

STATE OF ILLINOIS  
DEPARTMENT OF CORRECTIONS

ILLINOIS RIVER CORRECTIONAL CENTER

LIMITED SCOPE COMPLIANCE EXAMINATION

For the Two Years Ended June 30, 2006

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

STATE OF ILLINOIS  
DEPARTMENT OF CORRECTIONS  
ILLINOIS RIVER CORRECTIONAL CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2006

**TABLE OF CONTENTS**

	<u>Page</u>
Center Officials	2
Management Assertion Letter	3
Compliance Report	
Summary	4
Accountants' Report	
Independent Accountants' Report on State Compliance, on Internal Control Over Compliance, and on Supplementary Information for State Compliance Purposes	6
Schedule of Findings	
Current Findings	9
Prior Findings Not Repeated	11
Supplementary Information for State Compliance Purposes	
Summary	12
Fiscal Schedules and Analysis	
Schedule of Appropriations, Expenditures and Lapsed Balances	13
Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances	15
Description of Locally Held Funds	16
Schedule of Locally Held Funds	18
Schedule of Changes in State Property	21
Comparative Schedule of Cash Receipts and Deposits (not examined)	22
Analysis of Significant Variations in Expenditures	23
Analysis of Significant Lapse Period Spending	27
Schedule of Changes in Inventories	29
Analysis of Operations	
Center Functions and Planning Program	30
Average Number of Employees	32
Employee Overtime (not examined)	32
Inmate Commissary Operation	33
Shared Resources (not examined)	34
Annual Cost Statistics	
Costs Per Year Per Inmate (not examined)	34
Ratio of Employees to Inmates (not examined)	35
Cell Square Feet Per Inmate (not examined)	35
Food Services (not examined)	36
Medical and Clergy Service Contracts (not examined)	36
Service Efforts and Accomplishments (not examined)	37

STATE OF ILLINOIS  
DEPARTMENT OF CORRECTIONS  
ILLINOIS RIVER CORRECTIONAL CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2006

**CENTER OFFICIALS**

Warden (6/1/06 to Current)	Mr. Austin Randolph Jr.
Acting Warden (4/1/06 to 5/31/06)	Mr. Austin Randolph Jr.
Warden (8/1/05 to 3/31/06)	Mr. Donald Hulick
Acting Warden (2/12/05 to 7/31/05)	Mr. Richard Birkey
Acting Warden (7/1/04 to 2/11/05)	Mr. Jerry Bohler
Assistant Warden - Programs (2/12/05 to Current)	Mr. Jerry Bohler
Assistant Warden - Programs (7/1/04 to 2/11/05)	Mr. Richard Birkey
Assistant Warden - Operations (2/12/05 to Current)	Mr. Richard Birkey
Assistant Warden - Operations (7/1/04 to 2/11/05)	Mr. Jerry Bohler
Business Office Administrator	Mr. Mark Pirtle

The Center is located at:

Route 9 West  
Canton, IL 61520



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

**Rod R. Blagojevich**  
Governor

**Roger E. Walker Jr.**  
Director

Illinois River Correctional Center / Rt. 9 West / P.O. Box 999 / Canton, IL 61520 / Telephone: (309) 647-7030 / TDD: (800) 526-0844

Martin & Shadid, CPAs, P.C.  
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October 13, 2006

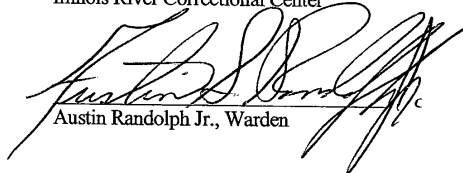
Ladies and Gentlemen:

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-year period ended June 30, 2006. Based on this evaluation, we assert that during the year(s) ended June 30, 2005 and June 30, 2006, 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. The 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. The money or negotiable securities or similar assets handled by the Center on behalf of the State or held in trust by the agency have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate and in accordance with law.

Yours very truly,

Illinois River Correctional Center

  
Austin Randolph Jr., Warden

  
Mark Pirtle, Business Administrator

STATE OF ILLINOIS  
DEPARTMENT OF CORRECTIONS  
ILLINOIS RIVER CORRECTIONAL CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2006

**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 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 compliance testing performed.

**SUMMARY OF FINDINGS**

<u>Number of</u>	<u>This Report</u>	<u>Prior Report</u>
Findings	2	2
Repeated findings	0	0
Prior recommendations implemented or not repeated	2	0

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>
06-1.	9	Lack of Supporting Documentation
06-2.	10	Lack of Dual Signatures for Inmate Trust Fund Receipts

PRIOR FINDINGS NOT REPEATED

<u>Item No.</u>	<u>Page</u>	<u>Description</u>
06-3.	11	Inadequate Segregation of Duties
06-4.	11	Improper Maintenance of Employee Commissary Fund

STATE OF ILLINOIS  
DEPARTMENT OF CORRECTIONS  
ILLINOIS RIVER CORRECTIONAL CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2006

**EXIT CONFERENCE**

Center management waived having an exit conference per correspondence dated December 13, 2006. Responses to the recommendations were provided by Mary Ann Bohlen, Supervisor of Central Accounting in a letter dated January 3, 2007.

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**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 - Illinois 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, 2006. The management of the State of Illinois Department of Corrections - Illinois 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 - Illinois River Correctional Center's compliance based on our examination.

- A. The State of Illinois Department of Corrections - Illinois 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 - Illinois 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 - Illinois 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. The State revenues and receipts collected by the State of Illinois Department of Corrections - Illinois 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 - Illinois River Correctional Center on behalf of the State or held in trust by the State of Illinois Department of Corrections - Illinois River Correctional Center's 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 Department's General Office, and accordingly, any findings from the results of those procedures have been included in the Department of Corrections – General Office compliance report. We have also performed certain procedures with respect to the accounting records of the Center to assist in the performance of the Auditor General's financial statement audit of the entire Department of Corrections for the year ended June 30, 2006. The results of these additional procedures have been communicated to the Department of Corrections – General Office auditors.

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; and, accordingly, included examining, on a test basis, evidence about the State of Illinois Department of Corrections - Illinois River Correctional Center's compliance with those requirements 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 - Illinois River Correctional Center's compliance with specified requirements.

In our opinion, the State of Illinois Department of Corrections - Illinois River Correctional Center complied, in all material respects, with the aforementioned requirements during the two years ended June 30, 2006. 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 findings 06-1 and 06-2. There were no immaterial findings relating to instances of noncompliance that have been excluded from this report.

**Internal Control**

The management of the State of Illinois Department of Corrections - Illinois River Correctional Center is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws and regulations. In planning and performing our limited scope compliance examination, we considered the State of Illinois Department of Corrections - Illinois River Correctional Center's internal control over compliance with the aforementioned requirements 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. We have also performed certain procedures with respect to the accounting records of the Center to assist in the performance of the Auditor General's financial statement audit of the entire Department of Corrections for the year ended June 30, 2006. The results of these additional procedures have been communicated to the Department of Corrections – General Office auditors.



