



**STATE OF ILLINOIS**

---

**OFFICE OF THE AUDITOR GENERAL**

---

**JOINT COMMITTEE  
ON ADMINISTRATIVE RULES**

**COMPLIANCE EXAMINATION  
FOR THE TWO YEARS ENDED JUNE 30, 2018**

---

---

**FRANK J. MAUTINO**

---

**AUDITOR GENERAL**

---

You can obtain reports by contacting:

Office of the Auditor General  
Hes Park Plaza  
740 E. Ash  
Springfield, IL 62703

217-782-6046 or TTY: 1-888-261-2887

OR

This Audit Report and a Report Digest are also available on the worldwide web at  
<http://www.auditor.illinois.gov>

STATE OF ILLINOIS  
JOINT COMMITTEE ON ADMINISTRATIVE RULES  
COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2018

**TABLE OF CONTENTS**

		<b><u>Page</u></b>
Committee Officials		1
Management Assertion Letter		2
Compliance Report:		
Summary		4
Independent Accountant’s Report on State Compliance, on Internal Control Over Compliance, and on Supplementary Information for State Compliance Purposes		5
Schedule of Findings		
Current Findings – State Compliance		9
Supplementary Information for State Compliance Purposes:		
Summary		15
Fiscal Schedules and Analysis		
Schedule of Appropriations, Expenditures, and Lapsed Balances - Fiscal Year 2018	1	16
Schedule of Appropriations, Expenditures, and Lapsed Balances - Fiscal Year 2017	2	17
Comparative Schedule of Net Appropriations, Expenditures, and Lapsed Balances	3	18
Schedule of Changes in State Property	4	19
Comparative Schedule of Cash Receipts and Reconciliation of Cash Receipts to Deposits Remitted to the State Comptroller	5	20
Analysis of Operations (Not Examined)		
Committee Functions and Planning Program (Not Examined)		21
Analysis of Significant Variations in Expenditures (Not Examined)		23
Analysis of Significant Variations in Receipts (Not Examined)		24
Analysis of Significant Lapse Period Spending (Not Examined)		25
Budget Impasse Disclosures (Not Examined)		26
Alternative Financing in Lieu of Appropriations and Programs to address Untimely Payments to Vendors (Not Examined)		27
Interest Costs on Fiscal Year 2017 Invoices (Not Examined)		28
Average Number of Employees (Not Examined)		29
Interagency Agreement (Not Examined)		30
Service Efforts and Accomplishments (Not Examined)		31

STATE OF ILLINOIS  
JOINT COMMITTEE ON ADMINISTRATIVE RULES  
COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2018

**COMMITTEE OFFICIALS**

Executive Director	Ms. Vicki Thomas
Deputy Director	Mr. Kevin Kulavic (09/01/2017 - Current) Vacant (07/01/2016 - 08/31/2017)
Office Manager	Ms. Crystal Woolard
Assistant Office Manager	Vacant (04/01/2019 - Current) Ms. Samantha Jostes (07/01/2016 - 03/31/2019)

The Committee's office is located at:

700 Stratton Office Building  
Springfield, Illinois 62706

# JOINT COMMITTEE ON ADMINISTRATIVE RULES

ILLINOIS GENERAL ASSEMBLY

CO-CHAIR:  
SEN. DON HARMON

CO-CHAIR:  
REP. KEITH WHEELER

EXECUTIVE DIRECTOR:  
VICKI THOMAS



SEN. KIMBERLY LIGHTFORD  
SEN. TONY MUÑOZ  
SEN. SUE REZIN  
SEN. PAUL SCHIMPF  
SEN. CHUCK WEAVER  
REP. TOM DEMMER  
REP. MIKE HALPIN  
REP. FRANCES ANN HURLEY  
REP. STEVEN REICK  
REP. ANDRE' THAPEDI

700 STRATTON BUILDING  
SPRINGFIELD, ILLINOIS 62706  
217/785-2254

## STATE COMPLIANCE EXAMINATION

### MANAGEMENT ASSERTION LETTER

Honorable Frank J. Mautino  
Auditor General  
State of Illinois  
Iles Park Plaza  
740 East Ash Street  
Springfield, Illinois 62703

September 25, 2019

Auditor General Mautino:

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 Joint Committee on Administrative Rules. 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 Joint Committee on Administrative Rules' compliance with the following assertions during the two-year period ended June 30, 2018. Based on this evaluation, we assert that during the years ended June 30, 2018, and June 30, 2017, the Joint Committee on Administrative Rules has materially complied with the assertions below.

- A. The Joint Committee on Administrative Rules 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 Joint Committee on Administrative Rules 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 Joint Committee on Administrative Rules 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 Joint Committee on Administrative Rules 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 Joint Committee on Administrative Rules on behalf of the State or held in trust by the Joint Committee on Administrative Rules have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Yours truly,

Joint Committee on Administrative Rules

**SIGNED ORIGINAL ON FILE**

---

Vicki Thomas, Executive Director

**SIGNED ORIGINAL ON FILE**

---

Crystal Woolard, Office Manager

STATE OF ILLINOIS  
 JOINT COMMITTEE ON ADMINISTRATIVE RULES  
 STATE COMPLIANCE EXAMINATION  
 For the Two Years Ended June 30, 2018

**COMPLIANCE REPORT**

**SUMMARY**

The compliance testing performed during this examination was conducted in accordance with *Government Auditing Standards* and the Illinois State Auditing Act.

