

STATE OF ILLINOIS  
DEPARTMENT OF CORRECTIONS  
BIG MUDDY RIVER CORRECTIONAL CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION

For the Two Years Ended June 30, 2008

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

STATE OF ILLINOIS  
DEPARTMENT OF CORRECTIONS  
BIG MUDDY RIVER CORRECTIONAL CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2008

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DEPARTMENT OF CORRECTIONS  
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**CENTER OFFICIALS**

Warden

Current  
08/18/07 – 10/15/07  
06/01/06 – 08/17/07

Mr. John Evans  
Mr. Jay Merchant  
Mr. Roy Bradford

Assistant Warden – Programs

Current  
06/01/04 – 08/15/07

Mr. William Peyton  
Ms. Julie Wilkerson

Assistant Warden – Operations

Current

Mr. Robert Hilliard

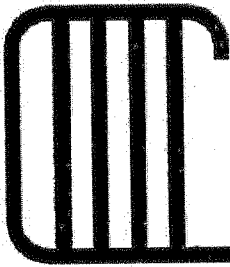
Business Office Administrator

Current

Mr. Brent Finley

The Center is located at:

251 N. Illinois Highway 37  
Ina, IL 62846-1000



**Illinois**  
Department of  
**Corrections**

Pat Quinn  
Governor

Roger E. Walker Jr.  
Director

Big Muddy Correctional Center  
251 N. Illinois Highway 37, P.O. Box 1000  
Ina, IL 62846-1000

Telephone: (618) 437-5300  
TDD: (800) 526-0844

April 3, 2009

Schorb & Schmersahl, LLC  
518 North Main Street  
Columbia, Illinois 62236

Ladies and Gentleman:

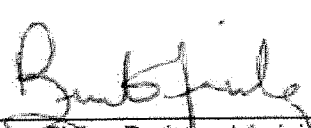
We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the Center. We are responsible for and we have established and maintained an effective system of internal controls over compliance requirements. We have performed an evaluation of the Center's compliance with the following assertions during the two years ended June 30, 2008. Based on this evaluation, we assert that during the years ended June 30, 2008 and June 30, 2007, the Center has materially complied with the assertions below.

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

Yours very truly,

Big Muddy River Correctional Center

  
John Evans, Warden

  
Brent Finley, Business Administrator

STATE OF ILLINOIS  
DEPARTMENT OF CORRECTIONS  
BIG MUDDY RIVER CORRECTIONAL CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2008

**COMPLIANCE REPORT**

**SUMMARY**

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

**ACCOUNTANTS' REPORT**

The Independent Accountants' Report on State Compliance, on Internal Control Over Compliance and on Supplementary Information for State Compliance Purposes (Report) relates only to those chapters of the "Audit Guide for Performing Financial Audits and Compliance Attestation Engagements of Illinois State Agencies" (*Audit Guide*) which are identified in the Report as having testing performed and does not contain scope limitations, disclaimers, or other significant non-standard language.

**SUMMARY OF FINDINGS**

<u>Number of</u>	<u>This Report</u>	<u>Prior Report</u>
Findings	4	3
Repeated findings	2	1
Prior recommendations implemented or not repeated	1	1

Details of findings are presented in a separately tabbed report section.

**SCHEDULE OF FINDINGS**

CURRENT FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
08-1	10-11	Inadequate Controls Over Inventory	Material Weakness and Material Noncompliance
08-2	12-13	Inaccurate Property Reporting	Significant Deficiency and Noncompliance
08-3	14-16	Locally Held Fund Weaknesses	Significant Deficiency and Noncompliance
08-4	17	Computer Access	Significant Deficiency

STATE OF ILLINOIS  
DEPARTMENT OF CORRECTIONS  
BIG MUDDY RIVER CORRECTIONAL CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2008

PRIOR FINDINGS NOT REPEATED

<u>Item No.</u>	<u>Page</u>	<u>Description</u>
A	18	Surplus Inventory

**EXIT CONFERENCE**

The findings and recommendations appearing in this report were discussed with Center personnel at an exit conference on March 4, 2009. Attending were:

**BIG MUDDY CORRECTIONAL CENTER**

Brent Finley	Business Administrator
Scott Culli	Accountant Advanced

**DEPARTMENT OF CORRECTIONS**

Mary Ann Bohlen	Manager via telephone
Joe Deady	Manager via telephone

**OFFICE OF THE AUDITOR GENERAL**

Alison Schertz	Audit Manager
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**SCHORB & SCHMERSAHL, LLC**

Denise Hesler	Audit Manager
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Responses to the recommendations were provided in a letter contained in an electronic message received March 23, 2009.

**INDEPENDENT ACCOUNTANTS' REPORT ON STATE COMPLIANCE,  
ON INTERNAL CONTROL OVER COMPLIANCE, AND ON  
SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES**

Honorable William G. Holland  
Auditor General  
State of Illinois

**Compliance**

As Special Assistant Auditors for the Auditor General, we performed a limited scope compliance examination of the State of Illinois Department of Corrections – Big Muddy River Correctional Center's compliance with the requirements listed below, as more fully described in the Audit Guide for Performing 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, 2008. The management of the State of Illinois Department of Corrections – Big Muddy River Correctional Center is responsible for compliance with these requirements. Our responsibility is to express an opinion on the State of Illinois Department of Corrections – Big Muddy River Correctional Center's compliance based on our examination.

- A. The State of Illinois Department of Corrections – Big Muddy River Correctional Center - 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 Department of Corrections – Big Muddy River Correctional Center 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 Department of Corrections – Big Muddy River Correctional Center has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. For the locally held funds examined the State revenues and receipts collected by the State of Illinois Department of Corrections – Big Muddy River Correctional Center 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 Department of Corrections – Big Muddy River Correctional Center on behalf of the State or held in trust by the State of Illinois Department of Corrections – Big Muddy River Correctional Center have been properly and legally administered and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Our limited scope compliance examination of the Center was limited to the following areas of the *Audit Guide*:

- Chapter 8 – Personal Services Expenditures
- Chapter 9 – Contractual Services Expenditures
- Chapter 11 – Commodities Expenditures
- Chapter 18 – Appropriations, Transfers and Expenditures
- Chapter 22 – Review of Agency Functions and Planning Program
- Chapter 30 – Auditing Compliance with Agency Specific Statutory Mandates

The areas of the *Audit Guide* not examined at the Center have had procedures performed on a Department-wide basis through the compliance examination of the State of Illinois Department of Correction's - General Office, and accordingly, any findings from the results of those procedures have been included in the State of Illinois Department of Corrections – General Office compliance report.

We conducted our examination 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; and, accordingly, included examining, on a test basis, evidence about the State of Illinois Department of Corrections – Big Muddy River Correctional Center's compliance with those requirements listed in the first paragraph of this report and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the State of Illinois Department of Corrections – Big Muddy River Correctional Center's compliance with specified requirements.