Our consideration of internal control over compliance with the aforementioned requirements would not necessarily disclose all matters in internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws and regulations that would be material in relation to one or more of the aforementioned requirements being examined may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over compliance that we consider to be material weaknesses. However, the results of our procedures disclosed other matters involving internal control 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 findings 06-1 and 06-2. There were no immaterial findings relating to internal control deficiencies that have been excluded from this report.

**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 2006 and 2005 Supplementary Information for State Compliance Purposes, except for information on the Comparative Schedule of Cash Receipts and Deposits, Employee Overtime, Shared Resources, 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 2004 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.

*Martin & Shaded, CPAs, P.C.*

October 13, 2006

STATE OF ILLINOIS  
DEPARTMENT OF CORRECTIONS  
ILLINOIS RIVER CORRECTIONAL CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
SCHEDULE OF FINDINGS  
For the Two Years Ended June 30, 2006

Current Findings

06-1. Finding: Lack of Supporting Documentation

The Center did not maintain purchase orders or other obligation documentation for employee and inmate commissary purchases. The Center's employee commissary purchases totaled \$91,035 in fiscal year 2005 and \$75,888 in fiscal year 2006. The Center's inmate commissary purchases totaled \$1,283,123 in fiscal year 2005 and \$1,336,737 in fiscal year 2006.

Twenty-two of 25 employee commissary fund expenditures tested (88%), totaling \$7,404, were not supported by purchase orders or Order for Delivery Forms. Six of 25 inmate commissary fund expenditures tested (24%), totaling \$3,048, were not supported by purchase orders or Order for Delivery Forms.

Illinois Department of Corrections Administrative Directive 02.85.102 states copies of either the Order for Delivery Forms or the vendor's pre-printed order forms should be maintained by the Commissary Supervisor. Also, good internal controls require obligation documentation be maintained.

Center officials stated the employee responsible for placing orders would maintain the pre-printed order forms until the items were received and then dispose of them.

Failure to maintain obligation documentation could result in unnecessary ordering and theft of product. (Finding Code 06-1)

**Recommendation**

We recommend the Center comply with Administrative Directives and maintain obligation documentation for all commissary purchases.

**Center Response**

Recommendation implemented. The facility in FY07 started maintaining the copies of the closed orders. Additionally, the automated system mandates full records of all purchases and receipts of goods for the funds.

STATE OF ILLINOIS  
DEPARTMENT OF CORRECTIONS  
ILLINOIS RIVER CORRECTIONAL CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
SCHEDULE OF FINDINGS  
For the Two Years Ended June 30, 2006

06-2. Finding: Lack of Dual Signatures for Inmate Trust Fund Receipts

The Center did not obtain all necessary signatures on the list of inmate trust fund receipts. The Center's Inmate Trust Fund receipts totaled \$2,295,195 and \$2,418,180 in fiscal years 2006 and 2005, respectively.

A Monies Received List Report (report) is a list prepared by the Center in order to document incoming receipts for the Inmate Trust Fund. Both the mailroom employee and the cashier must sign this report. Seven of 25 inmate trust fund receipts tested (28%), totaling \$42,042, were not supported by a dual-signed report.

Illinois Department of Corrections Administrative Directive 02.42.102 states both the mailroom employee and the cashier shall sign the Monies Received List Report in order to verify incoming inmate trust fund receipts. Also, good internal controls require a list of cash receipts be prepared and evidenced by two separate individuals.

Center officials stated the lack of dual signatures was an oversight.

Failure to obtain two signatures on the Monies Received List Report is a serious breach of internal control and could result in loss from fraud or theft. (Finding Code 06-2)

**Recommendation**

We recommend the Center comply with Administrative Directives and obtain dual signatures for all Inmate Trust Fund Receipts.

**Center Response**

Recommendation implemented. The exceptions noted were due to an oversight and human error. There are systems in place to require the dual signatures and the issues noted were errors.

STATE OF ILLINOIS  
DEPARTMENT OF CORRECTIONS  
ILLINOIS RIVER CORRECTIONAL CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
SCHEDULE OF FINDINGS  
For the Two Years Ended June 30, 2006

Prior Findings Not Repeated

06-3. Finding: Inadequate Segregation of Duties

The Center did not maintain adequate segregation of duties over local funds and payroll. The person responsible for writing checks also mailed them. In addition, no independent person reviewed and approved payroll vouchers after data entry. (Finding Code 04-1)

Status: Implemented.

Our current review of procedures revealed these duties had been segregated. Checks were no longer written and mailed by the same individual. In addition, payroll vouchers were reviewed and approved by an independent person.

06-4 Finding: Improper Maintenance of Employee Commissary Fund

The Center improperly accounted for the activities of the employee commissary in the Employee Benefit Fund. (Finding Code No. 04-2)

Status: Implemented

Our current review of the Employee Commissary Fund revealed the activities of the employee commissary were recorded within this fund.

STATE OF ILLINOIS  
DEPARTMENT OF CORRECTIONS  
ILLINOIS RIVER CORRECTIONAL CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES  
For the Two Years Ended June 30, 2006

**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

Analysis of Operations

- Center Functions and Planning Program
- Average Number of Employees
- Employee Overtime (not examined)
- Inmate Commissary Operation
- Shared Resources (not examined)
- Annual Cost Statistics
  - Costs Per Year Per Inmate (not examined)
  - Ratio of Employees to Inmates (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 on 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 to the 2006 and 2005 Supplementary Information for State Compliance Purposes, except for information on the Comparative Schedule of Cash Receipts and Deposits, Employee Overtime, Shared Resources, Annual Cost Statistics and Service Efforts and Accomplishments on which they did not perform any procedures. However, the auditors do not express an opinion on the supplementary information. The auditors have not applied procedures to the 2004 Supplementary Information for State Compliance Purposes, and accordingly, do not express an opinion thereon.