**ACCOUNTANT’S REPORT**

The Independent Accountant’s Report on State Compliance, on Internal Control Over Compliance, and on Supplementary Information for State Compliance Purposes does not contain scope limitations, disclaimers, or other significant non-standard language.

**SUMMARY OF FINDINGS**

<u>Number of</u>	<u>Current Report</u>	<u>Prior Report</u>
Findings	2	0
Repeated Findings	0	0
Prior Recommendations Implemented or Not Repeated	0	1

**SCHEDULE OF FINDINGS**

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (STATE COMPLIANCE)			
2018-001	9	Voucher Processing Weaknesses	Significant Deficiency and Noncompliance
2018-002	13	Property Control Weaknesses	Significant Deficiency and Noncompliance

**EXIT CONFERENCE**

The Committee waived an exit conference in correspondence dated September 9, 2019, from Crystal Woolard, Office Manager. The Committee’s responses to the recommendations were provided by Crystal Woolard, Office Manager, in a correspondence dated September 25, 2019.

SPRINGFIELD OFFICE:  
ILES PARK PLAZA  
740 EAST ASH • 62703-3154  
PHONE: 217/782-6046  
FAX: 217/785-8222 • TTY: 888/261-2887  
FRAUD HOTLINE: 1-855-217-1895



CHICAGO OFFICE:  
MICHAEL A. BILANDIC BLDG. • SUITE S-900  
160 NORTH LASALLE • 60601-3103  
PHONE: 312/814-4000  
FAX: 312/814-4006  
FRAUD HOTLINE: 1-855-217-1895

OFFICE OF THE AUDITOR GENERAL  
FRANK J. MAUTINO

INDEPENDENT ACCOUNTANT'S REPORT ON STATE COMPLIANCE,  
ON INTERNAL CONTROL OVER COMPLIANCE, AND ON  
SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES

Honorable Frank J. Mautino  
Auditor General  
State of Illinois

**Compliance**

We have examined the State of Illinois, Joint Committee on Administrative Rules' compliance with the 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, 2018. The management of the State of Illinois, Joint Committee on Administrative Rules is responsible for compliance with these requirements. Our responsibility is to express an opinion on the State of Illinois, Joint Committee on Administrative Rules' compliance based on our examination.

- A. The State of Illinois, Joint Committee on Administrative Rules 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 State of Illinois, Joint Committee on Administrative Rules 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 State of Illinois, Joint Committee on Administrative Rules 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 State of Illinois, Joint Committee on Administrative Rules 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 State of Illinois, Joint Committee on Administrative Rules on behalf of the State or held in trust by the State of Illinois, Joint Committee on Administrative Rules 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 as adopted by the Auditor General pursuant to the Act (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 State of Illinois, Joint Committee on Administrative Rules complied, in all material respects, with the specified requirements listed above. An examination involves performing procedures to obtain evidence about whether the State of Illinois, Joint Committee on Administrative Rules complied with the specified requirements listed above. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance, whether due to fraud or error.

We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the State of Illinois, Joint Committee on Administrative Rules' compliance with specified requirements.

In our opinion, the State of Illinois, Joint Committee on Administrative Rules complied, in all material respects, with the compliance requirements listed in the first paragraph of this report during the two years ended June 30, 2018. However, the results of our procedures disclosed instances of noncompliance with the requirements, which are required to be reported in accordance with criteria established by the Audit Guide, issued by the Illinois Office of the Auditor General and which are described in the accompanying schedule of findings as items 2018-001 and 2018-002.

The State of Illinois, Joint Committee on Administrative Rules' responses to the findings identified in our examination are described in the accompanying schedule of findings. The State of Illinois, Joint Committee on Administrative Rules' responses were not subjected to the procedures applied in the compliance examination and, accordingly, we express no opinion on the responses.

The purpose of this report on compliance is solely to describe the scope of our testing and the results of that testing in accordance with the requirements of the Audit Guide issued by the Illinois Office of the Auditor General. Accordingly, this report is not suitable for any other purpose.

### **Internal Control**

Management of the State of Illinois, Joint Committee on Administrative Rules is responsible for establishing and maintaining effective internal control over compliance with the requirements

listed in the first paragraph of this report. In planning and performing our examination, we considered the State of Illinois, Joint Committee on Administrative Rules' internal control over compliance with the requirements listed in the first paragraph of this report to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Audit Guide, issued by the Illinois Office of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of the State of Illinois, Joint Committee on Administrative Rules' internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the State of Illinois, Joint Committee on Administrative Rules' internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with the requirements listed in the first paragraph of this report on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a requirement listed in the first paragraph of this report will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings as items 2018-001 and 2018-002, that we consider to be significant deficiencies.

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

The State of Illinois, Joint Committee on Administrative Rules' responses to the internal control findings identified in our examination are described in the accompanying schedule of findings. The State of Illinois, Joint Committee on Administrative Rules' responses were not subjected to the procedures applied in the compliance examination and, accordingly, we express no opinion on the responses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Audit Guide, issued by the Illinois Office of the Auditor General. Accordingly, this report is not suitable for any other purpose.