As described in Finding Code No. 08-1 in the accompanying Schedule of Findings, the State of Illinois Department of Corrections – Big Muddy River Correctional Center did not materially comply with requirements regarding:

- C. The State of Illinois Department of Corrections – Big Muddy River Correctional Center has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.

Compliance with such requirement is necessary, in our opinion, for the State of Illinois Department of Corrections – Big Muddy River Correctional Center to comply with the requirements listed in the first paragraph of this report.

In our opinion, except for the noncompliance described in the preceding paragraph, the State of Illinois Department of Corrections – Big Muddy River Correctional Center complied, in all material respects, with the requirements listed in the first paragraph of this report during the two years ended June 30, 2008. However, the results of our procedures disclosed instances of noncompliance with those 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 Finding Code No.'s 08-2 and 08-3.



## Internal Control

The management of the State of Illinois Department of Corrections – Big Muddy River Correctional Center 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 limited scope compliance examination, we considered the State of Illinois Department of Corrections – Big Muddy River Correctional Center’s internal control over compliance with the requirements listed in the first paragraph of this report in order to determine our examination procedures 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 Department of Corrections – Big Muddy River Correctional Center’s internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the State of Illinois Department of Corrections – Big Muddy River Correctional Center’s internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies and other deficiencies we consider to be material weaknesses.

A *control deficiency* in an entity’s internal control over compliance 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 noncompliance with the requirements listed in the first paragraph of this report on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity’s ability to comply with the requirements listed in the first paragraph of this report such that there is more than a remote likelihood that noncompliance with a requirement that is more than inconsequential will not be prevented or detected by the entity’s internal control. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings as Finding Codes No.’s 08-1, 08-2, 08-3 and 08-4 to be significant deficiencies.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a requirement listed in the first paragraph of this report will not be prevented or detected by the entity’s internal control. Of the significant deficiencies in internal control over compliance described in the accompanying Schedule of Findings, we consider Finding Code No. 08-1 to be a material weakness.

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

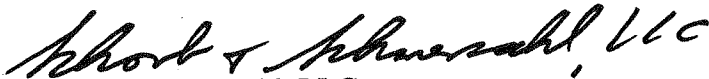
The State of Illinois Department of Corrections – Big Muddy River Correctional Center’s response to the findings identified in our examination are described in the accompanying Schedule of Findings. We did not examine the State of Illinois Department of Corrections – Big Muddy River Correctional Center’s responses and, accordingly, we express no opinion on it.

## 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 as listed in the table of contents as Supplementary Information for State Compliance Purposes 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 2008 and 2007 Supplementary Information for State Compliance Purposes, except for information on the Comparative Schedule of Cash Receipts and Deposits, Schedule of Changes in Inventories, Employee Overtime, Annual Cost Statistics and Service Efforts and Accomplishments on which we did not perform any procedures. However, we do not express an opinion on the supplementary information.

We have not applied procedures to the 2006 Supplementary Information for State Compliance Purposes, and accordingly, we do not express an opinion thereon.

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, Center and Department management, and is not intended to be and should not be used by anyone other than these specified parties.



Schorb & Schmersahl, LLC

Columbia, Illinois

April 3, 2009

STATE OF ILLINOIS  
DEPARTMENT OF CORRECTIONS  
BIG MUDDY RIVER CORRECTIONAL CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
SCHEDULE OF FINDINGS  
For the Two Years Ended June 30, 2008

**CURRENT FINDINGS**

08-1. Finding - Inadequate Controls Over Inventory

The review of Big Muddy River Correctional Center's (Center) inventory procedures disclosed numerous control weaknesses.

We noted the following issues during our current examination of inventory:

- Seven of 22 (32%) inventory items tested were valued incorrectly resulting in an inventory overstatement of \$5,620 at June 30, 2008 and \$18,248 at June 30, 2007.
- The Center's inventory software, The Inventory Management System (TIMS), is not assigning the cost of freight to the unit cost of inventory items. The over/under statement is undeterminable.
- The Center does not use any type of tagging system during General Revenue inventory counts to prevent double counting.

Inventory items should be properly priced as detailed in the Department's Administrative Directive (02.82.114). The Statewide Accounting Management System (SAMS) Procedure 03.60.20 states that the cost of the inventory item is the price paid or the consideration given to acquire the inventory item. Included in the cost are all direct and indirect costs incurred during transportation. Good internal controls dictate the use of a tagging system during inventory counts to ensure the accuracy of the count.

Center management stated the above exceptions were the result of unintentional errors attributed to the lack of adequately trained staff. The pricing errors were caused by entering the incorrect units from receiving reports and then adjusting quantities later without adjusting per unit costs.

A lack of proper inventory price reporting, costing and procedures increases the possibility that inventory balances could be misstated and distort the financial position of the Center. (Finding Code No. 08-1, 06-1, 04-2).

**Recommendation**

We recommend the Center comply with the Department's Administrative Directives and institute procedures to strengthen controls over inventory, counting procedures and proper pricing.

DEPARTMENT OF CORRECTIONS  
BIG MUDDY RIVER CORRECTIONAL CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
SCHEDULE OF FINDINGS  
For the Two Years Ended June 30, 2008

**CURRENT FINDINGS (continued)**

08-1. Finding - Inadequate Controls Over Inventory (continued)

Center Response

Recommendation accepted. The facility will make every effort to ensure compliance with Departmental policies on inventory.

DEPARTMENT OF CORRECTIONS  
BIG MUDDY RIVER CORRECTIONAL CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
SCHEDULE OF FINDINGS  
For the Two Years Ended June 30, 2008

**CURRENT FINDINGS (continued)**

08-2. Finding - Inaccurate Property Reporting

The Center did not maintain accurate property control records.

The following exceptions were noted during our testing of the Center's property control records and the Agency Report of State Property (C-15):

- Five of 30 (17%) transfers tested, totaling \$2,834, lacked supporting documentation to verify their value and to document that the equipment was properly transferred to the correct facility.
- Ten of 20 (50%) equipment items, totaling \$8,541, that were physically inspected had no tag number.
- New computer equipment is not being tagged or checked in as received.
- There is an unidentified person who has access rights to the Property Control System (PCS). This person has rights to add, change, and delete information within the system.

The State Property Control Act (30 ILCS 605/4) states that every responsible officer of State government shall be accountable for the supervision, control and inventory of property under his control. The Statewide Accounting Management System (SAMS) Procedure 29.10.10 states that the objective of State property reporting is to ensure that agencies are updating property records to reflect the current balance of State property. Good internal controls require that adequate documentation be maintained to support financial data. The Illinois Administrative Code (44 Ill. Adm. Code 5010.210) states that agencies are responsible for marking each piece of State-owned equipment in their possession with a unique identification number. The information technology guidelines (including the National Institute of Standards and Technology and Governmental Accountability Office) endorses adequate access controls and security controls to ensure the security over data. Good internal controls dictate that any unidentified computer user access be terminated on a timely basis.

