

STATE OF ILLINOIS  
DEPARTMENT OF CORRECTIONS

PINCKNEYVILLE 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  
PINCKNEYVILLE CORRECTIONAL CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2008

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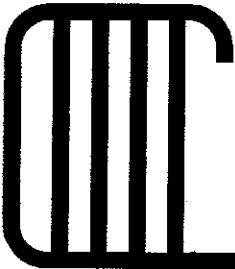
STATE OF ILLINOIS  
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LIMITED SCOPE COMPLIANCE EXAMINATION  
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**CENTER OFFICIALS**

Acting Warden (Current)	Mr. Gregory Schwartz
Acting Warden (8/12/08 to 11/25/08)	Mr. Donald Gaetz
Acting Warden (4/28/08 to 8/11/08)	Mr. Jay Merchant
Acting Warden (3/10/08 to 4/27/08)	Mr. Allan Martin
Warden (9/16/07 to 3/9/08)	Mr. Daniel Austin
Warden (4/1/07 to 9/15/07)	Ms. Yolanda Johnson
Warden (7/1/06 to 3/31/07)	Mr. Kenneth Bartley
Assistant Warden – Programs (Current)	Mr. Charles Dintelman
Assistant Warden – Programs (9/16/08 to 9/23/08)	Vacant
Assistant Warden – Programs (2/1/08 to 9/15/08)	Mr. Wesley Wilt
Assistant Warden – Programs (11/1/07 to 1/31/08)	Vacant
Assistant Warden – Programs (7/1/06 to 10/31/07)	Mr. Earl Wilson
Assistant Warden – Operations (Current)	Mr. Earl Wilson
Assistant Warden – Operations (7/1/07 to 10/31/07)	Vacant
Assistant Warden – Operations (7/1/06 to 6/30/07)	Mr. Alan Uctman
Business Office Administrator (Current)	Ms. Lisa Flowers
Business Office Administrator (7/1/06 to 8/31/07)	Vacant

The Center is located at:

5835 State Route 154  
Pinckneyville, IL 62274



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

**Pat Quinn**  
Governor

**Roger E. Walker Jr.**  
Director

Pinckneyville Correctional Center / 5835 State Route 154 / Pinckneyville, IL 62274-3410 / Telephone: (618) 357-9722 / TDD: (800) 526-0844

MANAGEMENT ASSERTION LETTER

Martin & Shadid CPAs, P.C.  
3810 N. Prospect Rd.  
Peoria, IL 61614

March 19, 2009

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 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,

Pinckneyville Correctional Center

  
Gregory Schwartz, Acting Warden

  
Lisa Flowers, Business Administrator

STATE OF ILLINOIS  
DEPARTMENT OF CORRECTIONS  
PINCKNEYVILLE 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	5	2
Repeated findings	1	0
Prior recommendations implemented or not repeated	1	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>	<u>Finding Type</u>
08-1.	10	Failure to Properly Transfer Unclaimed Inmate Cash Account Balances	Noncompliance and Significant Deficiency
08-2.	12	Employee Commissary Goods Marked Up More Than Allowed by Statute	Noncompliance and Significant Deficiency
08-3.	13	Inadequate Controls over Inmate Trust Fund Receipts	Noncompliance and Significant Deficiency

08-4.	14	Inadequate Segregation of Duties	Noncompliance and Significant Deficiency
08-5.	16	Lack of Controls Over Personal Usage of State Vehicle Certifications	Noncompliance and Significant Deficiency

PRIOR FINDINGS NOT REPEATED

<u>Item No.</u>	<u>Page</u>	<u>Description</u>
A.	18	Improper Usage of Inmate Benefit Funds

**EXIT CONFERENCE**

Center management waived having an exit conference per an email correspondence dated February 23, 2009. Responses to the recommendations were provided by Mary Ann Bohlen, Supervisor of Central Accounting, per correspondence dated February 23, 2009.

MARTIN & SHADID  
CERTIFIED PUBLIC ACCOUNTANTS

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*Making the Complex Simple®*  
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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 – Pinckneyville 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 – Pinckneyville Correctional Center is responsible for compliance with these requirements. Our responsibility is to express an opinion on the State of Illinois Department of Corrections – Pinckneyville Correctional Center's compliance based on our examination.