STATE OF ILLINOIS  
DEPARTMENT OF CORRECTIONS  
ILLINOIS RIVER CORRECTIONAL CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES  
For The Year Ended June 30, 2006

	APPROPRIATIONS NET OF TRANSFERS	EXPENDITURES THROUGH JUNE 30, 2006	LAPSE PERIOD EXPENDITURES JULY 1 TO AUGUST 31, 2006	TOTAL EXPENDITURES 14 MONTHS ENDED AUGUST 31, 2006	BALANCES LAPSED AUGUST 31, 2006
<b>PUBLIC ACT 94-0015</b>					
<b>GENERAL REVENUE FUND - 001</b>					
Personal services	\$ 18,575,800	\$ 17,625,472	\$ 906,101	\$ 18,531,573	\$ 44,227
Employee retirement contributions paid by employer	238,300	238,132	-	238,132	168
Student, member and inmate compensation	331,400	303,572	27,754	331,326	74
State contributions to State Employees' Retirement System	1,447,300	1,373,335	70,606	1,443,941	3,359
State contributions to Social Security	1,374,400	1,306,846	67,545	1,374,391	9
Contractual services	6,266,500	5,701,838	564,636	6,266,474	26
Travel	18,800	14,161	4,605	18,766	34
Travel and allowances for committed, paroled and discharged prisoners	24,700	24,335	315	24,650	50
Commodities	1,700,600	1,657,709	40,483	1,698,192	2,408
Printing	13,300	13,292	-	13,292	8
Equipment	99,300	11,130	88,150	99,280	20
Telecommunications services	41,400	41,364	-	41,364	36
Operation of automotive equipment	58,400	56,226	2,085	58,311	89
<b>Total - Fiscal Year 2006</b>	<b>\$ 30,190,200</b>	<b>\$ 28,367,412</b>	<b>\$ 1,772,280</b>	<b>\$ 30,139,692</b>	<b>\$ 50,508</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  
ILLINOIS RIVER CORRECTIONAL CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES  
For The Year Ended June 30, 2005

	APPROPRIATIONS NET OF TRANSFERS	EXPENDITURES THROUGH JUNE 30, 2005	LAPSE PERIOD EXPENDITURES JULY 1 TO AUGUST 31, 2005	TOTAL EXPENDITURES 14 MONTHS ENDED AUGUST 31, 2005	BALANCES LAPSED AUGUST 31, 2005
PUBLIC ACT 93-0842 & 93-0681					
GENERAL REVENUE FUND - 001					
Personal services	\$ 18,348,900	\$ 17,469,236	\$ 848,360	\$ 18,317,596	\$ 31,304
Employee retirement contributions paid by employer	37,756	37,756	-	37,756	-
Student, member and inmate compensation	362,600	317,097	27,936	345,033	17,567
State contributions to State Employees' Retirement System	2,849,300	2,710,757	132,978	2,843,735	5,565
State contributions to Social Security	1,312,800	1,246,429	61,409	1,307,838	4,962
Contractual services	5,558,300	4,825,434	605,205	5,430,639	127,661
Travel	17,000	6,463	1,285	7,748	9,252
Travel and allowances for committed, paroled and discharged prisoners	27,100	19,372	285	19,657	7,443
Commodities	1,816,900	1,640,282	127,285	1,767,567	49,333
Printing	16,000	12,154	1,559	13,713	2,287
Equipment	18,100	-	-	-	18,100
Telecommunications services	69,600	54,759	4,915	59,674	9,926
Operation of automotive equipment	62,500	42,105	20,096	62,201	299
Total - Fiscal Year 2005	\$ 30,496,856	\$ 28,381,844	\$ 1,831,313	\$ 30,213,157	\$ 283,699

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

	FISCAL YEAR		
	2006	2005	2004
	P.A. 94-0015	P.A. 93-0842 & 93-0681	P.A. 93-0091
GENERAL REVENUE FUND - 001			
Appropriations (net of transfers)	\$ 30,190,200	\$ 30,496,856	\$ 35,422,000
EXPENDITURES			
Personal services	\$ 18,531,573	\$ 18,317,596	\$ 17,634,291
Employee retirement contributions paid by employer	238,132	37,756	929,850
Student, member and inmate compensation	331,326	345,033	395,437
State contributions to State Employees' Retirement System	1,443,941	2,843,735	1,580,654
State contributions to Social Security	1,374,391	1,307,838	1,307,874
Contractual services	6,266,474	5,430,639	5,813,285
Travel	18,766	7,748	20,928
Travel and allowances for committed, paroled and discharged prisoners	24,650	19,657	28,206
Commodities	1,698,192	1,767,567	2,114,846
Printing	13,292	13,713	14,312
Equipment	99,280	-	102,437
Telecommunications services	41,364	59,674	66,445
Operation of automotive equipment	58,311	62,201	69,218
Lump sum, operations	-	-	60,456
Total Expenditures	\$ 30,139,692	\$ 30,213,157	\$ 30,138,239
LAPSED BALANCES	\$ 50,508	\$ 283,699	\$ 5,283,761



STATE OF ILLINOIS  
DEPARTMENT OF CORRECTIONS  
ILLINOIS RIVER CORRECTIONAL CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
DESCRIPTION OF LOCALLY HELD FUNDS  
For the Two Years Ended June 30, 2006

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 travel and allowances for discharged residents/inmates. The Travel and Allowance Revolving Fund is replenished from the Center's 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. Most Centers maintain four special revenue funds.

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

Residents' Benefit Fund and Employees' Benefit Fund are used to provide entertainment and recreational activities for residents and employees. The Employees' Benefit Fund may also be used to provide travel expense reimbursement for correctional officers while travel vouchers are being processed. During fiscal year 2006 the accounting and expenditure processing of the Residents' Benefit Fund were transferred to the Department of Corrections General Office.

STATE OF ILLINOIS  
DEPARTMENT OF CORRECTIONS  
ILLINOIS RIVER CORRECTIONAL CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
DESCRIPTION OF LOCALLY HELD FUNDS  
For the Two Years Ended June 30, 2006

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 which is a depository for the residents' money.

The Residents' Trust Fund is used to account for the receipts and disbursements of the resident's individual accounts.

STATE OF ILLINOIS  
DEPARTMENT OF CORRECTIONS  
ILLINOIS RIVER CORRECTIONAL CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
SCHEDULE OF LOCALLY HELD FUNDS - SPECIAL REVENUE FUNDS  
For the the Year ended June 30, 2006

	Employees' Commissary Fund	Residents' Commissary Fund	Employees' Benefit Fund	Residents' Benefit Fund (not examined)
<u>REVENUES</u>				
Income from Sales	\$ 82,533	\$ 1,646,075	\$ 17,866	\$ -
Interest / Investment Income	42	142	21	3,436
Miscellaneous				
Entry Fees	-	-	-	-
Postage	-	-	-	-
Other	41	-	-	16,447
Donations	-	-	-	-
Total Revenues	<u>82,616</u>	<u>1,646,217</u>	<u>17,887</u>	<u>19,883</u>
<u>EXPENDITURES</u>				
Purchases	75,888	1,336,737	22,455	-
General and Administrative	-	7,063	-	46,720
Contractual	-	-	-	71,550
Equipment	-	-	-	23,656
Postage	-	-	-	-
Cable Television	-	-	-	-
Donations	-	-	-	-
Other	-	-	-	-
Total Expenditures	<u>75,888</u>	<u>1,343,800</u>	<u>22,455</u>	<u>141,926</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>6,728</u>	<u>302,417</u>	<u>(4,568)</u>	<u>(122,043)</u>
<u>OTHER FINANCING SOURCES</u>				
Transfers In	-	-	2,691	121,483
Transfers (Out)	<u>(6,728)</u>	<u>(302,417)</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources	<u>(6,728)</u>	<u>(302,417)</u>	<u>2,691</u>	<u>121,483</u>
Net Change in Fund Balance	-	-	(1,877)	(560)
Fund Balance July 1, 2005	5,034	103,712	3,733	110,587
Fund Balance June 30, 2006	<u>\$ 5,034</u>	<u>\$ 103,712</u>	<u>\$ 1,856</u>	<u>\$ 110,027</u>