Center management stated the items lacking supporting documentation and tag numbers were the result of clerical errors or oversights. They also stated that the new computer equipment was inappropriately distributed throughout the Center by an employee without notifying the employee in charge of Property Control. In addition, they did not know why there was an unidentified person who had access rights to the PCS.

DEPARTMENT OF CORRECTIONS  
BIG MUDDY RIVER CORRECTIONAL CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
SCHEDULE OF FINDINGS  
For the Two Years Ended June 30, 2008

**CURRENT FINDINGS (continued)**

08-2. Finding – Inaccurate Property Reporting

Failure to maintain accurate and secure property control records increases the potential for fraud and possible loss or theft of State property. Inaccurate State property reporting also reduces the reliability of Statewide financial reporting of State property information. (Finding Code No. 08-2, 06-3)

Recommendation

We recommend the Center strengthen controls over State property reporting, and comply with the State Property Control Act, applicable SAMS procedures, and the Illinois Administrative Code to ensure accurate reporting of State property information. We also recommend the Center strengthen its controls over property control and reinforce the importance of properly notifying Property Control management of additions and transfers into the Center. In addition, we recommend the Center investigate the unidentified person who has access rights to the PCS and delete that access code, if appropriate, in a timely manner.

Center Response

Recommendation accepted. The facility will make every effort to ensure compliance with property control procedures and policies.

DEPARTMENT OF CORRECTIONS  
BIG MUDDY RIVER CORRECTIONAL CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
SCHEDULE OF FINDINGS  
For the Two Years Ended June 30, 2008

**CURRENT FINDINGS (continued)**

08-3. Finding - Locally Held Fund Weaknesses

The Center did not comply with the Department's Administrative Directives for locally held funds.

We noted the following exceptions during our examination of the Center's locally held funds:

- Two of 24 (8%) receipts tested, totaling \$111,413, were not deposited timely. The receipts were deposited 2 days late.

The Department's Administrative Directive (02.40.110) requires cash accumulated in the amount of \$1,000 or more on any business working day shall be deposited no later than noon the following working day.

Center personnel stated the delays were due to oversights.

- Two of 33 (6%) locally held fund vouchers tested for proper inclusion in accounts payable were omitted from year-end GAAP reporting packages. Accounts payable understatements for fiscal years 2007 and 2008 were \$209 and \$203, respectively.

SAMS Procedure 03.50.10 states that expenditures and related liabilities should be recognized in the accounting period in which the liability is incurred.

Center personnel stated that the invoices were not received in the business office until July, after all locally held funds were required to be closed out for the fiscal year.

- The Center's current Warden has been signing checks for disbursement but is not on the authorized check signer cards held by the Center's banking institution.

The Department's Administrative Directive (01.02.110) requires a signature card with the name and personal signature of each employee be on file with the appropriate financial institution. In addition, good internal controls require check signers to be authorized signers.

Center personnel indicated this situation was an oversight by the bank and they did not realize the Warden was not an authorized signer.

DEPARTMENT OF CORRECTIONS  
BIG MUDDY RIVER CORRECTIONAL CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
SCHEDULE OF FINDINGS  
For the Two Years Ended June 30, 2008

**CURRENT FINDINGS (continued)**

08-3. Finding - Locally Held Fund Weaknesses (continued)

Failure to adhere to the Department's Administrative Directive concerning the timeliness of deposits and authorized check signers increases the susceptibility of assets to mishandling or misappropriation. Failure to properly classify and report balances or establish year-end cutoff procedures could result in the distortion of agency financial reporting records. (Finding Code No. 08-3).

Recommendation

We recommend the Center comply with the Department's Administrative Directives and ensure that monies received are deposited in a timely manner. The Center should strengthen year-end cutoff procedures and exercise diligence in the preparation of year-end GAAP reports to ensure reporting accuracy. In addition, we recommend the Center strengthen its controls regarding authorized check signers.

Center Response

Recommendation accepted. The facility is making every effort to ensure timeliness and compliance.



DEPARTMENT OF CORRECTIONS  
BIG MUDDY RIVER CORRECTIONAL CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
SCHEDULE OF FINDINGS  
For the Two Years Ended June 30, 2008

**CURRENT FINDINGS (continued)**

08-4. Finding - Computer Access

A former Center employee still has access to the Accounting Information System (AIS).

A former employee of the Business Office, who retired in October 2004, still had user access to the AIS system as of the end of fieldwork.

The information technology guidelines (including the National Institute of Standards and Technology and Governmental Accountability Office) endorses adequate access controls and security controls to ensure the security over data. Good internal controls dictate that all computer user access be terminated on a timely basis after an employee leaves Center employment.

Center personnel indicated they requested user termination from the Department. However, the former employee had two user accounts - one for access to the system and one for requesting reports - and apparently only one was terminated.

Failure to terminate computer user access after employees leave employment increases the susceptibility of assets to mishandling or misappropriation. (Finding Code No. 08-4).

Recommendation

We recommend the Center make a request to the Department to remove access to the AIS system and follow up on a timely basis.

Center Response

Recommendation accepted. The facility will make every effort to ensure timeliness in revoking computer access.

STATE OF ILLINOIS  
DEPARTMENT OF CORRECTIONS  
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LIMITED SCOPE COMPLIANCE EXAMINATION  
SCHEDULE OF FINDINGS  
For the Two Years Ended June 30, 2008

**PRIOR FINDINGS NOT REPEATED**

A. Finding - Surplus Inventory

During the prior examination period, the Center inventory procedures concerning surplus commodities were not in accordance with the Department's Administrative Directive and the Illinois Procurement Code and were insufficient to ensure adequate monitoring of excess quantities.

Remedial Action by the Center

During the current examination, we noted the surplus inventory had decreased significantly. In addition, the number of clothing store items on hand in excess of the previous 12 months' usage also decreased. Due to these circumstances, this finding has been moved to the immaterial letter. (Finding Code No. 06-2)

STATE OF ILLINOIS  
DEPARTMENT OF CORRECTIONS  
BIG MUDDY RIVER CORRECTIONAL CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES  
For the Two Years Ended June 30, 2008

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
- Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances
- Description of Locally Held Funds
- Schedule of Locally Held Funds
- Schedule of Changes in State Property
- Comparative Schedule of Cash Receipts and Deposits (not examined)
- Analysis of Significant Variations in Expenditures
- Analysis of Significant Lapse Period Spending
- Schedule of Changes in Inventories (not examined)

Analysis of Operations

- Center Functions and Planning Program
- Average Number of Employees
- Employee Overtime (not examined)
- Inmate Commissary Operation
- Annual Cost Statistics
  - Center Inmate Statistics (not examined)
  - Center Employee Statistics (not examined)
  - Cell Square Feet Per Inmate (not examined)
  - Food Services (not examined)
  - Medical and Clergy Service Contracts (not examined)
- Service Efforts and Accomplishments (not examined)

The accountants' report that covers the Supplementary Information for State Compliance Purposes presented in the Compliance Report Section states the auditors have applied certain limited procedures as prescribed by the *Audit Guide*, as adopted by the Auditor General, except for information on the Comparative Schedule of Cash Receipts and Deposits, Schedule of Changes in Inventories, Employee Overtime, Annual Cost Statistics and Service Efforts and Accomplishments on which they did not perform any procedures. However, the accountants do not express an opinion on the supplementary information.