- A. The State of Illinois Department of Corrections – Pinckneyville 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 – Pinckneyville 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 – Pinckneyville 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 – Pinckneyville 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 – Pinckneyville Correctional Center on behalf of the State or held in trust by the State of Illinois Department of Corrections – Pinckneyville

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 – Pinckneyville 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 – Pinckneyville Correctional Center's compliance with specified requirements.

In our opinion, the State of Illinois Department of Corrections - Pinckneyville 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. 08-1, 08-2, 08-3, 08-4, and 08-5.

### **Internal Control**

The management of the State of Illinois Department of Corrections – Pinckneyville 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 – Pinckneyville 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 – Pinckneyville 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 – Pinckneyville 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.

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 Code No. 08-1, 08-2, 08-3, 08-4 and 08-5 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. We did not consider any of the deficiencies described in the accompanying Schedule of Findings to be material weaknesses.

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 - Pinckneyville Correctional Center’s responses 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 - Pinckneyville Correctional Center’s responses and, accordingly, we express no opinion on them.

#### **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, 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.

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

**March 19, 2009**

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

Current Findings

08-1. Finding: (Failure to Properly Transfer Unclaimed Inmate Cash Account Balances)

The Pinckneyville Correctional Center did not take appropriate action to ensure that dormant account balances were properly transferred to the General Revenue Fund (GRF).

The Unified Code of Corrections (Code) requires the Department to establish accounting records with individual accounts for each inmate (730 ILCS 5/3-4-3(a)). In addition, the Code (730 ILCS 5/3-4-3(b)) requires any money held in accounts of a committed person, upon release from the Department by death, discharge, or unauthorized absence and unclaimed for a period of one year thereafter by the person or his legal representative to be transmitted to the State Treasurer who shall deposit it into the GRF. Further, the Illinois Department of Corrections Administrative Directives (Directives) (02.42.106) require, upon determination of dormant accounts, the Business Administrator prepare a list, which includes the account numbers, inmates' names, identification numbers, account balances and a memorandum requesting permission to transfer the balances to the GRF.

We noted the Center improperly offset Inmate Trust Fund accounts with positive cash balances against accounts with negative balances prior to transfer of unclaimed cash balances to the GRF. Our testing of the June 2007 and 2008 dormant accounts noted dormant accounts totaling \$3,663 and \$7,614, respectively, were not transferred to the GRF.

Center management stated their internal policy for dormant accounts is to only transfer positive balances which exceed negative balances in total for all inmate accounts. Negative inmate account balances for the June 2007 and 2008 test period were \$4,959 and \$8,296, respectively. Two transfers, totaling \$575, were made during fiscal year 2007. There were no transfers during fiscal year 2008.

There were various causes for negative balances, such as restitution for damages and charges for requested legal copies or postage, which could not, according to Department rules, be denied even if the inmate's trust account had an insufficient balance. The majority of negative balances did not involve cash distributions from the Inmate Trust Fund, but represented amounts the Center paid from the GRF or other funds and can only be recouped if cash is available in the individual inmate's account.

However, there are instances where cash payments are made to inmates in excess of their balance, which creates a negative balance. In these instances, offsetting negative account balances against other accounts in the Inmate Trust Fund effectively requires other inmate accounts to temporarily bear the costs of those deficits in violation of the Center's fiduciary responsibility and the Code. In addition, failure to notify the Department and ensure dormant

account cash balances are transferred to the GRF is noncompliance with the Administrative Directive and State statute and could result in a loss of revenue to the State. (Finding Code No. 08-1)

### RECOMMENDATION

We recommend the Center take appropriate action to ensure dormant cash balances are timely transferred to the GRF.

### CENTER RESPONSE

The Department has implemented policies and procedures that it feels are appropriate to the Statute and Administrative Directives.

- The inmate trust fund maintains individual accounts by inmate.
- The accounts are reviewed when designated dormant.
- The appropriate account balances are transferred to the general revenue fund as required.
- The statute is silent on the Department's ability to offset negative account balances with positive account balances.

The end result of the policy is not a loss of revenue to the State as all funds are deposited into a legislatively appropriated fund on deposit at the Treasurer.