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

STATE OF ILLINOIS  
DEPARTMENT OF CORRECTIONS  
ILLINOIS RIVER CORRECTIONAL CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
SCHEDULE OF LOCALLY HELD FUNDS - SPECIAL REVENUE FUNDS  
For the the Year ended June 30, 2005

	Employees' Commissary Fund	Residents' Commissary Fund	Employees' Benefit Fund	Residents' Benefit Fund
<u>REVENUES</u>				
Income from Sales	\$ 2,308	\$ 1,607,480	\$ 94,532	\$ 60,215
Interest / Investment Income	4	70	12	111
Miscellaneous				
Entry Fees	-	-	-	-
Postage	-	-	-	-
Other	-	-	1,013	1,875
Donations	-	-	-	-
Total Revenues	<u>2,312</u>	<u>1,607,550</u>	<u>95,557</u>	<u>62,201</u>
<u>EXPENDITURES</u>				
Purchases	2,047	1,283,123	97,525	122,758
General and Administrative	-	-	-	-
Contractual	-	-	-	-
Equipment	-	-	-	-
Postage	-	-	-	-
Cable Television	-	-	-	-
Donations	-	-	-	-
Other	-	6,093	-	59,536
Total Expenditures	<u>2,047</u>	<u>1,289,216</u>	<u>97,525</u>	<u>182,294</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>265</u>	<u>318,334</u>	<u>(1,968)</u>	<u>(120,093)</u>
<u>OTHER FINANCING SOURCES</u>				
Transfers In	-	-	106	127,468
Transfers (Out)	(265)	(318,334)	-	-
Total Other Financing Sources	<u>(265)</u>	<u>(318,334)</u>	<u>106</u>	<u>127,468</u>
Net Change in Fund Balance	-	-	(1,862)	7,375
Fund Balance July 1, 2004	5,034	103,712	5,595	103,212
Fund Balance June 30, 2005	<u>\$ 5,034</u>	<u>\$ 103,712</u>	<u>\$ 3,733</u>	<u>\$ 110,587</u>

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

STATE OF ILLINOIS  
DEPARTMENT OF CORRECTIONS  
ILLINOIS RIVER CORRECTIONAL CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
SCHEDULE OF LOCALLY HELD FUNDS - CASH BASIS  
For The Years Ended June 30

	2005		2006	
	Travel and Allowance Rev. Fund	Residents' Trust Fund	Travel and Allowance Rev. Fund	Residents' Trust Fund
Balance - July 1	\$ 11,400	\$ 82,983	\$ 2,000	\$ 96,648
Receipts				
Investment Income	-	134	-	516
Inmate Account Receipts	-	2,031,993	-	2,022,136
Appropriations from General Revenue Fund	20,500	-	24,700	-
<b>TOTAL RECEIPTS</b>	<u>20,500</u>	<u>2,032,127</u>	<u>24,700</u>	<u>2,022,652</u>
Disbursements				
Inmate Account Disbursements	-	2,018,327	-	2,044,599
Disbursements for released inmates	33,157	-	24,650	-
<b>TOTAL DISBURSEMENTS</b>	<u>33,157</u>	<u>2,018,327</u>	<u>24,650</u>	<u>2,044,599</u>
Fund Transfers				
Fund Transfers In	4,100	-	-	-
Fund Transfers (Out)	(843)	(135)	(50)	(516)
<b>TOTAL TRANSFERS</b>	<u>3,257</u>	<u>(135)</u>	<u>(50)</u>	<u>(516)</u>
Balance - June 30	<u>\$ 2,000</u>	<u>\$ 96,648</u>	<u>\$ 2,000</u>	<u>\$ 74,185</u>

Note: Schedule is presented on the cash basis of accounting

STATE OF ILLINOIS  
DEPARTMENT OF CORRECTIONS  
ILLINOIS RIVER CORRECTIONAL CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
SCHEDULE OF CHANGES IN STATE PROPERTY  
For The Years Ended June 30,

	2006					2005				
	Land	Buildings	Equipment	Land Improvements	Total	Land	Buildings	Equipment	Land Improvements	Total
Balance, beginning	\$ 375,572	\$ 42,796,995	\$ 4,374,509	\$ 6,618,855	\$ 54,165,931	\$ 375,572	\$ 42,793,087	\$ 4,293,575	\$ 6,618,855	\$ 54,081,089
Additions:										
Purchases	-	-	42,253	-	42,253	-	-	59,454	-	59,454
Transfers-in:										
Intra-agency	-	-	-	-	-	-	-	-	-	-
Inter-agency	-	15,507	455,097	-	470,604	-	-	1,083,622	-	1,083,622
Capital Development Board	-	-	-	-	-	-	6,000	-	-	6,000
Employees' Commissary Fund	-	-	-	-	-	-	-	-	-	-
Employees' Benefit Fund	-	-	-	-	-	-	-	-	-	-
Residents' Commissary Fund	-	-	-	-	-	-	-	-	-	-
Residents' Benefit Fund	-	-	-	-	-	-	-	-	-	-
Donations	-	-	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-	-	-
Adjustments	-	-	15,289	-	15,289	-	908	-	-	908
Total Additions	-	15,507	512,639	-	528,146	-	6,908	1,143,076	-	1,149,984
Deductions:										
Transfers-out:										
Intra-agency	-	-	95,665	-	95,665	-	-	74,118	-	74,118
Inter-agency	-	-	425,882	-	425,882	-	-	30,765	-	30,765
Scrap property	-	-	44,872	-	44,872	-	-	81,995	-	81,995
Surplus property	-	-	-	-	-	-	-	3,230	-	3,230
Condemned and lost property	-	-	-	-	-	-	-	-	-	-
Adjustment	-	-	43,106	-	43,106	-	3,000	872,034	-	875,034
Total Deductions	-	-	609,525	-	609,525	-	3,000	1,062,142	-	1,065,142
Balance, ending	\$ 375,572	\$ 42,812,502	\$ 4,277,623	\$ 6,618,855	\$ 54,084,552	\$ 375,572	\$ 42,796,995	\$ 4,374,509	\$ 6,618,855	\$ 54,165,931

Note: The property balances at June 30, 2006 and 2005 have been reconciled to the property reports submitted to the Office of the Comptroller.