STATE OF ILLINOIS  
DEPARTMENT OF CORRECTIONS  
BIG MUDDY RIVER CORRECTIONAL CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES  
For The Year Ended June 30, 2008

PUBLIC ACT 95-348

GENERAL REVENUE FUND - 001

	EXPENDITURES THROUGH JUNE 30, 2008	EXPENDITURES JULY 1 TO AUGUST 31, 2008	TOTAL EXPENDITURES 14 MONTHS ENDED AUGUST 31, 2008	BALANCES LAPSED AUGUST 31, 2008
Personal services	\$ 17,747,500	\$ 16,727,257	\$ 17,666,441	\$ 81,059
Student, member and inmate compensation	301,900	229,398	301,851	49
State contributions to State Employees' Retirement System	2,939,200	2,770,437	2,925,986	13,214
State contributions to Social Security	1,325,100	1,254,272	1,325,096	4
Contractual services	5,974,600	5,877,794	5,974,595	5
Travel	14,600	10,639	14,587	13
Travel and allowances for committed, paroled and discharged prisoners	29,800	16,848	29,777	23
Commodities	1,663,300	1,562,491	1,657,828	5,472
Printing	12,100	11,292	11,565	535
Equipment	-	-	-	-
Telecommunications services	38,600	37,989	38,600	-
Operation of automotive equipment	100,500	97,603	100,466	34
<b>Total - Fiscal Year 2008</b>	<b>\$ 30,147,200</b>	<b>\$ 28,596,020</b>	<b>\$ 30,046,792</b>	<b>\$ 100,408</b>

Note: The information reflected in this schedule was taken from the Center's records and reconciled to records of the State Comptroller.

STATE OF ILLINOIS  
DEPARTMENT OF CORRECTIONS  
BIG MUDDY RIVER CORRECTIONAL CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES

For The Year Ended June 30, 2007

	APPROPRIATIONS NET OF TRANSFERS	LAPSE PERIOD		TOTAL EXPENDITURES 14 MONTHS ENDED AUGUST 31, 2007	BALANCES LAPSED AUGUST 31, 2007
		EXPENDITURES THROUGH JUNE 30, 2007	EXPENDITURES JULY 1 TO AUGUST 31, 2007		
	\$ 16,608,700	\$ 15,757,688	\$ 850,987	\$ 16,608,675	\$ 25
Personal services					
Student, member and inmate compensation	330,800	284,203	46,579	330,782	18
State contributions to State Employees' Retirement System	1,919,100	1,816,134	98,079	1,914,213	4,887
State contributions to Social Security	1,243,878	1,179,753	64,098	1,243,851	27
Contractual services	5,861,682	5,619,493	239,224	5,858,717	2,965
Travel	15,800	12,044	3,750	15,794	6
Travel and allowances for committed, paroled and discharged prisoners	31,100	28,365	2,674	31,039	61
Commodities	1,584,750	1,366,665	215,660	1,582,325	2,425
Printing	20,400	20,343	-	20,343	57
Equipment	-	-	-	-	-
Telecommunications services	75,600	62,995	12,605	75,600	-
Operation of automotive equipment	110,084	82,154	27,930	110,084	-
<b>Total - Fiscal Year 2007</b>	<b>\$ 27,801,894</b>	<b>\$ 26,229,837</b>	<b>\$ 1,561,586</b>	<b>\$ 27,791,423</b>	<b>\$ 10,471</b>

Note: The information reflected in this schedule was taken from the Center's records and reconciled to records of the State Comptroller.

STATE OF ILLINOIS  
DEPARTMENT OF CORRECTIONS  
BIG MUDDY RIVER CORRECTIONAL CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,  
EXPENDITURES AND LAPSED BALANCES  
For The Years Ended June 30,

	FISCAL YEAR		
	2008	2007	2006
	P.A. 95-348	P.A. 94-798	P.A. 94-0015
GENERAL REVENUE FUND - 001			
Appropriations (net of transfers)	\$ 30,147,200	\$ 27,801,894	\$ 27,822,600
EXPENDITURES			
Personal services	17,666,441	16,608,675	16,458,332
Employee retirement contributions paid by employer	-	-	211,158
Student, member and inmate compensation	301,851	330,782	326,217
State contributions to State Employees' Retirement System	2,925,986	1,914,213	1,282,399
State contributions to Social Security	1,325,096	1,243,851	1,232,119
Contractual services	5,974,595	5,858,717	6,286,338
Travel	14,587	15,794	16,495
Travel and allowances for committed, paroled and discharged prisoners	29,777	31,039	30,015
Commodities	1,657,828	1,582,325	1,771,743
Printing	11,565	20,343	18,379
Equipment	-	-	24,950
Telecommunications services	38,600	75,600	47,317
Operation of automotive equipment	100,466	110,084	77,181
Total Expenditures	<u>30,046,792</u>	<u>27,791,423</u>	<u>27,782,643</u>
LAPSED BALANCES	<u>\$ 100,408</u>	<u>\$ 10,471</u>	<u>\$ 39,957</u>

STATE OF ILLINOIS  
DEPARTMENT OF CORRECTIONS  
BIG MUDDY RIVER CORRECTIONAL CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
DESCRIPTION OF LOCALLY HELD FUNDS  
For the Two Years Ended June 30, 2008

The locally held funds of the Center are grouped into two fund categories, Governmental and Fiduciary funds. These are non-appropriated funds with the exception of the Travel and Allowance Revolving Fund, which is an appropriated fund. The funds are not held in the State Treasury and are described as follows:

1. Governmental Funds

General Revenue Fund

The Travel and Allowance Revolving Fund is a cash imprest fund located at the Center and is used to provide cash for travel and allowances for discharged inmates and to pay out inmate Trust Fund balances under \$50 upon inmates being paroled or discharged. The Travel and Allowance Revolving Fund is replenished from the Center's Inmate Benefit Fund account and the Trust Fund. The Center's Inmate Benefit Fund account is reimbursed from the General Revenue Fund appropriation on a monthly basis upon submission of a duly authorized voucher.

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The Center maintains three special revenue funds.

The Residents' Commissary Fund is used to maintain stores for selling food, candy, health and beauty aids and other personal items. The inmate commissary sells solely to inmates. Profits derived from commissary sales are allocated 60% to pay the wages and benefits of employees who work at the commissaries and 40% to the Residents' Benefit Fund for sales from the Inmate Commissary.

Residents' Benefit Fund and Employees' Benefit Fund are used to provide entertainment and recreational activities and equipment for inmates and employees. The Employees' Benefit Fund can also be used to provide travel expense reimbursement for correctional officers while travel vouchers are being processed. Beginning in fiscal year 2006 the locally held Residents' Benefit Fund account at each Center was closed and the balance transferred to a single locally held Residents' Benefit Fund bank account administered by the General Office. The Center has a sub-account within the Residents Benefit Fund account at the General Office that records their specific transactions.