### AUDITOR'S COMMENT

The Unified Code of Corrections requires the transfer of dormant accounts to the GRF. The Center did not transfer dormant accounts for June 2007 or June 2008, totaling \$3,663 and \$7,614, respectively, to the GRF. The net negative balances are caused by the improper offsetting of one inmate's positive cash balance against another inmate's negative balance in the Inmate Trust Fund.

Further, the Department's administrative rules (20 Ill. Adm. Code 535.140(a)) state unclaimed money held for a period of one year may be transferred to the Inmate Benefit Fund and be expended for the special benefit of committed persons, which is inconsistent with the Unified Code of Corrections.

The Center has a fiduciary responsibility for the inmate accounts and should be evaluating each account within the Inmate Trust Fund individually for potential transfer to the GRF.

08-2. Finding: (Employee Commissary Goods Marked Up More Than Allowed by Statute)

The Pinckneyville Correctional Center did not comply with the Unified Code of Corrections regarding the mark up on goods sold in the employee commissary.

Thirteen of 17 (76%) items tested in the Employee Commissary were sold at prices exceeding actual cost plus the statutorily allowed 10% mark-up. One of these 13 items was marked up 39%, while the remaining 12 items were marked up approximately 24%. Furthermore, the Center had no procedures in place to monitor the retail prices of employee commissary goods to ensure they were updated in accordance with changes in the costs of the goods.

The Unified Code of Corrections (730 ILCS 5/3-7-2a) requires the selling price of all goods sold in employee commissaries to be sufficient to cover the costs of the goods and an additional charge of up to 10%.

Center management stated that, due to a lack of available staff, price lists were not updated routinely to coincide with cost fluctuations.

Selling employee commissary goods at a price marked up by more than 10% is noncompliance with State statute. (Finding Code No. 08-2)

RECOMMENDATION

We recommend the Center comply with the Unified Code of Corrections and ensure goods sold in the Employee Commissary are marked up no more than 10%.

CENTER RESPONSE

Recommendation implemented. The exceptions noted were errors due to staff turnover.

08-3. Finding: (Inadequate Controls over Inmate Trust Fund Receipts)

The Pinckneyville Correctional Center did not obtain all necessary signatures on the Monies Received List Report (DOC 0167) documenting incoming receipts for inmate trust funds. The Center's Inmate Trust Fund receipts totaled \$1,572,831 and \$1,702,788 in fiscal years 2007 and 2008, 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. Sixteen of 25 (64%) inmate trust fund receipts tested, totaling \$29,229, were not supported by a dual-signed report. Furthermore, four of the 16 reports, totaling \$26,811, had no signatures.

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 they were unaware of the dual signatures requirement on the Monies Received List Report.

Failure to obtain two signatures on the Monies Received List Report is noncompliance with the Departments' Administrative Directives. In addition, failure to implement adequate internal controls over receipts increases the risk that loss or theft could occur. (Finding Code No. 08-3)

RECOMMENDATION

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

CENTER RESPONSE

Recommendation implemented. The facility has controls in place to ensure compliance.

08-4. Finding: (Inadequate Segregation of Duties)

The Pinckneyville Correctional Center did not maintain an adequate segregation of duties over certain functions within their locally held funds.

The prior compliance examination finding revealed inadequate segregation of duties over locally held funds. The same individual was responsible for reconciling the bank accounts, mailing checks, delivering deposits to the bank, reconciling receipts to deposits and entering transactions. The Center reassigned the duties of mailing checks and delivering bank deposits, however, some improvement is still needed.

Within each of the locally held funds, we found the same individual was still responsible for reconciling the bank account, reconciling transactions receipts to deposits and entering transactions. The following table shows which duties were performed by the same individual within each of the four locally held funds.

	Reconciling Bank Account	Reconciling Receipts to Deposits	Entering Transactions
Inmate Commissary Fund	X	X	X
Employee Commissary Fund	X	X	X
Employee Benefit Fund	X	X	X
Inmate Trust Fund	X	X	

The Department of Corrections' (DOC) Administrative Directive (No. 02.40.101) requires the Business Administrator to reconcile locally held funds or delegate this responsibility to an individual who has no related record keeping functions and does not have check signing authority. Any exception to the separation of duties as outlined in this Directive should be stated in writing by the Chief Administrative Officer and approved by the Deputy Director of the Division of Finance. The Center did not obtain an exception. Effective internal controls dictate the person recording transactions be independent of the person performing monthly bank reconciliations and reconciling receipts to deposits.

