requires the Auditor General to review State agencies and their cybersecurity programs and practices. During our examination of the Commission’s cybersecurity program, practices, and control of confidential information, we noted the Commission had not:

- Developed a formal, comprehensive, adequate, and communicated security program (including policies, procedures, and processes as well as clearly defined responsibilities over the security of computer programs and data) to manage and monitor the regulatory, legal, environmental, and operational requirements, including:
 - Backup Verification
 - Data Maintenance and Destruction Policy
- Developed a risk management methodology, conducted a comprehensive risk assessment, and implemented risk reducing internal controls.
- Established a data classification methodology for classifying its data to ensure adequate protection of the data.
- Established a cybersecurity plan.

In addition, we noted the Commission had not established a process to review and ensure that security incidents identified by the Department of Innovation and Technology (DoIT) involving the applications utilized by the Commission were fully remediated and any related control deficiencies were assessed.

This exception was first reported in the Commission’s State Compliance Examination report for the two years ended June 30, 2021. In subsequent years, the Commission has been unsuccessful in implementing adequate corrective action.

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
SCHEDULE OF FINDINGS - CURRENT FINDINGS
For the Two Years Ended June 30, 2025

2025-004. **FINDING** (Weaknesses in Cybersecurity Programs and Practices) (Continued)

The *Framework for Improving Critical Infrastructure Cybersecurity* and the *Security and Privacy Controls for Information Systems and Organizations* (Special Publication 800-53, Fifth Revision) published by the National Institute of Standards and Technology requires entities to consider risk management practices, threat environments, legal and regulatory requirements, mission objectives and constraints in order to ensure the security of their applications, data, and continued business mission.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Commission to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use and misappropriation and maintain accountability over the State's resources.

Commission officials indicated the weaknesses were due to the Commission's reliance on DoIT, as the Commission operates as a client agency. As such, all IT services—including system configuration, maintenance, security, and application management—are provided by DoIT and are treated as third-party services. The Commission does not operate or maintain independent IT applications outside of those managed and supported by DoIT.

Lack of adequate cybersecurity programs and practices could result in unidentified risk and vulnerabilities, which could ultimately lead to the Commission's confidential and personal information being susceptible to cyberattacks and unauthorized disclosure. (Finding Code No. 2025-004, 2023-004, 2021-003)

RECOMMENDATION

We recommend the Commission implement internal controls related to cybersecurity programs, practices, and control of confidential information. Specifically, we recommend the Commission:

- Develop a formal, comprehensive, adequate, and communicated security program to manage and monitor the regulatory, legal, environmental, and operational requirements.
- Develop a risk management methodology, conduct a comprehensive risk assessment, and implement risk reducing internal controls.
- Develop a data classification methodology.

**STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
SCHEDULE OF FINDINGS - CURRENT FINDINGS
For the Two Years Ended June 30, 2025**

2025-004. **FINDING** (Weaknesses in Cybersecurity Programs and Practices) (Continued)

- Establish a cybersecurity plan.
- Establish a process to review and ensure security incidents identified by DoIT involving the Commission's systems or data are fully remediated and related control deficiencies are assessed.

COMMISSION RESPONSE

The Commission agrees with the recommendation and will implement procedures to strengthen internal controls related to cybersecurity programs, practices, and the protection of confidential information, including developing and maintaining appropriate policies, risk management processes, data classification standards, a cybersecurity plan, and procedures to review and remediate security incidents identified by DoIT.

**STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
SCHEDULE OF FINDINGS - CURRENT FINDINGS
For the Two Years Ended June 30, 2025**

2025-005. **FINDING** (Information System Contingency Planning Weaknesses)

The Deaf and Hard of Hearing Commission (Commission) had not developed a Information System Contingency plan.

In order to carry out its mission, the Commission utilizes several information technology (IT) applications. During our examination, we requested the Commission's information system contingency plan to assess its ability to ensure timely recovery of its applications and data. However, the Commission had not developed an information system contingency plan.

This exception was first reported in the Commission's State Compliance Examination report for the two years ended June 30, 2021. In subsequent years, the Commission has been unsuccessful in implementing adequate corrective action.

The *Contingency Planning Guide for Information Technology Systems* published by the National Institute of Standards and Technology requires entities to have an updated and regularly tested disaster contingency plan to ensure the timely recovery of applications and data.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Commission to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation and maintain accountability over the State's resources.