## **Supplementary Information for State Compliance Purposes**

Our examination was conducted for the purpose of forming an opinion on compliance with the requirements listed in the first paragraph of this report. The accompanying supplementary information for the years ended June 30, 2018, and June 30, 2017, in Schedules 1 through 5 and the Analysis of Operations Section is presented for purposes of additional analysis. We have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General to the June 30, 2018, and June 30, 2017, accompanying supplementary information in Schedules 1 through 5. However, we do not express an opinion on the accompanying supplementary information.

We have not applied procedures to the June 30, 2016, accompanying supplementary information in Schedules 3 through 5 and in the Analysis of Operations Section and, accordingly, we do not express an opinion or provide any assurance on it.

**SIGNED ORIGINAL ON FILE**

---

JANE CLARK, CPA  
Director of Financial and Compliance Audits

Springfield, Illinois  
September 25, 2019

STATE OF ILLINOIS  
JOINT COMMITTEE ON ADMINISTRATIVE RULES  
SCHEDULE OF FINDINGS – STATE COMPLIANCE  
For the Two Years Ended June 30, 2018

2018-001. **FINDING** (Voucher Processing Weaknesses)

The Joint Committee on Administrative Rules (Committee) did not exercise adequate control over voucher processing.

Non-Payroll Vouchers

During testing of 40 non-payroll vouchers, we noted the following:

- Five (13%) vouchers tested, totaling \$2,683, were not date stamped when received by the Committee. As such, we were not able to determine if the vouchers were approved timely or if interest was due on the invoices and properly paid.

The Illinois Administrative Code (Code) (74 Ill. Admin. Code 900.70(b)) requires the Committee to approve proper bills or deny bills with defects, in whole or in part, within 30 days after receipt. In addition, the State Prompt Payment Act (30 ILCS 540/3-2) generally requires the Committee, when it is late in payment of a vendor's bill or invoice for goods or services furnished to the State, to pay interest to the vendor. Further, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Committee to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance resources are utilized efficiently, effectively, and in compliance with applicable law.

- One (3%) voucher tested, totaling \$1,922, did not have the related equipment recorded on the Committee's property listing and thus was not reported to the Department of Central Management Services on the annual inventory certification report.

At the time, the Illinois Administrative Code (44 Ill. Admin. Code 5010.460) required the Committee to annually provide a listing of all equipment items valued in excess of \$500 to the Department of Central Management Services (CMS) (now, \$1,000). In addition, the Statewide Accounting Management System (SAMS) (Procedure 29.10.10) requires the Committee to maintain current property records, including cost, acquisition date, date placed in service, a short description of asset, location, and tag number. Further, the State Property Control Act (30 ILCS 605/6.02) requires the Committee to annually submit its permanent listing of property to the CMS.

- One (3%) voucher tested, totaling \$758, did not utilize the correct detail object code.

STATE OF ILLINOIS  
JOINT COMMITTEE ON ADMINISTRATIVE RULES  
SCHEDULE OF FINDINGS – STATE COMPLIANCE  
For the Two Years Ended June 30, 2018

SAMS (Procedure 17.20.20) requires the Committee to list the expenditure object code or codes applicable to the payment on the Form C-13. As described in SAMS (Procedure 11.10.50), the purpose of assigning a correct detail object code is to report expenditure information at a more refined level within a common object.

- During testing of 15 travel vouchers, we noted the following:
  - Seven (47%) vouchers tested, totaling \$3,239, had hotel rates reimbursed that were higher than the State rate, but did not document that at least three hotels were contacted before the higher rate was paid.

The Legislative Travel Control Board’s guidelines state a traveler must contact at least three hotels in an attempt to obtain the State rate. If, after contacting at least three hotels, the traveler is unable to obtain the State rate, then they may obtain lodging at the Federal rate without submitting an exception to the Legislative Travel Control Board.

- One (7%) voucher tested, totaling \$186, contained excessive mileage, which resulted in an overpayment of \$137 to the traveler.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Committee to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance resources are utilized efficiently, effectively, and in compliance with applicable law.

- One (7%) vouchers tested, totaling \$241, contained a non-business related item, totaling \$17, that was reimbursed to the traveler.

The Legislative Travel Control Board’s guidelines state the cost of reasonable business related expenses shall be reimbursable, and enumerate examples of non-reimbursable expenses.

Committee officials indicated these errors were due to oversight.

Interest

- Fiscal Year 2017 prompt payment interest totaling \$2,446, was not paid by the Committee.

STATE OF ILLINOIS  
JOINT COMMITTEE ON ADMINISTRATIVE RULES  
SCHEDULE OF FINDINGS – STATE COMPLIANCE  
For the Two Years Ended June 30, 2018

The State Prompt Payment Act (30 ILCS 540/3-2) and the Illinois Administrative Code (Code) (74 Ill. Admin. Code 900.100(a)) require interest to be paid under a daily simple interest rate of .033% (1% over a 30-day period) for every day elapsed following the 90<sup>th</sup> day after a vendor submits an eligible proper bill to the Committee. In addition, the Act (30 ILCS 540/3-2) states interest from similar warrants shall be accrued until the amount of interest due exceeds \$50. The Code (74 Ill. Admin. Code 900.100) notes the Committee must pay accumulated interest of \$50 or more within a reasonable period of time and amounts accumulated between \$5 and \$50 will be paid at the end of the fiscal year.