Center officials stated the Business Administrator reviewed and approved all transactions and that duties were segregated in the best manner available with the current reduced staffing levels.

A lack of segregation of duties increases the likelihood that a loss from error or irregularities could occur and would not be found in the normal course of employees carrying out their assigned duties. (Finding Code 08-4, 06-1)

RECOMMENDATION

We recommend the Center strengthen their internal controls by ensuring conflicting duties are adequately segregated.

CENTER RESPONSE

Recommendation implemented. The facility has established compensating controls over the locally held funds that are in line with the Departmental policies and procedures.



08-5. Finding: (Lack of Controls Over Personal Usage of State Vehicle Certifications)

Pinckneyville Correctional Center (Center) did not ensure employees using State vehicles properly completed and submitted the required certifications.

Wardens are the only correctional center employees personally assigned State vehicles. It is the Centers' responsibility to ensure they complete the necessary certifications and then forward them to the Department of Corrections. The Center did not obtain proper and complete documentation for three of the four wardens tested (75%). One of the wardens had all certifications on file, however the Annual Commuter Miles Certification was missing the exact mileage from residence to office. Two of the wardens did not have all required certifications on file in the Business Office. One of these wardens also did not have an approved Annual Personally Assigned Vehicle Tax Exemption Certification on file. In addition, the Center did not maintain documentation that any of these certifications were submitted to the Department of Corrections' - General Office.

In accordance with the Illinois Vehicle Code 625 ILCS 5/7-601(c), every employee of a State agency who is assigned a specific vehicle owned or leased by the State on an ongoing basis shall provide the certification described in this section annually to the director or chief executive officer of his or her agency. Certifications required are: 1) the employee has liability insurance coverage extending to the employee when the assigned vehicle is used for other than official State business or 2) the employee has filed a bond with the Secretary of State as proof of financial responsibility in an amount equal to, or in excess of the requirements stated. This certification shall be provided during the period July 1 through July 31 of each calendar year, or within 30 days of assignment of vehicle, which ever is later. The Illinois Department of Corrections Administrative Directive (01.02.106) requires the following forms be completed for employees assigned a State vehicle: Annual Commute Mileage Certification (DC 710-1242), Annual Personally Assigned Vehicle Tax Exemption Certification (DC 710-1241), Annual Certification of License and Vehicle Liability Coverage (DOC 0068), Determination of Value of Personal Use of State Vehicle (DC 352), and Monthly Mileage Report (DC 710-1287). These forms are to be completed and forwarded to the Department of Correction's Fiscal Support Unit Vehicle Coordinator. Copies are to be maintained by the Center's Business Office.

Center management cited the high turnover of wardens as the cause for the incomplete recordkeeping. Wardens were given the proper forms but failed to return them prior to being reassigned.

Failure to obtain properly completed certifications of license and vehicle liability coverage is a violation of State statute and may result in uninsured, underinsured and /or unlicensed drivers operating State vehicles while performing State business. (Finding Code No. 08-5)

RECOMMENDATION:

We recommend the Center implement monitoring procedures to ensure complete and proper documentation be obtained for all employees personally assigned State vehicles.

CENTER RESPONSE:

Recommendation accepted. The facility will make every effort to ensure compliance with vehicle procedures.

STATE OF ILLINOIS  
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PINCKNEYVILLE CORRECTIONAL CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
SCHEDULE OF FINDINGS  
For the Two Years Ended June 30, 2008

Prior Findings Not Repeated

A. Finding: (Improper Usage of Inmate Benefit Funds)

The Center did not use the Inmate Benefit Fund in accordance with State statute. In fiscal year 2003, the Inmate Benefit Fund improperly made a loan to the Employee Commissary Fund in order to re-establish an employee commissary. (Finding Code 06-2)

Status: Implemented

Our current review revealed the Employee Benefit Fund, which assumed this liability in June 2004, repaid the entire loan balance on May 31, 2007.