Commission officials indicated the weaknesses were due to the Commission's reliance on the Department of Innovation and Technology (DoIT), as the Commission operates as a client agency. As such, IT services are provided by DoIT and treated as a third-party provider. As part of these services, the Commission completes a Business Impact Analysis (BIA) as required to identify its needs related to the interruption of IT services. As part of the BIA, it has been determined the Commission does not maintain any IT applications outside of those provided by DoIT for separate testing purposes.

Failure to adequately plan for the recovery of applications and data could result in the loss of data and the inability to recover within an acceptable time period. (Finding Code No. 2025-005, 2023-011, 2021-011)

RECOMMENDATION

We recommend the Commission review the DoIT IT Resource Management Policy, which establishes the Commission's roles and responsibilities regarding

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2025-006. **FINDING** (Inadequate Controls over Personal Services)

The Deaf and Hard of Hearing Commission (Commission) did not exercise adequate controls over personal services.

During testing, we noted the following:

Employment Eligibility Verification (I-9) forms

- One of three (33%) employees' I-9 forms could not be located and provided for inspection. As such, we could not determine if the Commission examined the identity and employment authorization for this employee. The employee is an active employee with a hire date of February 2005.

The Code of Federal Regulation (Code) (8 CFR § 274a.2(a)(3)) requires an employer to examine documents that evidence the identity and employment authorization of the individual. The employer must complete an attestation on the I-9 Form under penalty of perjury.

Moreover, the Code (8 CFR § 274a.2(b)) requires an employer to retain a paper (with original handwritten signatures), electronic, or a combination of paper and electronic formats of I-9 Forms, three years after the date of the hire or one year after the date the individual's employment is terminated, whichever is later.

- One of three (33%) I-9 form's Section 2, Employer Review and Verification, was not completed.

The Code (8 CFR § 274a.2(b)(ii)(B)) requires the employer to review and verify Section 2 of I-9 Form within three business days of the hire and sign the attestation with a handwritten signature or electronic signature.

Agency Workforce Report

- The Agency Workforce Reports (Reports) were not accurately completed. Specifically, we noted:
 - For the Fiscal Years 2023 and 2024 Reports, the count and equivalent percentage of minority employees were not completed.
 - For the Fiscal Year 2023 Report, the equivalent percentage for Black or African American male employees with an income range of \$100,000+, was not completed.

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2025-006. **FINDING** (Inadequate Controls over Personal Services) (Continued)

- For the Fiscal Year 2024, the equivalent percentages were not completed for the following categories: total female employees; total Black or African American males; total Caucasian males; total Caucasian females; total males with physical disabilities; total females with physical disabilities; professional female employees; professional Caucasian females; contractual female employees; contractual Caucasian females; and Caucasian male openings filled - new hires.

The State Employment Records Act (5 ILCS 410/20) requires the Commission to collect, classify, maintain, and publish, for State and public use, certain employment statistics in a prescribed format.

Performance Evaluation

- Two of five (40%) performance evaluations were not completed, specifically at the end of the third and sixth month's probationary period.

The Illinois Administrative Code (Code) (80 Ill. Adm. Code 302.270) requires the Commission to prepare performance evaluations not less often than once per calendar year for each certified employee, and at least once during the probationary period.

This exception was reported in the Commission's State Compliance Examination for the two years ended June 30, 2019. In subsequent years, the Commission has been unsuccessful in implementing adequate corrective action.

Commission officials indicated the exceptions identified were a result of competing priorities and staffing vacancies inherent to operations in a small agency.

Failure to complete and retain I-9 Forms is a violation of the Code and could result in unlawful employment and expose the Commission to penalties. In addition, failure to include complete and accurate information in the Report could deter efforts by the State officials, administrators, and residents to achieve a more diversified workforce. Further, performance evaluations are a systematic and uniform approach used for the development of employees and communication of

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2025-006. **FINDING** (Inadequate Controls over Personal Services) (Continued)

performance expectations to employees, and serve as a foundation for salary adjustments, promotion, demotions, discharges, layoffs, recall, and reinstatement decisions. (Finding Code No. 2025-006, 2023-009, 2021-009, 2019-009)

RECOMMENDATION

We recommend the Commission strengthen procedures to ensure that I-9 forms are fully completed and properly retained, the Report is prepared in accordance with the requirements of the State Employment Records Act, and employee performance evaluations are completed timely. In addition, we also recommend the Department file corrected Report for these years within 30 days after the release of this compliance examination report with both the Governor's Office and the Office of the Secretary of State.