Committee officials indicated interest was not paid due to oversight.

Failure to record the receipt date of bills, properly record equipment purchases, properly code vouchers, and pay interest represents noncompliance with State laws and regulations. Further, failure to adequately review travel vouchers resulted in overpayments. (Finding Code No. 2018-001)

**RECOMMENDATION**

We recommend the Committee strengthen controls over voucher processing to ensure date of receipt is properly documented, purchases of equipment are properly recorded on property and equipment records, accurate detail object codes are utilized, travel vouchers are properly completed, and interest is paid in accordance with the State Prompt Payment Act. Further, the Committee should seek reimbursement for the identified overpayments.

**COMMITTEE RESPONSE**

JCAR will make sure all invoices are date stamped as they should be. There is no prompt payment issue as the lapse between the invoice dates and the voucher dates does not exceed 30 days.

JCAR added the property to Property Control as soon as the mistake was identified and will be more careful in the future.

The detail object code used was the one the Comptroller's Voucher Processing Unit instructed JCAR to use.

JCAR has always contacted 3 hotels while making the reservations for any hotel stays. Nothing in statute or CMS rules or Legislative Travel Control Board guidelines appears to require any documentation of this. In the future JCAR will note on the

STATE OF ILLINOIS  
JOINT COMMITTEE ON ADMINISTRATIVE RULES  
SCHEDULE OF FINDINGS – STATE COMPLIANCE  
For the Two Years Ended June 30, 2018

voucher the number of hotels contacted. All hotel rates paid by JCAR are under either the State rate or the IRS rate if applicable.

JCAR immediately contacted the 2 travelers involved and overpayments were reimbursed and deposited. JCAR will be more careful when preparing travel vouchers.

JCAR staff now understands that the Social Security portion of an employee's payment is not subject to prompt payment laws.

STATE OF ILLINOIS  
JOINT COMMITTEE ON ADMINISTRATIVE RULES  
SCHEDULE OF FINDINGS – STATE COMPLIANCE  
For the Two Years Ended June 30, 2018

2018-002. **FINDING** (Property Control Weaknesses)

The Joint Committee on Administrative Rules (Committee) did not exercise adequate control over its State property and equipment.

During testing of 120 equipment items, we noted the following:

- 27 (23%) items, totaling \$5,556, were located in a different geographical location than reported on the Committee’s property listing.
- Two (2%) items, totaling \$308, did not have a location listed on the Committee’s property listing.

The Statewide Accounting Management System (SAMS) (Procedure 29.10.10) requires the Committee to maintain current property records, including each item’s location. Additionally, the Illinois Administrative Code (Code) (44 Ill. Admin. Code 5010.230) requires the Committee to enter each item’s location code number on its property listing.

- Five of 120 (4%) items, totaling \$1,347, could not be located.

The State Property Control Act (30 ILCS 605/4) requires the Committee to be accountable for the supervision, control, and inventory of its property. Further, the State Property Control Act (30 ILCS 605/6.02) requires the Committee to maintain a permanent record of all items of property under its jurisdiction and control.

Committee officials indicated the weaknesses noted above were caused by human error.

Failure to exercise adequate control over property and maintain accurate property control records increases the potential for fraud and possible loss or theft of State property, reduces the reliability of Statewide property information, and represents noncompliance with State laws and regulations. (Finding Code No. 2018-002)

**RECOMMENDATION**

We recommend the Committee take action to strengthen its controls over the recording and reporting of its State property and equipment to provide assurance the Committee is in compliance with applicable State laws and regulations.



STATE OF ILLINOIS  
JOINT COMMITTEE ON ADMINISTRATIVE RULES  
SCHEDULE OF FINDINGS – STATE COMPLIANCE  
For the Two Years Ended June 30, 2018

**COMMITTEE RESPONSE**

JCAR acknowledges that the property was not in the locations listed. Due to the nature of the property, it is frequently used in various areas of the suite. These 2 items have been removed from the property listing. Locations will be listed for all property valued over \$1000, as required by 44 Ill. Adm. Code 5010. The remaining 5 tags have been approved for deletion by CMS.

STATE OF ILLINOIS  
JOINT COMMITTEE ON ADMINISTRATIVE RULES  
COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2018

**SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES**

**SUMMARY**

Supplementary Information for State Compliance Purposes presented in this section of the report includes the following:

- Fiscal Schedules and Analysis:

- Schedule of Appropriations, Expenditures, and Lapsed Balances – Fiscal Year 2018

- Schedule of Appropriations, Expenditures, and Lapsed Balances – Fiscal Year 2017

- Comparative Schedule of Net Appropriations, Expenditures, and Lapsed Balances

- Schedule of Changes in State Property

- Comparative Schedule of Cash Receipts and Reconciliation of Cash Receipts to Deposits Remitted to the State Comptroller

- Analysis of Operations (Not Examined):

- Committee Functions and Planning Program (Not Examined)

- Analysis of Significant Variations in Expenditures (Not Examined)

- Analysis of Significant Variations in Receipts (Not Examined)

- Analysis of Significant Lapse Period Spending (Not Examined)