STATE OF ILLINOIS  
DEPARTMENT OF CORRECTIONS  
ILLINOIS RIVER CORRECTIONAL CENTER  
COMPARATIVE SCHEDULE OF CASH RECEIPTS AND DEPOSITS  
(NOT EXAMINED)  
For The Years Ended June 30,

	FISCAL YEAR		
	2006	2005	2004
<u>RECEIPTS</u>			
Jury Duty and Telephone Reimbursement	\$ 130	\$ 252	\$ 57
Inmate Restitution	18,085	23,160	36,187
Postage	-	8,775	-
Funeral Furlough	-	-	-
Damage to State Property	-	-	-
Medical Services	-	-	-
Miscellaneous	6,698	3,647	2,664
<b>TOTAL RECEIPTS</b>	<b>\$ 24,913</b>	<b>\$ 35,834</b>	<b>\$ 38,908</b>
<u>REMITTANCES</u>			
General Revenue Fund - 001	\$ 6,556	\$ 3,846	\$ 2,721
Department of Corrections Reimbursement Fund - 523	18,357	31,988	36,187
<b>TOTAL RECEIPTS REMITTED DIRECTLY TO STATE TREASURER</b>	<b>\$ 24,913</b>	<b>\$ 35,834</b>	<b>\$ 38,908</b>
<u>DEPOSITS</u>			
Receipts recorded by Center	\$ 8,430	\$ 3,851	\$ 2,721
Add: Deposits in transit - Beginning of year	20	15	2,292
Deduct: Deposits in transit - End of year	(1,894)	(20)	(15)
<b>DEPOSITS RECORDED BY THE STATE COMPTROLLER</b>	<b>\$ 6,556</b>	<b>\$ 3,846</b>	<b>\$ 4,998</b>

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.

STATE OF ILLINOIS  
DEPARTMENT OF CORRECTIONS  
ILLINOIS RIVER CORRECTIONAL CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES  
For the Two Years Ended June 30, 2006

Fiscal Year 2006

A comparative schedule of significant variations in expenditures (20% or more) for the fiscal years ended June 30, 2006 and June 30, 2005 are shown below:

<u>EXPENDITURE ITEM</u>	<u>FISCAL YEAR ENDED JUNE 30</u>		<u>INCREASE (DECREASE)</u>	<u>%</u>
	<u>2006</u>	<u>2005</u>	<u>AMOUNT</u>	
State Paid Retirement Contribution	\$238,132	\$37,756	\$200,376	531%
State Employee Retirement	\$1,443,941	\$2,843,735	\$(1,399,794)	(49)%
Travel	\$18,766	\$7,748	\$11,018	142%
Travel & Allowanced for committed, paroled, and discharged prisoners	\$24,650	\$19,657	\$4,993	25%
Equipment	\$99,280	\$0	\$99,280	100%
Telecommunication Services	\$41,364	\$59,674	\$(18,310)	(31)%

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

State Paid Retirement Contribution

The increase in expenditures for the State Paid Retirement resulted from all but one pay period in fiscal year 2005 being expended from the Personal Services appropriation. In fiscal year 2006, the State paid its share of the employee contribution until December 31, 2005 and then ceased all payments.

State Employee Retirement

The decrease in State Employee Retirement expenditures was the result of the decreasing of the employer contribution rate from 16.107% in 2005 to 7.792% in 2006.

Travel

The increase in travel expenditures was the result of a travel restriction, at the direction of the Director, being lifted in the beginning of fiscal year 2006.

Travel & Allowance for committed, paroled, and discharged prisoners

The increase in travel and allowance expenditures was the result of the Department liquidating the Travel and Allowance locally held funds beginning on October 1, 2004. Since about half of the travel and allowance expenditures came from the locally held fund cash balance, not as much General Revenue Fund money was needed in fiscal year 2005. Then, in 2006, all disbursements were made from General Revenue Fund appropriations.



Equipment

The increase in equipment expenditures was the result of the Department of Corrections not approving any equipment purchases for the facility in fiscal year 2005.

Telecommunication Services

The decrease in telecommunication services expenditures was the result of CMS Revolving Fund making only eight payments in fiscal year 2006, while 12 payments were made in fiscal year 2005. This decision was at the direction of Department of Correction's Budget Services.

STATE OF ILLINOIS  
DEPARTMENT OF CORRECTIONS  
ILLINOIS RIVER CORRECTIONAL CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES  
For the Two Years Ended June 30, 2006

Fiscal Year 2005

A comparative schedule of significant variations in expenditures (20% or more) for the fiscal years ended June 30, 2005 and June 30, 2004 are shown below:

<u>EXPENDITURE ITEM</u>	<u>FISCAL YEAR ENDED JUNE 30</u>		<u>INCREASE (DECREASE)</u>	<u>%</u>
	<u>2005</u>	<u>2004</u>	<u>AMOUNT</u>	
State Paid Retirement Contribution	\$37,756	\$929,850	\$(892,094)	(96)%
State Employee Retirement	\$2,843,735	\$1,580,654	\$1,263,081	80%
Travel	\$7,748	\$20,928	\$(13,180)	(63)%
Travel and allowances for committed, paroled, and discharged prisoners	\$19,657	\$28,206	\$(8,549)	(30)%
Equipment	\$0	\$102,437	\$(102,437)	(100)%
Lump sum, operations	\$0	\$60,456	\$(60,456)	(100)%

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

State Paid Retirement Contribution

The decrease in State Paid Retirement Contribution expenditures was the result of a full year expended from this line item in fiscal year 2004. However, all but one pay period in fiscal year 2005 was instead expended from the Personal Services line item.

State Employee Retirement

The increase in expenditures for the State Employee Retirement was the result of the employer contribution rate increasing from 13.439% in 2004 to 16.107% in 2005. Also, beginning January 1, 2005, the employees made half the employee contribution to the retirement system in an amount of 2%.

Travel

The decrease in travel expenditures was the result of a travel restriction implemented at the direction of the Director in the beginning of fiscal year 2005.

Travel and allowances for committed, paroled, and discharged prisoners

The decrease in travel and allowance expenditures was the result of the Department liquidating the Travel and Allowance locally held funds beginning on October 1, 2004. Since about half of the travel and allowance expenditures came from the locally held fund cash balance, not as much General Revenue Fund money was needed in fiscal year 2005.

Equipment

The decrease in equipment expenditures was the result of the Department of Corrections not approving any equipment purchases for the facility in fiscal year 2005.

Lump sum, operations

The decrease in lump sum, operations expenditures was a result of the Hanna City work camp closing in September 2002. After the work camp closed, the Center continued to pay the utilities and provide for routine maintenance. Additional expenditures were also incurred to prepare the work camp to be reopened during fiscal year 2004. However, the work camp was never reopened. Therefore, there were no lump sum, operations expenditures after fiscal year 2004.

STATE OF ILLINOIS  
DEPARTMENT OF CORRECTIONS  
ILLINOIS RIVER CORRECTIONAL CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING  
For the Two Years Ended June 30, 2006

Our testing of lapse period expenditures for fiscal year ended June 30, 2006 disclosed two appropriation line items with significant (20% or more) lapse period expenditures, as scheduled below:

<u>EXPENDITURE ITEM</u>	<u>Fiscal Year Ended June 30, 2006</u>		
	<u>TOTAL EXPENDITURES</u>	<u>LAPSE PERIOD EXPENDITURES</u>	<u>PERCENTAGE</u>
Travel	\$18,766	\$4,605	25%
Equipment	\$99,280	\$88,150	89%

Center management provided the following explanations for the significant lapse period expenditures identified above.