Expenditures from the Residents' Benefit Fund are initiated at the Center but all the transactions are processed through the General Office. All of the financial accounting for the Center's Residents' Benefit Fund transactions are also performed and maintained at

STATE OF ILLINOIS  
DEPARTMENT OF CORRECTIONS  
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LIMITED SCOPE COMPLIANCE EXAMINATION  
DESCRIPTION OF LOCALLY HELD FUNDS  
For the Two Years Ended June 30, 2008

the General Office. Because the Center does not maintain the financial records a summary of the Center's Residents' Benefit Fund activity for fiscal years 2008 and 2007 will be presented in the General Office Compliance Report for the two years ending June 30, 2008.

2. Fiduciary Fund

Agency Fund

An agency fund is used to account for assets held as the agent for others. The Center maintains one such fund, the Residents' Trust Fund. The Residents' Trust Fund is maintained as a depository for funds of inmates while incarcerated at the Center. Receipts and disbursements of the inmates are recorded in each inmate's individual account within the Residents' Trust Fund.



STATE OF ILLINOIS  
DEPARTMENT OF CORRECTIONS  
BIG MUDDY RIVER CORRECTIONAL CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
SCHEDULE OF LOCALLY HELD FUNDS - SPECIAL REVENUE FUNDS  
For the the Year ended June 30, 2008

	Residents' Commissary Fund	Employees' Benefit Fund
	<u>                    </u>	<u>                    </u>
<u>REVENUES</u>		
Income from Sales	\$ 1,287,954	\$ -
Interest / Investment Income	836	23
Miscellaneous:		
Other	-	11,376
Total Revenues	<u>1,288,790</u>	<u>11,399</u>
 <u>EXPENDITURES</u>		
Purchases	1,050,672	2,547
General and Administrative	810	8,456
Equipment	2,096	-
Other	1,450	-
Total Expenditures	<u>1,055,028</u>	<u>11,003</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>233,762</u>	 <u>396</u>
 <u>OTHER FINANCING SOURCES</u>		
Transfers (Out)	( 233,762)	-
Total Other Financing Sources	<u>( 233,762)</u>	<u>-</u>
 Net Change in Fund Balance	 -	 396
 Fund Balance July 1, 2007	 <u>-</u>	 <u>7,247</u>
 Fund Balance June 30, 2008	 <u>\$ -</u>	 <u>\$ 7,643</u>

Note: Schedule is presented on the accrual basis of accounting.

STATE OF ILLINOIS  
DEPARTMENT OF CORRECTIONS  
BIG MUDDY RIVER CORRECTIONAL CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
SCHEDULE OF LOCALLY HELD FUNDS - SPECIAL REVENUE FUNDS  
For the the Year ended June 30, 2007

	<u>Residents' Commissary Fund</u>	<u>Employees' Benefit Fund</u>
<u>REVENUES</u>		
Income from Sales	\$ 1,280,598	\$ -
Interest / Investment Income	806	18
Miscellaneous:		
Other	-	10,913
Total Revenues	<u>1,281,404</u>	<u>10,931</u>
 <u>EXPENDITURES</u>		
Purchases	1,054,589	3,081
General and Administrative	1,260	7,209
Other	4,465	-
Total Expenditures	<u>1,060,314</u>	<u>10,290</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>221,090</u>	 <u>641</u>
 <u>OTHER FINANCING SOURCES</u>		
Transfers (Out)	( 221,090)	-
Total Other Financing Sources	<u>( 221,090)</u>	<u>-</u>
 Net Change in Fund Balance	 -	 641
 Fund Balance July 1, 2006	 <u>-</u>	 <u>6,606</u>
 Fund Balance June 30, 2007	 <u>\$ -</u>	 <u>\$ 7,247</u>

Note: Schedule is presented on the accrual basis of accounting.

STATE OF ILLINOIS  
DEPARTMENT OF CORRECTIONS  
BIG MUDDY RIVER CORRECTIONAL CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
SCHEDULE OF LOCALLY HELD FUNDS - CASH BASIS  
(NOT EXAMINED)  
For The Years Ended June 30

	2008	2007
	Residents' Trust Fund	Residents' Trust Fund
Balance - July 1	\$ 122,074	\$ 87,420
Receipts		
Investment Income	564	454
Inmate Account Receipts	1,164,326	1,224,443
Appropriations from General Revenue Fund	<u>303,627</u>	<u>332,651</u>
 TOTAL RECEIPTS	 <u>1,468,517</u>	 <u>1,557,548</u>
Disbursements		
Inmate Account Disbursements	1,320,418	1,414,882
Disbursements for released inmates	<u>62,922</u>	<u>107,558</u>
 TOTAL DISBURSEMENTS	 <u>1,383,340</u>	 <u>1,522,440</u>
Fund Transfers		
Fund Transfers (Out)	<u>( 564)</u>	<u>( 454)</u>
 TOTAL TRANSFERS	 <u>( 564)</u>	 <u>( 454)</u>
Balance - June 30	<u>\$ 206,687</u>	<u>\$ 122,074</u>

Note: Schedule is presented on the cash basis of accounting

STATE OF ILLINOIS  
DEPARTMENT OF CORRECTIONS  
BIG MUDDY RIVER CORRECTIONAL CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
SCHEDULE OF CHANGES IN STATE PROPERTY

For The Years Ended June 30,

	2008					2007				
	Land	Buildings	Equipment	Land Improvements	Total	Land	Buildings	Equipment	Land Improvements	Total
Balance, beginning	\$3,318,819	\$38,225,150	\$2,504,392	\$ 3,329,849	\$47,378,210	\$3,318,819	\$38,225,150	\$2,541,708	\$ 3,329,849	\$47,415,526
Additions:										
Purchases	-	-	291	-	291	-	-	328	-	328
Transfers-in	-	1,586,947	168,693	-	1,755,640	-	-	20,833	-	20,833
Residents' Benefit Fund	-	-	11,731	-	11,731	-	-	12,724	-	12,724
Total Additions	-	1,586,947	180,715	-	1,767,662	-	-	33,885	-	33,885
Deductions:										
Transfers-out	-	-	337	-	337	-	-	19,267	-	19,267
Scrap property	-	-	4,344	-	4,344	-	-	51,934	-	51,934
Total Deductions	-	-	4,681	-	4,681	-	-	71,201	-	71,201
Balance, ending	\$3,318,819	\$39,812,097	\$2,680,426	\$ 3,329,849	\$49,141,191	\$3,318,819	\$38,225,150	\$2,504,392	\$ 3,329,849	\$47,378,210

Note: The property balances at June 30, 2008 and 2007 have been reconciled to the property reports submitted to the Office of the Comptroller.