- Budget Impasse Disclosures (Not Examined)

- Alternative Financing in Lieu of Appropriations and Programs to Address Untimely Payments to Vendors (Not Examined)

- Interest Costs on Fiscal Year 2017 Invoices (Not Examined)

- Average Number of Employees (Not Examined)

- Interagency Agreement (Not Examined)

- Service Efforts and Accomplishments (Not Examined)

The accountant's report that covers the Supplementary Information for State Compliance Purposes presented in the Compliance Report Section states the accountants have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General to the June 30, 2018, and June 30, 2017, accompanying supplementary information in Schedules 1 through 5. However, the accountants do not express an opinion on the supplementary information. The accountant's report also states that they have not applied procedures to the Analysis of Operations Section and, accordingly, they do not express an opinion or provide any assurance on it.

STATE OF ILLINOIS  
 JOINT COMMITTEE ON ADMINISTRATIVE RULES  
**SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES**  
 Appropriations for Fiscal Year 2018

For the Fifteen Months Ended September 30, 2018

Public Act 100-0021 FISCAL YEAR 2018	Appropriations	Expenditures Through June 30	Lapse Period		Total Expenditures 15 Months Ended September 30	Balances Lapsed September 30
			Expenditures July 1 to September 30	September 30		
<u>General Revenue Fund - 001</u>						
Operational Expenses	\$ 1,140,700	\$ 931,410	\$ 2,189		\$ 933,599	\$ 207,101
<b>GRAND TOTAL</b>	<b>\$ 1,140,700</b>	<b>\$ 931,410</b>	<b>\$ 2,189</b>		<b>\$ 933,599</b>	<b>\$ 207,101</b>

Note 1: Appropriations, expenditures, and lapsed balances were obtained from the State Comptroller's records as of September 30, 2018, and have been reconciled to Committee records.

Note 2: Expenditure amounts are vouchers approved for payment by the Committee and submitted to the State Comptroller for payment to the vendor.

Note 3: Notwithstanding anything within Public Act 100-0021 to the contrary, Public Act 100-0021 authorized the Committee to pay for all costs incurred prior to July 1, 2018, using its Fiscal Year 2018 appropriations for non-payroll expenditures. The Analysis of Operations section of this report at page 26 includes information from Committee management about the number of invoices and the total dollar amount of invoices from Fiscal Year 2017 held by the Committee which were submitted against its Fiscal Year 2018 appropriation.

STATE OF ILLINOIS  
 JOINT COMMITTEE ON ADMINISTRATIVE RULES  
**SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES**  
 Expenditure Authority for Fiscal Year 2017

For the Fifteen Months Ended September 30, 2017

Continuing Appropriation FISCAL YEAR 2017	Expenditure Authority	Expenditures Through June 30	Lapse Period		Total Expenditures 15 Months Ended September 30	Balances Lapsed September 30
			Expenditures July 1 to September 30	September 30		
<u>General Revenue Fund - 001</u>						
Operational Expenses	\$ 1,140,700	\$ 886,523	\$ 1,689	\$ 888,212	\$ 252,488	
<b>GRAND TOTAL</b>	<u>\$ 1,140,700</u>	<u>\$ 886,523</u>	<u>\$ 1,689</u>	<u>\$ 888,212</u>	<u>\$ 252,488</u>	

Note 1: Expenditure authority, appropriations, expenditures, and lapsed balances were obtained from the State Comptroller's records as of September 30, 2017, and have been reconciled to Committee records.

Note 2: Expenditure amounts are vouchers approved for payment by the Committee and submitted to the State Comptroller for payment to the vendor.

Note 3: The Civil Administrative Code (State Budget Law) (15 ILCS 20/50-22(b)) provides aggregate appropriations available for legislative operations for all funds for each fiscal year shall not be less than the aggregate appropriations made available for legislative operations during the immediately preceding fiscal year. The Circuit Court of Cook County in *People v. Munger* (15 CH 10243) ordered the State Comptroller, in the absence of enacted annual appropriations, to process and pay certified invoice vouchers from the State's legislative branch agencies pursuant to this statute. Therefore, the Committee's Fiscal Year 2015 appropriation for Fund 001 was carried forward to become the Committee's Fiscal Year 2017 expenditure authority for Fund 001.

STATE OF ILLINOIS  
 JOINT COMMITTEE ON ADMINISTRATIVE RULES  
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,  
 EXPENDITURES, AND LAPSED BALANCES**

For the Fiscal Years Ended June 30,

	Fiscal Year		
	2018	2017	2016
	P.A. 100-0021	Continuing Appropriations	Continuing Appropriations
<b>General Revenue Fund - 001</b>			
Expenditure Authority	\$ 1,140,700	\$ 1,140,700	\$ 1,140,700
Expenditures			
Operational Expenses	933,599	888,212	991,610
Total Expenditures	\$ 933,599	\$ 888,212	\$ 991,610
Lapsed Balances	\$ 207,101	\$ 252,488	\$ 149,090

Note 1: Fiscal Year 2018 and Fiscal Year 2017 expenditure authority, appropriations, expenditures, and lapsed balances were obtained from the State Comptroller's records as of September 30, 2018, and September 30, 2017, respectively, and have been reconciled to Committee records.