Travel

The lapse period expenditures represented funding not available until after June 30, 2006.

Equipment

The lapse period expenditures represented dietary equipment that had to be procured via competitive bidding procedures by the State of Illinois, Department of Central Management Services. The Center did not receive the purchase order until June and the equipment until July and August.

STATE OF ILLINOIS  
DEPARTMENT OF CORRECTIONS  
ILLINOIS RIVER CORRECTIONAL CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING  
For the Two Years Ended June 30, 2006

Our testing of lapse period expenditures for fiscal year ended June 30, 2005 disclosed one appropriation line item with significant (20% or more) lapse period expenditures, as scheduled below:

<u>EXPENDITURE ITEM</u>	<u>Fiscal Year Ended June 30, 2005</u>		
	<u>TOTAL EXPENDITURES</u>	<u>LAPSE PERIOD EXPENDITURES</u>	<u>PERCENTAGE</u>
Operation of auto equipment	\$62,201	\$20,096	32%

Center management provided the following explanation for the significant lapse period expenditure identified above.

Operation of auto equipment

The lapse period expenditures represented the Center waiting on a 2% transfer to this line item, a large number of repairs in June, and the Center not receiving the invoices until after June 30, 2006.

STATE OF ILLINOIS  
DEPARTMENT OF CORRECTIONS  
ILLINOIS RIVER CORRECTIONAL CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
SCHEDULE OF CHANGES IN INVENTORIES  
Two Years Ended June 30, 2006

	Balance July 1, 2005	Additions	Deletions	Balance June 30, 2006
<b>GENERAL REVENUE FUND</b>				
General Stores	\$ 165,138	\$ 1,566,634	\$ 1,585,272	\$ 146,500
Mechanical Stores	17,346	65,820	69,189	13,977
Resident Clothing	9,503	124,503	122,999	11,007
Officers' Clothing	969	20,978	21,947	-
Office Supplies	16,650	30,810	33,006	14,454
Postage	3,511	22,000	22,059	3,452
Surplus Inventory	1,850	-	-	1,850
	<u>\$ 214,967</u>	<u>\$ 1,830,745</u>	<u>\$ 1,854,472</u>	<u>\$ 191,240</u>
<b>LOCAL FUNDS</b>				
Employees' Commissary Fund	\$ 2,349	\$ 77,058	\$ 77,377	\$ 2,030
Residents' Commissary Fund	74,095	1,286,676	1,282,482	78,289
	<u>\$ 76,444</u>	<u>\$ 1,363,734</u>	<u>\$ 1,359,859</u>	<u>\$ 80,319</u>

	Balance July 1, 2004	Additions	Deletions	Balance June 30, 2005
<b>GENERAL REVENUE FUND</b>				
General Stores	\$ 212,317	\$ 1,647,107	\$ 1,694,286	\$ 165,138
Mechanical Stores	14,403	78,162	75,219	17,346
Resident Clothing	19,825	114,839	125,161	9,503
Officers' Clothing	2,348	14,384	15,763	969
Office Supplies	14,802	35,406	33,558	16,650
Postage	5,257	21,000	22,746	3,511
Surplus Inventory	3,976	-	2,126	1,850
	<u>\$ 272,928</u>	<u>\$ 1,910,898</u>	<u>\$ 1,968,859</u>	<u>\$ 214,967</u>
<b>LOCAL FUNDS</b>				
Employees' Commissary Fund	\$ 2,486	\$ 3,996	\$ 4,133	\$ 2,349
Residents' Commissary Fund	90,740	1,267,555	1,284,200	74,095
	<u>\$ 93,226</u>	<u>\$ 1,271,551</u>	<u>\$ 1,288,333</u>	<u>\$ 76,444</u>

Note: The inventory balances at June 30 were reconciled to the records of the Center.

STATE OF ILLINOIS  
DEPARTMENT OF CORRECTIONS  
ILLINOIS RIVER CORRECTIONAL CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
ANALYSIS OF OPERATIONS  
For the Two Years Ended June 30, 2006

CENTER FUNCTIONS AND PLANNING PROGRAM

Center Functions

The Illinois River Correctional Center (Center) located in Canton, Illinois is a high-medium security facility of the Illinois Department of Corrections (Department). The Center opened October 21, 1989, and is designed to house 1,211 inmates, although it housed an average of 1,962 during fiscal year 2006. The Hanna City Work Camp (Camp), located just west of Hanna City, Illinois on Rt. 116, became part of the Illinois River Correctional Center on July 1, 1991. The Camp was closed on September 20, 2002.

The Center's purpose is to protect the public from criminal offenders through incarceration, supervision, programs, and services designed to return appropriate offenders to the community with skills and attitudes that will help them become useful and productive citizens.

To achieve these goals, the Center provides various services to the inmates. The services described below are those programs provided in addition to the basic inmate care, which includes food, clothing, housing, laundry, maintenance, administration, commissary, and trust fund services.

A security staff of about 285 men and women provides internal and perimeter security to prevent unauthorized access by the general public, and provides measures that will ensure the safety of inmates and staff. Security also provides supervision for inmates while performing community public works and highway clean-up activities.

Clinical Services provide for inmate case management services. Small group developmental sessions and Pre-Start, an advanced parole school, are also offered. A Substance Abuse Treatment program provides assistance to both full and part-time assigned inmates on a residential wing in one housing unit.

The Health Care Unit has a fifteen-bed infirmary and provides 24-hour emergency care and infirmary services; acute and chronic conditions can be addressed through the services of the physicians, dentists, dental assistants, psychologist, and psychiatrist. Health care also provides services of peer educators, especially in the orientation and pre-start programs to help get education out on HIV and other sexually transmitted diseases.

The Center provides quality educational and vocational programs through the School District #428 and Illinois Central College. The school district maintains library services at the Center, which include a general and law library for the inmate population.

Religious and spiritual needs of the inmate population are met through regularly scheduled activities for members of all faiths.

Leisure Time Services Department provides a comprehensive recreation program for all inmates at the institution.

The Barber Shop is staffed by a licensed barber and assisted by six inmate barbers. The shop provides approximately 750 haircuts per month to the inmates and staff members.

Austin Randolph Jr. is the current warden of the Center. The Department maintains its General Office in Springfield. The address of the Center is Illinois River Correctional Center, Route 9 West, Canton, Illinois 61520.

#### Planning Program

Planning for the Department of Corrections is completed at the Departmental level under the supervision and direction of the Director of the Department. The Department has a manager of Planning and Research directly responsible for the Centers' planning programs. However, each facility is encouraged to participate by establishing facility-level goals within the strategic plan.

On a monthly basis, key personnel at the Center 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 monthly basis.