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DEPARTMENT OF CORRECTIONS  
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LIMITED SCOPE COMPLIANCE EXAMINATION  
COMPARATIVE SCHEDULE OF CASH RECEIPTS AND DEPOSITS  
(NOT EXAMINED)  
For The Years Ended June 30,

	FISCAL YEAR		
	2008	2007	2006
<u>RECEIPTS</u>			
Jury Duty	\$ 56	\$ 231	\$ 263
Inmate Restitution	26,226	32,112	17,968
Dormant Inmate Accounts	-	252	1,558
Miscellaneous	17	77	119
TOTAL RECEIPTS	<u>\$ 26,299</u>	<u>\$ 32,672</u>	<u>\$ 19,908</u>
<u>REMITTANCES</u>			
General Revenue Fund - 001	\$ 73	\$ 535	\$ 1,940
Department of Corrections Reimbursement Fund - 523	26,226	32,112	17,968
TOTAL RECEIPTS REMITTED DIRECTLY TO STATE TREASURER	<u>\$ 26,299</u>	<u>\$ 32,647</u>	<u>\$ 19,908</u>
<u>DEPOSITS</u>			
Receipts recorded by Center	\$ 73	\$ 535	\$ 1,940
Add: Deposits in transit - Beginning of year	252	25	-
Deduct: Deposits in transit - End of year	-	(252)	(25)
DEPOSITS RECORDED BY THE STATE COMPTROLLER	<u>\$ 325</u>	<u>\$ 308</u>	<u>\$ 1,915</u>

Note: The Deposits reconciliation section of this schedule is a reconciliation of the Center's General Revenue Fund receipts to the Comptroller's General Revenue Fund deposits only. The Comptroller's records do not provide a detail breakdown of deposits into the Department of Corrections Reimbursement Fund #523 by Center.

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DEPARTMENT OF CORRECTIONS  
BIG MUDDY RIVER CORRECTIONAL CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES  
For the Two Years Ended June 30, 2008

Fiscal Year 2008

A comparative schedule of significant variations in expenditures (20% or more) for the fiscal years ended June 30, 2008 and June 30, 2007 are shown below:

<u>EXPENDITURE ITEM</u>	<u>FISCAL YEAR ENDED</u> <u>JUNE 30</u>		<u>INCREASE</u> <u>(DECREASE)</u>	
	<u>2008</u>	<u>2007</u>	<u>AMOUNT</u>	<u>%</u>
State contributions to State Employees' Retirement System	\$2,925,986	\$1,914,213	\$1,011,773	52.86%
Printing	\$ 11,565	\$ 20,343	(\$ 8,778)	(43.15%)
Telecommunications	\$ 38,600	\$ 75,600	(\$ 37,000)	(48.94%)

Center management provided the following explanations for the significant variations identified above.

State contributions to State Employees' Retirement System

The increase was due to overall State employee retirement rate increasing from 11.525% in fiscal year 2007 to 16.561% in fiscal year 2008.

Printing

The Center used stock on hand as a part of cost-saving efforts during fiscal year 2008.

Telecommunications

In fiscal year 2006, four months of payments to Central Management Services (CMS) for telecommunications expenditures were suspended and these payments were made in fiscal year 2007. In addition, payments to CMS were temporarily suspended in fiscal year 2008.

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DEPARTMENT OF CORRECTIONS  
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LIMITED SCOPE COMPLIANCE EXAMINATION  
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES  
For the Two Years Ended June 30, 2008

Fiscal Year 2007

A comparative schedule of significant variations in expenditures (20% or more) for the fiscal years ended June 30, 2007 and June 30, 2006 are shown below:

<u>EXPENDITURE ITEM</u>	<u>FISCAL YEAR ENDED</u>		<u>INCREASE</u>	
	<u>2007</u>	<u>2006</u>	<u>(DECREASE)</u>	<u>%</u>
Employee retirement contributions paid by employer	\$ -	\$ 211,158	(\$211,158)	(100.00)%
State contributions to State Employees' Retirement System	\$1,914,213	\$1,282,399	\$631,814	49.27 %
Equipment	\$ -	\$ 24,950	(\$ 24,950)	(100.00)%
Telecommunications	\$ 75,600	\$ 47,317	\$ 28,283	59.77 %
Operation of Automotive Equipment	\$ 110,084	\$ 77,181	\$ 32,903	42.63 %

Center management provided the following explanations for the significant variations identified above.

Employee retirement contributions paid by employer

Fiscal year 2007 expenditures decreased due to the State ceasing to pay the employees' portion of the State Employee Retirement Contribution on December 31, 2005.

State contributions to State Employees' Retirement System

The increase was due to the overall State employee retirement rate increasing from 7.792% in fiscal year 2006 to 11.525% in fiscal year 2007.

Equipment

No funding was appropriated to the Center in fiscal year 2007.

Telecommunications

In fiscal year 2006, four months of payments to Central Management Services (CMS) for telecommunications expenditures were suspended and these payments were made in fiscal year 2007.

Operation of Automotive Equipment

In fiscal year 2006, four months of payments to Central Management Services (CMS) for automotive equipment expenditures were suspended and these payments were made in fiscal year 2007.

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DEPARTMENT OF CORRECTIONS  
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LIMITED SCOPE COMPLIANCE EXAMINATION  
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING  
For the Two Years Ended June 30, 2008

Fiscal Year 2008

Our testing of lapse period expenditures for fiscal year ended June 30, 2008 disclosed (3) appropriation line items with significant (20% or more) lapse period expenditures, as scheduled below:

<u>EXPENDITURE ITEM</u>	<u>Fiscal Year Ended June 30, 2008</u>		
	<u>TOTAL EXPENDITURES</u>	<u>LAPSE PERIOD EXPENDITURES</u>	<u>PERCENTAGE</u>
Student, member, and inmate compensation	\$301,851	\$72,453	24.00%
Travel	\$ 14,587	\$ 3,948	27.07%
Travel and allowances for committed, paroled and discharged prisoners	\$ 29,777	\$12,929	43.42%

Center management provided the following explanations for the significant variations identified above.

Student, member, and inmate compensation

The Center was behind in vouchering expenses which caused the significant lapse period expenditures.

Travel

The Center was behind in vouchering expenses which caused the significant lapse period expenditures.

Travel and allowances for committed, paroled and discharged prisoners

The Center was behind in vouchering expenses which caused the significant lapse period expenditures.



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LIMITED SCOPE COMPLIANCE EXAMINATION  
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING  
For the Two Years Ended June 30, 2008

Fiscal Year 2007

Our testing of lapse period expenditures for fiscal year ended June 30, 2007 disclosed (2) appropriation line items with significant (20% or more) lapse period expenditures, as scheduled below:

<u>EXPENDITURE ITEM</u>	<u>Fiscal Year Ended June 30, 2007</u>		
	<u>TOTAL EXPENDITURES</u>	<u>LAPSE PERIOD EXPENDITURES</u>	<u>PERCENTAGE</u>
Travel	\$ 15,794	\$ 3,750	23.74%
Operation of Automotive Equipment	\$110,084	\$27,930	25.37%

Center management provided the following explanations for the significant variations identified above.