COMMISSION RESPONSE

The Commission agrees with the recommendation and will strengthen procedures to ensure that I-9 forms are fully completed and properly retained, the Report is prepared in accordance with the State Employment Records Act, and employee performance evaluations are completed in a timely manner. The Commission will also file the corrected Report for the applicable years within 30 days of the release of the compliance examination report with both the Governor's Office and the Office of the Secretary of State.

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2025-007. **FINDING** (Inadequate Controls Over Census Data)

The Deaf and Hard of Hearing Commission (Commission) did not timely complete a census data reconciliation to provide assurance census data submitted to its pension and other postemployment benefits (OPEB) plans were complete and accurate.

Census data is demographic data (date of birth, gender, years of service, etc.) of the active, inactive, or retired members of a pension plan or OPEB plan. The accumulation of inactive or retired members' census data occurs before the current accumulation period of census data used in the plan's actuarial valuation (which eventually flows into each employer's financial statements), meaning the plan is solely responsible for establishing internal controls over these records and transmitting this data to the plan's actuary. In contrast, responsibility for active members' census data during the current accumulation period is split among the plan and each member's current employer(s). Initially, employers must accurately transmit census data elements of their employees to the plan. Then, the plan must record and retain these records for active employees and then transmit this census data to the plan's actuary.

We noted the Commission's employees are members of both the State Employees' Retirement System of Illinois (SERS) for their pensions and the State Employees Group Insurance Program sponsored by the State of Illinois, Department of Central Management Services (CMS) for their OPEB. In addition, we noted these plans have characteristics of different types of pensions and OPEB plans, including single employer plans and cost-sharing multiple-employer plans. Finally, we noted CMS' actuaries use SERS' census data records to prepare the OPEB actuarial valuation.

During testing, we noted the Commission did not timely submit Fiscal Year 2023 census data reconciliation to SERS by November 13, 2023. The reconciliation was submitted 79 days late.

For employers participating in plans with multiple-employer and cost-sharing characteristics, the American Institute of Certified Public Accountants' *Audit and Accounting Guide: State and Local Governments* (AAG-SLG) (§ 13.177 for pensions and § 14.184 for OPEB) notes the determination of net pension/OPEB liability, pension/OPEB expense, and the associated deferred inflows and deferred outflows of resources depends on employer-provided census data reported to the plan being complete and accurate along with the accumulation and maintenance of this data by the plan being complete and accurate. To help mitigate against the risk of a plan's actuary using incomplete or inaccurate census data within similar agent multiple-employer plans, the AAG-SLG (§ 13.181 (A-27) for pensions and § 14.141 for OPEB) recommends an employer annually reconcile its active members'

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2025-007. **FINDING** (Inadequate Controls Over Census Data) (Continued)

census data to a report from the plan of census data submitted to the plan's actuary, by comparing the current year's census data file to both the prior year's census data file and its underlying records for changes occurring during the current year.

Further, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Commission to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance funds applicable to operations are properly recorded and accounted for to permit the preparation of reliable financial and statistical reports.

Commission officials indicated the exceptions identified were a result of competing priorities, issues with encryption and technical requirements established by SERS for submitting the report, and staffing vacancies inherent to operations in a small agency.

Failure to timely reconcile and submit active members' census data reported to and held by SERS to the Commission's records could result in each plan's actuary relying on incomplete or inaccurate census data in the calculation of the State's pension and OPEB balances, which may result in a misstatement of these amounts. (Finding Code No. 2025-007, 2023-010)

RECOMMENDATION

We recommend the Commission timely complete and submit the SERS annual reconciliation process of its active members' census data from its underlying records to a report of the census data submitted to each plan's actuary.

COMMISSION RESPONSE

The Commission agrees with the recommendation and will implement procedures to ensure the timely completion and submission of the SERS annual reconciliation process, including reconciling active members' census data with underlying records and the data reported to the plan's actuary.

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2025-008. **FINDING** (Lack of Adequate Controls over the Review of Internal Controls for Service Providers)

The Deaf and Hard of Hearing Commission (Commission) did not have adequate controls over the review of internal controls over its service providers.

The Commission entered into agreements with various service providers to assist with significant processes such as: (1) management of the procurement, retention, installation, maintenance, and operation of information technology (IT) used by the Commission, (2) security protection, privacy of IT information as provided by law, and back-up facilities, (3) installation and operation of IT systems, (4) credit card and online payments processing, and (5) license and permit processing.