#### Auditors' Assessment of Center's Planning Program

Illinois River Correctional Center appears to be effectively using their planning program to improve their current management of the Center and has established adequate operating programs to meet their defined goals and objectives.



STATE OF ILLINOIS  
DEPARTMENT OF CORRECTIONS  
ILLINOIS RIVER CORRECTIONAL CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
ANALYSIS OF OPERATIONS  
For the Two Years Ended June 30, 2006

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		
	<u>2006</u>	<u>2005</u>	<u>2004</u>
Administrative	8	8	8
Business office and stores	13	15	14
Clinical services	22	21	20
Work Camp	0	0	1
Recreation	4	4	5
Maintenance	8	9	9
Utilities	1	0	0
Laundry	1	1	1
Correctional Officers	282	287	295
Dietary	17	18	19
Medical/Psychiatric	<u>1</u>	<u>1</u>	<u>1</u>
Total	<u>357</u>	<u>364</u>	<u>373</u>

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 employees' 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.

STATE OF ILLINOIS  
DEPARTMENT OF CORRECTIONS  
ILLINOIS RIVER CORRECTIONAL CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
ANALYSIS OF OPERATIONS  
For the Two Years Ended June 30, 2006

EMPLOYEE OVERTIME (cont.)

The following table, prepared from Department records presents the paid overtime and earned compensatory time incurred during fiscal year 2006 and 2005.

	<u>2006</u>	<u>2005</u>
Paid overtime hours worked during fiscal year	1,408	1,299
Value of overtime hours worked during fiscal year	\$52,684	\$46,927
Compensatory hours earned during fiscal year	10,819	8,584
Value of compensatory hours earned during fiscal year	\$278,569	\$207,100
Total paid overtime hours and earned compensatory hours during fiscal year	12,227	9,883
Total value of paid overtime hours and earned compensatory hours during fiscal year	\$331,253	\$254,027

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.

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, 2006 and 2005 are presented on pages 18 and 19 of this report.

STATE OF ILLINOIS  
DEPARTMENT OF CORRECTIONS  
ILLINOIS RIVER CORRECTIONAL CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
ANALYSIS OF OPERATIONS  
For the Two Years Ended June 30, 2006

INMATE COMMISSARY OPERATION (cont.)

As part of our testing 10 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 no exceptions. The Center appears to be in compliance with the Unified Code of Corrections.

SHARED RESOURCES (not examined)

Illinois River Correctional Center has provided bus services for Hill Correctional Center since March 2005. Illinois River Correctional Center provides this service approximately three times per week for the purpose of transporting offenders. Each transfer requires approximately six staff members.

COSTS PER YEAR PER INMATE (not examined)

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

	Fiscal Year		
	<u>2006</u>	<u>2005</u>	<u>2004</u>
Rated population	<u>1,011</u>	<u>1,011</u>	<u>1,011</u>
Inmate population (as of May 31)	<u>1,957</u>	<u>1,954</u>	<u>1,954</u>
Average number of inmates	<u>1,961</u>	<u>1,949</u>	<u>1,954</u>
Expenditures from appropriations	\$30,139,692	\$30,213,157	\$30,138,239
Less-equipment and capital improvements	<u>99,280</u>	-	<u>102,437</u>
Net expenditures	<u>\$30,040,412</u>	<u>\$30,213,157</u>	<u>\$30,035,802</u>
Net inmate cost per year	<u>\$15,319</u>	<u>\$15,502</u>	<u>\$15,371</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 Illinois Department of Corrections' quarterly reports to the State legislature.

STATE OF ILLINOIS  
DEPARTMENT OF CORRECTIONS  
ILLINOIS RIVER CORRECTIONAL CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
ANALYSIS OF OPERATIONS  
For the Two Years Ended June 30, 2006

RATIO OF EMPLOYEES TO INMATES (not examined)

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

	<u>2006</u>	<u>2005</u>	<u>2004</u>
Average number of employees	<u>357</u>	<u>364</u>	<u>373</u>
Average number of correctional officers	<u>282</u>	<u>287</u>	<u>295</u>
Average number of inmates	<u>1,961</u>	<u>1,949</u>	<u>1,954</u>
Ratio of employees to inmates	<u>1 to 5.5</u>	<u>1 to 5.4</u>	<u>1 to 5.2</u>
Ratio of correctional officers to inmates	<u>1 to 7.0</u>	<u>1 to 6.8</u>	<u>1 to 6.6</u>

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>2006</u>	<u>2005</u>	<u>2004</u>
Approximate Square Foot Per Inmate	<u>33</u>	<u>33</u>	<u>33</u>

STATE OF ILLINOIS  
DEPARTMENT OF CORRECTIONS  
ILLINOIS RIVER CORRECTIONAL CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
ANALYSIS OF OPERATIONS  
For the Two Years Ended June 30, 2006

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>2006</u>	<u>2005</u>	<u>2004</u>
Breakfast	368,474	327,562	341,857
Lunch	610,109	585,264	510,044
Dinner	552,889	563,122	517,140
1:00 a.m. meal	10,480	11,344	1,150
Staff meals	59,463	54,787	81,760
Vocational School Meals	<u>8,901</u>	<u>7,473</u>	<u>2,250</u>
Total Meals Served	<u>1,610,316</u>	<u>1,549,552</u>	<u>1,454,201</u>
Food Cost	<u>\$1,390,267</u>	<u>\$1,487,144</u>	<u>\$1,595,277</u>
Cost Per Meal	<u>\$.86</u>	<u>\$.96</u>	<u>\$1.10</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 2006, 2005 and 2004.

	Fiscal Year		
	<u>2006</u>	<u>2005</u>	<u>2004</u>
Medical Services:			
Addus Healthcare, Inc.	\$ -	\$ -	\$2,966,439
Wexford Health Sources, Inc.	2,216,049	3,653,018	1,187,961
Health Professionals Ltd.	<u>2,163,483</u>	<u>-</u>	<u>-</u>
	<u>\$4,379,532</u>	<u>\$3,653,018</u>	<u>\$4,154,400</u>
Clergy Services:			
Jewish	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,283</u>

STATE OF ILLINOIS  
DEPARTMENT OF CORRECTIONS  
ILLINOIS RIVER CORRECTIONAL CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
ANALYSIS OF OPERATIONS  
For the Two Years Ended June 30, 2006

SERVICE EFFORTS AND ACCOMPLISHMENTS (not examined)

**Educational Programming:**

There are currently two academic educators at Illinois River Correctional Center. The educators completed state mandated teacher recertification in 2005. Additional academics staff includes the EFA, Office Coordinator and the Librarian. The Library continues to offer a full service law library with inmate law clerks assisting with research while the Librarian oversees all areas of the Library. In all of the Vocational classes, students receive educational training and knowledge through a series of lectures and hands-on labs. The Construction Technology Program completed pre-fabrication for the walls for six houses for the area's four Habitat for Humanity affiliates, small construction projects for not-for-profit community organizations and facility staff, and helped the Peoria Goodwill Industry set up their rehabilitation program. The Horticulture Program does all the landscaping for the institution and grew the flowers for the State First Lady's Wildflower Program and Canton's Beautification Project. The Electronics Technology Program utilized their newly acquired skills to build robots that were donated to OSF Children's Hospital in Peoria. The Automotive Technology Program ranges from rebuilding engines to changing fluids in automobiles. The Computer Technology students organized and published the Fulton County Humane Society's newsletter. A Culinary Arts Instructor was hired in May 2005 after several years' hiatus.