Travel

The Center was behind in vouchering expenses which caused the significant lapse period expenditures.

Operation of Automotive Equipment

The Center was behind in vouchering expenses which caused the significant lapse period expenditures.

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DEPARTMENT OF CORRECTIONS  
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LIMITED SCOPE COMPLIANCE EXAMINATION  
SCHEDULE OF CHANGES IN INVENTORIES  
(NOT EXAMINED)

Two Years Ended June 30, 2008

	<u>Balance</u> <u>July 1, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2008</u>
<b>GENERAL REVENUE FUND</b>				
General Stores	\$ 266,964	\$ 1,564,702	\$ 1,675,895	\$ 155,771
Mechanical Stores	5,440	84,072	84,883	4,629
Resident/Inmate Clothing	58,569	67,163	78,464	47,268
Officers' Clothing	-	23,053	23,053	-
Office Supplies	28,812	34,999	54,169	9,642
Postage	9,272	17,000	21,814	4,458
	<u>\$ 369,057</u>	<u>\$ 1,790,989</u>	<u>\$ 1,938,278</u>	<u>\$ 221,768</u>
<b>LOCAL FUNDS</b>				
Residents' Commissary Fund	<u>\$ 132,239</u>	<u>\$ 889,478</u>	<u>\$ 989,094</u>	<u>\$ 32,623</u>
	<u>\$ 132,239</u>	<u>\$ 889,478</u>	<u>\$ 989,094</u>	<u>\$ 32,623</u>
	<u>Balance</u> <u>July 1, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2007</u>
<b>GENERAL REVENUE FUND</b>				
General Stores	\$ 311,201	\$ 1,318,977	\$ 1,363,214	\$ 266,964
Mechanical Stores	11,277	116,421	122,258	5,440
Resident Clothing	130,321	71,077	142,829	58,569
Officers' Clothing	-	27,903	27,903	-
Office Supplies	14,576	39,938	25,702	28,812
Postage	6,481	24,000	21,209	9,272
	<u>\$ 473,856</u>	<u>\$ 1,598,316</u>	<u>\$ 1,703,115</u>	<u>\$ 369,057</u>
<b>LOCAL FUNDS</b>				
Residents' Commissary Fund	<u>\$ 82,237</u>	<u>\$ 1,015,944</u>	<u>\$ 965,942</u>	<u>\$ 132,239</u>
	<u>\$ 82,237</u>	<u>\$ 1,015,944</u>	<u>\$ 965,942</u>	<u>\$ 132,239</u>

Note: We were unable to examine the Schedule of Changes in Inventories because of internal control weaknesses. See Finding 08-1 on pages 10-11.

STATE OF ILLINOIS  
DEPARTMENT OF CORRECTIONS  
BIG MUDDY RIVER CORRECTIONAL CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
ANALYSIS OF OPERATIONS  
For the Two Years Ended June 30, 2008

CENTER FUNCTIONS AND PLANNING PROGRAM

The Big Muddy River Correctional Center is a high medium-security correctional facility located on the Jefferson/Franklin County line in Southern Illinois. Dedication ceremonies in March 1993 revealed a total of 20 buildings designed to house 952 inmates. Operations began in March 1993 as the first inmates arrived; subsequently, the population has increased to approximately 2,000 inmates. The Center offers a comprehensive Sex Offender Program whereby Sex Offender Counselors have been contracted to provide services to those inmates who have been convicted of crimes of a sexual nature.

Authority

The Unified Code of Corrections (Chapter 730 ILCS 5/3-2-2) mandates the Department to "accept persons committed to it by the courts of this State for care, custody, treatment, and rehabilitation." Within this framework, the Department offers the inmates a variety of programs designed to return them to the community with skills to make them useful and productive citizens. These programs include GED classes, vocational training and junior college level academic courses offered by Correctional School District #428. In addition, the Department strives to create a healthful environment by providing a variety of services such as medical, dental, religious, counseling and library services as well as recreation programs.

Planning Program

The Center has established formal written long and short-term goals with respect to its functions and programs. The formal plan contains a statement concerning the Center's operational and program philosophy. In accordance with this philosophy, the Center has established specific intentions and objectives with which to achieve each goal.

On an annual basis, key personnel responsible for implementation meet to update the plan, assess progress in the attainment of goals and objectives previously established, and to determine if plans are being implemented in accordance with the time schedule set forth. The annual goals and objectives of the administrative staff, as well as department heads, are formulated to comply with the Center's functions and planning program. The goals and objectives of these employees are reviewed and revised as necessary on a quarterly basis.

Our discussion with Center personnel indicated that alternative approaches are considered in developing goals and objectives, and that plans adopted are geared to authorizing legislation and the needs of State citizens. Center officials feel their goals and objectives are coordinated with those of other Centers providing similar services and that considerable progress has been made at implementing programs pursuant to plans.

STATE OF ILLINOIS  
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BIG MUDDY RIVER CORRECTIONAL CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
ANALYSIS OF OPERATIONS  
For the Two Years Ended June 30, 2008

Agency Head and Location

Mr. John Evans, Warden  
Big Muddy River Correctional Center  
251 North Highway 37  
Ina, Illinois 62846

AVERAGE NUMBER OF EMPLOYEES

The following table, prepared from Center records, presents the average number of employees, by function, for the past three years.

	Fiscal Year Ending June 30,		
	<u>2008</u>	<u>2007</u>	<u>2006</u>
Administrative	8	7	8
Business office and stores	9	9	10
Clinical services	17	17	17
Recreation	4	5	5
Maintenance	6	6	7
Laundry	1	1	1
Correctional Officers	238	246	249
Dietary	8	9	13
Medical/Psychiatric	2	2	2
Clergy	1	-	-
Miscellaneous	4	1	-
Total	<u>298</u>	<u>303</u>	<u>312</u>

An analysis of the activity regarding the changes in staffing of correctional officers, prepared from Center records, is presented in the table below for the fiscal years ending June 30.

	Fiscal Year	
	<u>2008</u>	<u>2007</u>
Correctional Officers, beginning of the year	241	249
New Correctional Officers hired	2	2
Correctional Officers transferred-in	0	0
Correctional Officers transferred-out	0	0
Correctional Officers separated from Department	11	10
Correctional Officers, end of the year	<u>232</u>	<u>241</u>

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LIMITED SCOPE COMPLIANCE EXAMINATION  
ANALYSIS OF OPERATIONS  
For the Two Years Ended June 30, 2008

AVERAGE NUMBER OF EMPLOYEES (continued)

Correctional Officers for the above schedule is defined as all employees with security related responsibilities.

EMPLOYEE OVERTIME (not examined)

Certain employees are eligible for overtime if the hours worked during a day exceed the employees standard work hours. Correctional Officers receive a ¼-hour of overtime for each day they stand for roll call. The roll call overtime is paid at straight time for all but Correctional Lieutenants, who receive 1 ½ times normal pay.