Note 2: Expenditure amounts are vouchers approved for payment by the Committee and submitted to the State Comptroller for payment to the vendor.

Note 3: The Civil Administrative Code (State Budget Law) (15 ILCS 20/50-22(b)) provides aggregate appropriations available for legislative operations for all funds for each fiscal year shall not be less than the aggregate appropriations made available for legislative operations during the immediately preceding fiscal year. The Circuit Court of Cook County in *People v. Munger* (15 CH 10243) ordered the State Comptroller, in the absence of enacted annual appropriations, to process and pay certified invoice vouchers from the State's legislative branch agencies pursuant to this statute. Therefore, the Committee's Fiscal Year 2015 appropriation for Fund 001 was carried forward to become the Committee's Fiscal Year 2017 expenditure authority for Fund 001.

Note 4: Notwithstanding anything within Public Act 100-0021 to the contrary, Public Act 100-0021 authorized the Committee to pay for all costs incurred prior to July 1, 2018, using its Fiscal Year 2018 appropriations for non-payroll expenditures. The Analysis of Operations section of this report at page 26 includes information from Committee management about the number of invoices and the total dollar amount of invoices from Fiscal Year 2017 held by the Committee which were submitted against its Fiscal Year 2018 appropriation.

STATE OF ILLINOIS  
 JOINT COMMITTEE ON ADMINISTRATIVE RULES  
**SCHEDULE OF CHANGES IN STATE PROPERTY**  
 For the Two Years Ended June 30, 2018

	<u>Equipment</u>
Balance at July 1, 2016	\$ 106,501
Additions	18,404
Deletions	-
Net Transfers	<u>-</u>
Balance at June 30, 2017	<u>\$ 124,905</u>
Balance at July 1, 2017	\$ 124,905
Additions	1,575
Deletions	-
Net Transfers	<u>(57,096)</u>
Balance at June 30, 2018	<u>\$ 69,384</u>

Note: This schedule has been derived from the Joint Committee on Administrative Rules' records, which have been reconciled to property reports submitted to the Office of the State Comptroller.

STATE OF ILLINOIS  
 JOINT COMMITTEE ON ADMINISTRATIVE RULES  
**COMPARATIVE SCHEDULE OF CASH RECEIPTS AND  
 RECONCILIATION OF CASH RECEIPTS TO  
 DEPOSITS REMITTED TO THE STATE COMPTROLLER**  
 For the Years Ended June 30,

	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>General Revenue Fund - 001</b>			
Sales of Annual Reports	\$ 15	\$ -	\$ 6
Miscellaneous	-	-	277
Total Cash Receipts per Committee	<u>15</u>	<u>-</u>	<u>283</u>
Less - In Transit at End of Year	-	-	-
Plus - In Transit at Beginning of Year	-	-	85
Total Cash Receipts per State Comptroller's Records	<u>\$ 15</u>	<u>\$ -</u>	<u>\$ 368</u>
<b>General Assembly Computer Equipment Revolving Fund - 155</b>			
Sales of the Database of the Illinois Administrative Code	\$ 16,000	\$ 32,000	\$ 16,000
Total Cash Receipts per Committee	<u>16,000</u>	<u>32,000</u>	<u>16,000</u>
Less - In Transit at End of Year	-	-	-
Plus - In Transit at Beginning of Year	-	-	-
Total Cash Receipts per State Comptroller's Records	<u>\$ 16,000</u>	<u>\$ 32,000</u>	<u>\$ 16,000</u>
<b>GRAND TOTAL - ALL FUNDS</b>			
Total Cash Receipts per Committee	\$ 16,015	\$ 32,000	\$ 16,283
Less - In Transit at End of Year	-	-	-
Plus - In Transit at Beginning of Year	-	-	85
Total Cash Receipts per State Comptroller's Records - All Funds	<u>\$ 16,015</u>	<u>\$ 32,000</u>	<u>\$ 16,368</u>

STATE OF ILLINOIS  
JOINT COMMITTEE ON ADMINISTRATIVE RULES  
**COMMITTEE FUNCTIONS AND PLANNING PROGRAM**  
For the Two Years Ending June 30, 2018

(NOT EXAMINED)

The Joint Committee on Administrative Rules (Committee) was established in 1977 to ensure the laws enacted by the General Assembly are appropriately implemented through administrative law.

The Committee is comprised of six senators and six representatives. The Committee convenes monthly in Chicago unless the General Assembly is in session. If the General Assembly is in session, the Committee convenes in Springfield.

The Committee members as of June 30, 2018, were as follows:

- Senator Don Harmon, Co-Chair
- Representative Keith Wheeler, Co-Chair
- Senator Pamela Althoff
- Senator Karen McConnaughay
- Senator Tony Munoz
- Senator Ira Silverstein
- Senator Chuck Weaver
- Representative Peter Breen
- Representative Barabara Flynn Currie
- Representative Tom Demmer
- Representative Andre Thapedi
- Representative Greg Harris

**Functions**

The function of the Committee is the promotion of adequate and proper rules by agencies. The specific duties and authorities of the Committee are outlined in the Illinois Administrative Procedure Act (Act) (5 ILCS 100/5-5 et seq.) with the rulemaking process. In addition, the Committee is responsible for monitoring and investigating agencies' compliance with the provisions of the Act, making periodic investigations of the rulemaking activities of all agencies, and evaluating and reporting on all rules in terms of their propriety, legal adequacy, relation to statutory authorization, economic and budgetary effects, and public policy.