STATE OF ILLINOIS  
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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

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, 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  
PINKNEYVILLE CORRECTIONAL CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES  
For The Year Ended June 30, 2008

	APPROPRIATIONS NET OF TRANSFERS	EXPENDITURES THROUGH JUNE 30, 2008	LAPSE PERIOD EXPENDITURES JULY 1 TO AUGUST 31, 2008	TOTAL EXPENDITURES 14 MONTHS ENDED AUGUST 31, 2008	BALANCES LAPSED AUGUST 31, 2008
PUBLIC ACT 95-0348					
<u>GENERAL REVENUE FUND - 001</u>					
Personal services	\$ 25,344,600	\$ 23,907,985	\$ 1,261,222	\$ 25,169,207	\$ 175,393
Student, member and inmate compensation	245,800	225,921	19,850	245,771	29
State contributions to State Employees' Retirement System	4,207,200	3,959,728	208,886	4,168,614	38,586
State contributions to Social Security	1,865,700	1,771,464	94,154	1,865,618	82
Contractual services	6,236,500	6,120,652	110,297	6,230,949	5,551
Travel	12,600	9,196	3,279	12,475	125
Travel and allowances for committed, paroled and discharged prisoners	34,200	31,109	3,036	34,145	55
Commodities	2,640,200	2,171,561	441,076	2,612,637	27,563
Printing	21,900	18,076	3,768	21,844	56
Equipment	25,600	147	25,375	25,522	78
Telecommunications services	53,000	43,445	9,555	53,000	-
Operation of automotive equipment	125,800	114,935	10,865	125,800	-
<b>Total - Fiscal Year 2008</b>	<b>\$ 40,813,100</b>	<b>\$ 38,374,219</b>	<b>\$ 2,191,363</b>	<b>\$ 40,565,582</b>	<b>\$ 247,518</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  
PINKNEYVILLE CORRECTIONAL CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES  
For The Year Ended June 30, 2007

	APPROPRIATIONS NET OF TRANSFERS	EXPENDITURES THROUGH JUNE 30, 2007	LAPSE PERIOD EXPENDITURES JULY 1 TO AUGUST 31, 2007	TOTAL EXPENDITURES 14 MONTHS ENDED AUGUST 31, 2007	BALANCES LAPSED AUGUST 31, 2007
	\$ 24,619,000	\$ 23,390,851	\$ 1,228,069	\$ 24,618,920	\$ 80
	245,800	198,494	47,273	245,767	33
	2,839,000	2,696,128	141,554	2,837,682	1,318
	1,824,900	1,732,389	91,547	1,823,936	964
	7,012,572	6,382,373	622,561	7,004,934	7,638
	19,561	16,222	3,316	19,538	23
	18,027	16,954	481	17,435	592
	2,257,463	2,011,991	243,466	2,255,457	2,006
	21,400	21,350	-	21,350	50
	9,200	9,127	-	9,127	73
	99,800	53,893	34,312	88,205	11,595
	107,000	87,381	19,595	106,976	24
	\$ 39,073,723	\$ 36,617,153	\$ 2,432,174	\$ 39,049,327	\$ 24,396

PUBLIC ACT 94-0798

GENERAL REVENUE FUND - 001

Personal services  
Student, member and  
inmate compensation  
State contributions to State  
Employees' Retirement System  
State contributions to Social Security  
Contractual services  
Travel  
Travel and allowances for committed,  
paroled and discharged prisoners  
Commodities  
Printing  
Equipment  
Telecommunications services  
Operation of automotive equipment