Overtime is to be distributed as equally as possible among employees who normally perform the work in the position in which the overtime is needed. An employee's supervisor must approve any overtime. In most cases, except for roll call, employees are compensated at 1 ½ times their normal hourly rate for overtime hours worked. Employees have the opportunity to be compensated either in pay for the overtime or receive compensatory time off.

The following table, prepared from Department records presents the paid overtime and earned compensatory time incurred for the last three fiscal years, ended June 30:

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Paid overtime hours worked during fiscal year	16,487	10,474	14,351
Value of overtime hours worked during fiscal year	<u>\$692,776</u>	<u>\$419,982</u>	<u>\$520,727</u>
Compensatory hours earned during fiscal year	12,738	9,717	11,599
Value of compensatory hours earned during fiscal year	<u>\$357,078</u>	<u>\$252,731</u>	<u>\$284,188</u>
Total paid overtime hours and earned compensatory hours during fiscal year	29,225	20,191	25,950
Total value of paid overtime hours and earned compensatory hours during fiscal year	<u>\$1,049,854</u>	<u>\$672,713</u>	<u>\$804,915</u>

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INMATE COMMISSARY OPERATION

The Center operates a commissary for the benefit of the inmates. The commissary purchases goods from outside vendors and then retails the items to the inmates. The commissary purchases goods at wholesale prices where possible.

Effective January 1, 2004 the Unified Code of Corrections, 730 ILCS 5/3-7-2a, was amended to change the mark-up of cost on the goods purchased for resale in the commissary. Effective January 1, 2004 the selling price for all goods shall be sufficient to cover the cost of the goods and an additional charge of up to 35% for tobacco products and up to 25% for non-tobacco products. Effective January 1, 2008 the inmate commissaries at all Centers discontinued selling tobacco products.

The financial transactions of the Inmate Commissary are recorded in the Residents' Commissary Fund. A summary of the financial activity of the Residents' Commissary Fund for the years ended June 30, 2008 and 2007 are presented on pages 25 and 26 of this report.

As part of our testing, 25 inmate commissary products were selected and their sale price recomputed to determine compliance with the Unified Code of Corrections regarding the statutorily required mark-up. As a result of our testing we noted that, beginning January 2006, the Center began first marking items up 8% per a Department of Corrections Central Office policy to use full absorption costing. The Center was directed to mark items up by the 8% overhead rate and then to mark the items up by the statutorily mandated percentage of 35% for tobacco products and 25% for non-tobacco products.

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CENTER INMATE STATISTICS (not examined)

Comparative costs of inmate care, prepared from Center records for the fiscal year ended June 30, are shown below:

	Fiscal Year		
	<u>2008</u>	<u>2007</u>	<u>2006</u>
Rated population	952	952	952
Inmate population (as of May 31)	1,839	1,841	1,861
Average number of inmates	1,844	1,858	1,865
Expenditures from appropriations	<u>30,046,792</u>	<u>27,791,442</u>	<u>27,782,643</u>
Less: equipment and capital improvements	<u>-</u>	<u>-</u>	<u>24,950</u>
Net expenditures	<u>\$30,046,792</u>	<u>\$27,791,442</u>	<u>\$27,757,693</u>
Net inmate cost per year	<u>\$ 16,294</u>	<u>\$ 14,958</u>	<u>\$ 14,883</u>

Net expenditures for computing net inmate cost per year represent total expenditures from appropriations less equipment expenditures divided by average number of inmates.

The rated population and inmate population noted above was taken from the Department of Corrections quarterly reports to the State legislature.

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CENTER EMPLOYEE STATISTICS (not examined)

The following comparisons are prepared from Center records for the fiscal years ended June 30:

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Average number of employees	298	303	312
Average number of correctional officers	238	246	249
Average number of inmates	1,844	1,858	1,865
Ratio of employees to inmates	1 to 6.2	1 to 6.1	1 to 6.0
Ratio of correctional officers to inmates	1 to 7.7	1 to 7.6	1 to 7.5

The following comparison of reported inmate assaults on staff is prepared from Department of Corrections records for the fiscal years ending June 30:

	<u>Fiscal Year</u>	
	<u>2008</u>	<u>2007</u>
Number of assaults on staff	12	14

CELL SQUARE FEET PER INMATE (not examined)

The following comparisons are from a report issued by the Department of Corrections to the State legislature:

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Approximate Square Foot Per Inmate	<u>32</u>	<u>32</u>	<u>32</u>



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FOOD SERVICES (not examined)

The following table, prepared from the Center records, summarizes the number of meals served and the average cost per meal.

	Fiscal Year		
	<u>2008</u>	<u>2007</u>	<u>2006</u>
Breakfast	177,455	141,964	123,447
Lunch	425,931	419,637	413,435
Dinner	444,745	433,898	423,315
Staff meals	<u>72,449</u>	<u>71,028</u>	<u>72,478</u>
 Total Meals Served	 <u>1,120,580</u>	 <u>1,066,527</u>	 <u>1,032,675</u>
 Food Cost	 <u>\$1,348,162</u>	 <u>\$1,240,148</u>	 <u>\$1,314,191</u>
 Cost Per Meal	 <u>\$ 1.20</u>	 <u>\$ 1.16</u>	 <u>\$ 1.27</u>

MEDICAL AND CLERGY SERVICE CONTRACTS (not examined)

The following table, prepared from Center records, summarizes what was paid to vendors for medical and clergy contractual services for fiscal years 2008, 2007 and 2006.

	Fiscal Year		
	<u>2008</u>	<u>2007</u>	<u>2006</u>
Medical Services:			
Health Professionals, Inc.	\$ -	\$ -	\$2,188,968
Wexford Health Sources, Inc.	4,224,781	3,990,146	2,359,835
Miscellaneous Medical Services	<u>-</u>	<u>6,816</u>	<u>-</u>
 Total Medical Services	 <u>\$4,224,781</u>	 <u>\$3,996,962</u>	 <u>\$4,548,803</u>
 Clergy Services:	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>

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SERVICE EFFORTS AND ACCOMPLISHMENTS (not examined)

Fiscal Year 2007

- Graduated 23 offenders with GED certificates
- Graduated 51 offenders with college vocational certificates
- 5 offenders earned associate degrees
- All employees tested for drugs had negative results
- Ran fiber optic cable throughout the facility to upgrade computer access
- A significant reduction in overtime costs was accomplished by revamping the assignment and mandatory posts at facility

Fiscal Year 2008

- Graduated 28 offenders with GED certificates
- Graduated 60 offenders with college vocational certificates
- 4 offenders earned associate degrees
- All employees tested for drugs had negative results
- Installed new locks in all doors of all housing units
- Replaced leaking fuel tank for emergency generator in dietary area
- Replaced ceiling in the dish room of the dietary department
- The Inventory Management System (TIMS) replaced AIMS inventory system in Business Office
- Overtime costs continued to be monitored closely and scrutinized to further reduce expenditures