**Planning**

The Committee does not have a formal planning and monitoring function. However, all Committee objectives are clearly defined in the Act. The Committee's main priority is to review new rules and proposed changes to the *Illinois Administrative Code*. This is completed on a



STATE OF ILLINOIS  
JOINT COMMITTEE ON ADMINISTRATIVE RULES  
**COMMITTEE FUNCTIONS AND PLANNING PROGRAM**  
For the Two Years Ending June 30, 2018

(NOT EXAMINED)

monthly basis and reported to the Committee members at their monthly meeting. The Committee reports its activities and accomplishments throughout the year in its Annual Report to the General Assembly.

The Committee's short-term goals continue to be centered upon reviewing every rulemaking that goes to Second Notice in a thorough and timely manner so that Committee members have accurate information on which to base their rulemaking decisions at the Committee's monthly meetings.

In addition, the following goals must be met:

- Provide agencies with accurate *Illinois Administrative Code* and *Illinois Register* versions of their rulemakings that may be filed with the Secretary of State for adoption and publication following consideration at a Committee meeting;
- Prepare the *Illinois Register* for publication each week;
- Maintain the *Illinois Administrative Code* on the Legislative Information System database and update it weekly to reflect newly adopted rulemakings;
- Write and publish the *Flinn Report*, the Committee's weekly newsletter, to educate and inform the public concerning proposed and adopted rulemakings and the rulemaking process; and,
- Investigate in a timely manner any complaints concerning agency rulemaking that are brought to the Committee's attention.

The Committee's long-term goals include:

- Increasing the number of State agencies that voluntarily use the Committee-generated *Illinois Register* and *Illinois Administrative Code* materials for filing adopted rulemaking text with the Secretary of State;
- Working with the Legislative Information System to refine the programs used to create and maintain the *Illinois Register* and *Illinois Administrative Code* on the internet; and,
- Working with the Secretary of State Code Division within the Index Department to ensure the accuracy of the file books of adopted rules maintained by both the Committee and Secretary of State.

STATE OF ILLINOIS  
JOINT COMMITTEE ON ADMINISTRATIVE RULES  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES**  
For the Two Years Ended June 30, 2018

(NOT EXAMINED)

**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2018 AND 2017**

**General Revenue Fund – 001**

No significant variations were noted between Fiscal Year 2018 and Fiscal Year 2017.

**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2017 AND 2016**

**General Revenue Fund – 001**

No significant variations were noted between Fiscal Year 2017 and Fiscal Year 2016.

STATE OF ILLINOIS  
JOINT COMMITTEE ON ADMINISTRATIVE RULES  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS**  
For the Two Fiscal Years Ended June 30, 2018

(NOT EXAMINED)

**ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BETWEEN FISCAL YEARS 2018 AND 2017**

**General Assembly Computer Equipment Revolving Fund – 155**

The Committee receives monies from the sale of megabytes of information for updates of the *Illinois Administrative Code* and the *Illinois Register* collected in the Legislative Information System database it maintains. Updates are distributed to the vendor only after prepayment is made. Fiscal Year 2018 receipts decreased due to a vendor submitting prepayments totaling \$16,000 compared to prepayments totaling \$32,000 in Fiscal Year 2017.

**ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BETWEEN FISCAL YEARS 2017 AND 2016**

**General Assembly Computer Equipment Revolving Fund – 155**

The Committee receives monies from the sale of megabytes of information for updates of the *Illinois Administrative Code* and the *Illinois Register* collected in the Legislative Information System database it maintains. Updates are distributed to the vendor only after prepayment is made. Fiscal Year 2017 receipts increased due to a vendor submitting prepayments totaling \$32,000 compared to prepayments totaling \$16,000 in Fiscal Year 2016.

STATE OF ILLINOIS  
JOINT COMMITTEE ON ADMINISTRATIVE RULES  
**ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING**  
For the Two Years Ended June 30, 2018

(NOT EXAMINED)

There were no significant expenditures incurred during the Lapse Period for Fiscal Year 2018 or Fiscal Year 2017.

STATE OF ILLINOIS  
JOINT COMMITTEE ON ADMINISTRATIVE RULES  
**BUDGET IMPASSE DISCLOSURES**  
For the Two Years Ended June 30, 2018

(NOT EXAMINED)

Payment of Prior Year Costs in Future Fiscal Years

All of the Joint Committee on Administrative Rules' (Committee's) Fiscal Year 2016 and Fiscal Year 2017 costs were paid pursuant to continuing appropriation. The Committee did not have any outstanding unpaid invoices from either Fiscal Year 2016 or Fiscal Year 2017 after the closure of the Fiscal Year 2016 Lapse Period on August 31, 2016, and the closure of the Fiscal Year 2017 Lapse Period on September 30, 2017, respectively.