**Barbershop:**

In an effort to enhance security, antiseptic astringent and liquid hand soap dispensers have been installed at each barber station, eliminating the possibility of theft of these necessary items. In March 2004, the employee shoeshine stand was reopened for business. Currently there is a shoe shine specialists that provides over 50 shines a month for staff. Six barbers, two of which have completed Barber College, and one full-time porter, who continuously cleans the entire shop on a daily basis, are employed.

**Leisure Time Services:**

Intramural programs are offered in addition to daily yard and gym lines for inmate participation. Other activities are gradually being reinstated: music room and table game activities. The in-house video system has been upgraded by purchasing DVD players. Four additional television channels have been added during the past two years for inmate viewing. Yard weightlifting areas have been expanded, through recycling of the Hanna City Work Camp equipment. A bocce ball court was added to the yard. Evening yard programs (soccer, softball, horseshoes, runners club, weightlifting and handball) have been established and utilized by specific housing during seasonal weather. Two programs recently were re-implemented – The Toastmasters and Ceramics classes are now ongoing. These have received a positive response from the inmate population. The Toastmasters group assists in giving the participants self-confidence and the ability to speak well in front of a group and face-to-face.

**Health Care Services:**

Accomplishments over the last year have included the successful implementation of HIV counseling and/or testing under Public Act 94-0269, extensive repairs to both of the dental motors and replacement of all of the mattresses in the infirmary area. Public Act 94-0269 includes HIV counseling and offering testing to each offender upon arrival at the offender's parent facility from Reception and Classification and prior to the offender's release.

**Chaplaincy Program:**

The chaplaincy programming has been supervised by LTS staff in the absence of a full-time chaplain. Numerous volunteers come into the facility at various times during the week to provide religious services with approximately twenty new volunteers having been added to the program in 2006. Forty-one inmates were recently baptized during a Chapel service. Ten inmates are scheduled to be wed in the Visiting Room with an ordained religious volunteer conducting the ceremony. In October of this year, the first religious revival in over 4 years took place in the gymnasium. Twenty-five volunteers and over 300 inmates were in attendance.

**Clinical Services:**

The drug education program is ongoing. One staff member is CAD/C Certified. The 12-week Drug Education Groups are held approximately 3 – 4 times a year with an average group size of 20 offenders. Alcoholics' Anonymous program is held weekly under the direction of the Clinical Services staff and outside volunteers. A Spanish speaking Alcoholics Anonymous group met until June of 2005 when the volunteer who was conducting this group moved out of state. A Narcotics Anonymous group is held weekly when the volunteer is available. The average attendance for the AA and the NA groups is approximately 60 offenders. Counseling groups are held on a continuous basis including Parenting Education Group. The groups are conducted four times per year when staffing and resources are available.

**Business Office:**

Due to budget constraints expenditures were continued to be monitored very closely with good results. Total expenditures in Fiscal Year 2005 and Fiscal Year 2006 held steady from FY04, with many of the line items being reduced over the previous years. A thorough study was done by a Corrections Supply Supervisor II in the commodity line of household, laundry and cleaning supplies in addition all staff scrutinized the expenditures of all Commodities. As a result, items were eliminated due to duplication and those that were no longer needed. Additionally, the quantities used were scrutinized.

**Dietary Department:**

The Dietary Department has implemented a new master menu in an effort to ensure higher quality and acceptance by the inmate population as well as assure cost control measures are being followed. A new dish machine was installed during the summer of 2006. This helps ensure the sanitation and cleanliness of the food serving equipment.

**Correctional Industry Bakery:**

The ICI Bakery is open seven days a week, three shifts, and employs 16 staff and 210 offenders. Services are provided to 30 Illinois Correctional Centers, 1 Illinois Federal Prison, 7 Illinois Juvenile Justice Centers, 2 Impact Incarceration Programs, 3 Illinois Work Camps, 16 Illinois Human Service Centers, 3 Illinois Veteran Homes, and 5 Illinois Schools. Customers are offered a minimum of two deliveries each week of fresh baked products.

**Security - Internal Affairs and Intel Units:**

Our offices have continued to keep open lines of communications between both staff and offenders. This communication allows information to be channeled in such a way to assist us in dealing with issues at the onset thus reducing dangers to both staff and offenders. This method has proven to be effective in numerous incidents and is reflected in the decline of inmate on staff & inmate on inmate assaults which indicates a 17% reduction in staff assaults and 20% reduction in inmate on inmate assaults.

IRCC has adopted a policy of drug testing all segregation assigned offenders to assist with curbing drug usage. This policy and other security measures are known to the offender population and send a message of our intent to enforce a zero tolerance for drugs. The following statistics include positive results, failure to supply, and refusals to provide sample.

**SECURITY THREAT GROUP**

IDOC has gained recognition throughout the law enforcement agencies for our diligence in identifying STG members and Leaders. Illinois River Correctional Center is at the top of the list in this identifying process. Statistical information of this process is kept for each of the facilities and IRCC has the least amount of offenders in the non-validated category of all facilities. This is an exceptional accomplishment.

**Training:**

Beginning in FY 06, the Center's Training Office made several fundamental changes in the cycle training program. The use of the PowerPoint vastly changed the presentation style. Additionally, the training material was revamped and streamlined. Each day of training was organized into related sections for a better continuity (i.e. all the facility's emergency procedures were put into one unit). Simple cosmetic changes, such as rearranging the furniture in the classroom into a style more conducive to adult education, putting together all new training manuals, and simplifying the paperwork the staff complete to document training were implemented. The training evaluations clearly show the staff appreciates these changes.

**Information Services:**

The facility recently migrated all computers to the new X-P-AD (Microsoft XP with Active Directory) system. This will enable everyone to obtain information in a more efficient manner and with faster response. We will also be upgrading from Token Ring to Ethernet within a few days, which will help speed up our computers also.

**Maintenance:**

The center island in the middle between the Maintenance Area and the Industries Bakery has been removed and replaced with concrete. This will allow the semi-trucks easier access to the bakery. The Range building has been refurbished with paint and general repair. The Maintenance staff continues to maintain the facility on approximately 1/3 of the funds allocated for previous years.

**Internal Audit:**

The Internal Audit Control Office has trained 102 facility auditors for this Fiscal Year. The new audits have proven to be much more user friendly and are more consistent with the current Administrative Directives.