During testing of three service providers, we noted the Commission had not:

- Obtained the Fiscal Year 2025 System and Organization Control (SOC) report for all (100%) service providers.
- Reviewed and maintained documentation of the independent review of SOC reports for all (100%) service providers for fiscal years 2024 and 2025.
- Monitored and documented the operation of Complementary User Entity Controls (CUECs) relevant to its operations for all (100%) service providers.
- Obtained and reviewed SOC reports for subservice organizations or performed alternative procedures to assess the impact of the existence of the subservice organization for all (100%) service providers.
- Conducted an analysis to determine the impact of noted deviations within the SOC reports for all (100%) service providers.

This exception was first reported in the Commission's State Compliance Examination report for the two years ended June 30, 2021. In subsequent years, the Commission has been unsuccessful in implementing adequate corrective action.

The Commission is responsible for the design, implementation, and maintenance of internal controls related to its operations to assure its critical and confidential data are adequately safeguarded. This responsibility is not limited due to the processes being outsourced.

The *Security and Privacy Controls for Information Systems and Organizations* (Special Publication 800-53, Fifth Revision) published by the National Institute of Standards and Technology (NIST), Maintenance and System and Service Acquisition sections, requires entities outsourcing their information technology environment or operations to obtain assurance over the entities' internal controls related to the services provided. Such assurance may be obtained through SOC reports or independent reviews.

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2025-008. **FINDING** (Lack of Adequate Controls over the Review of Internal Controls for Service Providers) (Continued)

Additionally, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Commission to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation.

Commission officials indicated the exceptions were due to competing priorities and the Commission's reliance on Department of Innovation and Technology, as the Commission operates as a client agency. As such, the Commission has not established adequate procedures to obtain and review SOC reports, including those related to subservice organizations.

Without adequate controls over the review of internal controls over its service providers, the Commission does not have assurance the service providers' internal controls are adequate to ensure its critical and confidential data are secure and available. (Finding Code No. 2025-008, 2023-008, 2021-008)

RECOMMENDATION

We recommend the Commission obtain SOC reports or conduct independent internal control reviews at least annually. In addition, we recommend the Commission:

- Monitor and document the operation of the Complementary User Entity Controls (CUECs) related to the Commission's operations.
- Either obtain and review SOC reports for subservice organizations or perform alternative procedures to satisfy itself that the existence of the subservice organization would not impact its internal control environment.
- Document its review of the SOC reports and review all significant issues with service providers and subservice organizations to ascertain if a corrective action plan exists and when it will be implemented, any impact to the Commission, and any compensating controls.

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2025-008. **FINDING** (Lack of Adequate Controls over the Review of Internal Controls for Service Providers) (Continued)

COMMISSION RESPONSE

The Commission agrees with the recommendation and will obtain SOC reports or conduct independent internal control reviews at least annually. The Commission will also implement procedures to monitor and document CUECs, obtain and review SOC reports for applicable subservice organizations or perform alternative procedures as necessary, and document its review of SOC reports, including evaluation of significant issues, corrective action plans, potential impacts, and any compensating controls.

**STATE OF ILLINOIS
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SCHEDULE OF FINDINGS - PRIOR FINDING NOT REPEATED
For the Two Years Ended June 30, 2025**

A. **FINDING** (Inadequate Controls over Reconciliations)

During the prior examination, the Commission did not ensure all monthly reconciliations of the Commission's cash and contract or obligations activity records to the records of the Office of Comptroller were performed.

During the current examination, our sample testing resulted in fewer exceptions which were reported in the Commission's *Independent Accountants' Report of Immaterial Findings*. (Finding Code No. 2023-005, 2021-005, 2019-003, 2017-002)

B. **FINDING** (Failure to Submit Internal Control Certifications)

During the prior examination, the Commission did not comply with the Fiscal Control and Internal Auditing Act.

During the current examination, our testing indicated the Commission submitted its internal control certification to the Auditor General. (Finding Code No. 2023-006, 2021-004, 2019-007)

C. **FINDING** (Noncompliance with the Interpreter for the Deaf License Act)

During the prior examination, the Commission did not comply with statutory requirements enumerated in the Interpreter for the Deaf Licensure Act of 2007.

During the current examination, our testing indicated the Commission implemented procedures to ensure all required statistical reports are accurately and adequately supported and timely published. (Finding Code No. 2023-007, 2021-007, 2019-005)

D. **FINDING** (Inadequate Controls over Travel)

During the prior examination, the Commission did not exercise adequate controls over travel.

During the current examination, our sample testing resulted in fewer exceptions which were reported in the Commission's *Independent Accountants' Report of Immaterial Findings*. (Finding Code No. 2023-012)