In addition, Article 998 of Public Act 100-0021 authorized the Committee to pay its unpaid Fiscal Year 2016 and Fiscal Year 2017 costs using the Committee's Fiscal Year 2018 appropriation for non-payroll expenditures. The Committee did not have any outstanding invoices from Fiscal Year 2017 unpaid after the closure of the Fiscal Year 2017 Lapse Period on September 30, 2017. Therefore, the Committee did not use its Fiscal Year 2018 appropriations to pay its Fiscal Year 2016 or Fiscal Year 2017 costs.

STATE OF ILLINOIS  
JOINT COMMITTEE ON ADMINISTRATIVE RULES  
**ALTERNATIVE FINANCING IN LIEU OF APPROPRIATIONS AND  
PROGRAMS TO ADDRESS UNTIMELY PAYMENTS TO VENDORS**  
For the Two Years Ended June 30, 2018

(NOT EXAMINED)

Transactions Involving the Illinois Finance Authority

The Joint Committee on Administrative Rules (Committee) and its vendors did not participate in alternative financing in lieu of enacted appropriations involving the Illinois Finance Authority during Fiscal Year 2017.

Transactions Involving the Vendor Payment Program and Vendor Support Initiative Program

None of the Committee's vendors participated in the Vendor Payment Program (VPP) or the Vendor Support Initiative Program (VSI) during Fiscal Year 2017.

STATE OF ILLINOIS  
 JOINT COMMITTEE ON ADMINISTRATIVE RULES  
**INTEREST COSTS ON FISCAL YEAR 2017 INVOICES**  
 For the Two Years Ended June 30, 2018

(NOT EXAMINED)

Prompt Payment Interest Costs

The Joint Committee on Administrative Rules (Committee) calculated prompt payment interest due to vendors under the State Prompt Payment Act (Act) (30 ILCS 540) using the vendor's proper bill date through the date the State Comptroller issued a warrant to the vendor, regardless of when and if an enacted appropriation existed during Fiscal Year 2017. The Act (30 ILCS 540/3-2) and the Illinois Administrative Code (74 Ill. Admin. Code 900.100) require interest to be paid under a daily simple interest rate of .033% (1% over a 30-day period) for every day elapsed following the 90th day after a vendor submits an eligible proper bill to the Committee. The following chart shows the Committee's prompt payment interest incurred related to Fiscal Year 2017 invoices, calculated on the accrual basis of accounting, through June 30, 2017, by fund:

**PROMPT PAYMENT INTEREST INCURRED**  
 Year Ended June 30, 2017

<u>Fund #</u>	<u>Fund Name</u>	<u>Invoices</u>	<u>Vendors</u>	<u>Dollar Value</u>
001	General Revenue Fund	<u>9</u>	<u>6</u>	<u>\$ 100</u>
		<u>9</u>	<u>6</u>	<u>\$ 100</u>

Note: An exception was reported in Finding 2018-001 on page 9 regarding the payment of prompt payment interest.

STATE OF ILLINOIS  
 JOINT COMMITTEE ON ADMINISTRATIVE RULES  
**AVERAGE NUMBER OF EMPLOYEES**  
 For the Two Years Ended June 30, 2018

(NOT EXAMINED)

The following table, prepared from Committee records, presents the average number of employees, by function, for the Fiscal Year Ended June 30,

<b><u>Division</u></b>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Executive Director	1	1	1
<b>Rules Review Division</b>			
Attorney	2	2	2
Analyst	5	5	6
<b>Administrative Affairs Division</b>			
Deputy Director	1	0	1
<b>Support Division</b>			
Office Manager	1	1	1
Assistant Office Manager	1	1	1
<b>Administrative Code</b>			
Manager	0	0	1
Input Operator	2	3	4
Total Average Employees	<u>13</u>	<u>13</u>	<u>17</u>



STATE OF ILLINOIS  
JOINT COMMITTEE ON ADMINISTRATIVE RULES  
**INTERAGENCY AGREEMENT**  
For the Two Years Ended June 30, 2018

(NOT EXAMINED)

The Committee entered into an interagency agreement with the Legislative Information System (System) in March 1994. The agreement outlined and defined the shared statutory responsibilities between the System and the Committee for the maintenance of the electronically stored database of the *Illinois Register* and *Illinois Administrative Code* as defined in the Illinois Administrative Procedure Act (5 ILCS 100/5-80(j)) and the Legislative Information System Act (25 ILCS 145/5.08). Effective January 26, 1994, Public Act 88-535 expanded access of the database to the public in general, and particularly print and electronic publishers, for the purpose of a more thorough dissemination. The interagency agreement charged the Committee with the responsibility to enter into agreements for responding to requests from the public for electronically stored copies of the database materials and assessing a related fee.

STATE OF ILLINOIS  
 JOINT COMMITTEE ON ADMINISTRATIVE RULES  
**SERVICE EFFORTS AND ACCOMPLISHMENTS**  
 For the Two Years Ending June 30, 2018

(NOT EXAMINED)

<u>Rulemakings Processes</u>	<u>Fiscal Year</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
Rules Proposed	384	388	341
Rules Considered	382	337	365
Recodifications	22	19	*
No Objections	368	327	331
Recommendations	2	8	7
Objections	10	2	24
Prohibitions with Objections	0	0	1
Withdrawn by Agency	1	0	0
Predrafts Transmitted to Agencies	106	90	*

\*Note: Information regarding Recodifications and Predrafts Transmitted to Agencies was not reported in the prior period.