Total - Fiscal Year 2007

STATE OF ILLINOIS  
DEPARTMENT OF CORRECTIONS  
PINCKNEYVILLE 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.95-0348	P.A.94-0798	P.A.94-0015
<b>GENERAL REVENUE FUND - 001</b>			
Appropriations (net of transfers)	\$ 40,813,100	\$ 39,073,723	\$ 37,627,000
<b>EXPENDITURES</b>			
Personal services	25,169,207	24,618,920	23,503,141
Employee retirement contributions paid by employer	-	-	305,497
Student, member and inmate compensation	245,771	245,767	280,622
State contributions to State Employees' Retirement System	4,168,614	2,837,682	1,831,425
State contributions to Social Security	1,865,618	1,823,936	1,741,191
Contractual services	6,230,949	7,004,934	7,573,536
Travel	12,475	19,538	11,889
Travel and allowances for committed, paroled and discharged prisoners	34,145	17,435	31,335
Commodities	2,612,637	2,255,457	2,177,879
Printing	21,844	21,350	14,470
Equipment	25,522	9,127	19,035
Telecommunications services	53,000	88,205	50,492
Operation of automotive equipment	125,800	106,976	74,667
Total Expenditures	<u>40,565,582</u>	<u>39,049,327</u>	<u>37,615,179</u>
<b>LAPSED BALANCES</b>	<u>\$ 247,518</u>	<u>\$ 24,396</u>	<u>\$ 11,821</u>

STATE OF ILLINOIS  
DEPARTMENT OF CORRECTIONS  
PINCKNEYVILLE 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 Employees' Commissary Fund and Residents' Commissary Fund are used to maintain stores for selling food, candy, health and beauty aids and other personal items. The inmate commissary sells solely to inmates and the employees' commissary sells to employees. Profits derived from commissary 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 Inmate 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 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 balances 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.



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

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 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  
PINCKNEYVILLE CORRECTIONAL CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
SCHEDULE OF LOCALLY HELD FUNDS - SPECIAL REVENUE FUNDS  
For the the Year ended June 30, 2008

	Employees' Commissary Fund	Residents' Commissary Fund	Employees' Benefit Fund
<b><u>REVENUES</u></b>			
Income from Sales	\$ 116,361	\$1,352,834	\$ 6,013
Interest / Investment Income	51	504	13
Miscellaneous:			
Other	-	-	-
Donations	-	-	-
<b>Total Revenues</b>	<b><u>116,412</u></b>	<b><u>1,353,338</u></b>	<b><u>6,026</u></b>
<b><u>EXPENDITURES</u></b>			
Purchases	103,137	1,107,995	-
General and Administrative	-	-	4,219
Contractual	-	-	1,506
Equipment	350	1,756	180
Donations	-	-	1,815
Other	-	-	-
<b>Total Expenditures</b>	<b><u>103,487</u></b>	<b><u>1,109,751</u></b>	<b><u>7,720</u></b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u> <u>12,925</u>	<u>-</u> <u>243,587</u>	<u>-</u> <u>(1,694)</u>
<b><u>OTHER FINANCING SOURCES</u></b>			
Transfers In	-	-	5,170
Transfers (Out)	<u>(12,925)</u>	<u>(243,587)</u>	<u>-</u>
<b>Total Other Financing Sources</b>	<b><u>(12,925)</u></b>	<b><u>(243,587)</u></b>	<b><u>5,170</u></b>
Net Change in Fund Balance	-	-	3,476
Fund Balance July 1, 2007	-	37,272	3,313
<b>Fund Balance June 30, 2008</b>	<b><u>\$ -</u></b>	<b><u>\$ 37,272</u></b>	<b><u>\$ 6,789</u></b>

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

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

	Employees' Commissary Fund	Residents' Commissary Fund	Employees' Benefit Fund
<u>REVENUES</u>			
Income from Sales	\$ 106,914	\$1,283,531	\$ 6,609
Interest / Investment Income	44	622	28
Miscellaneous:			
Other	1,946	-	732
Donations	-	-	1,614
Total Revenues	<u>108,904</u>	<u>1,284,153</u>	<u>8,983</u>
<u>EXPENDITURES</u>			
Purchases	98,748	1,046,727	4,833
General and Administrative	-	1,233	1,809
Contractual	-	-	1,996
Equipment	-	-	-
Donations	-	-	2,565
Other	-	-	-
Total Expenditures	<u>98,748</u>	<u>1,047,960</u>	<u>11,203</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>10,156</u>	<u>236,193</u>	<u>(2,220)</u>
<u>OTHER FINANCING SOURCES</u>			
Transfers In	-	-	4,062
Transfers (Out)	(10,156)	(236,193)	-
Total Other Financing Sources	<u>(10,156)</u>	<u>(236,193)</u>	<u>4,062</u>
Net Change in Fund Balance	-	-	1,842
Fund Balance July 1, 2006	-	37,272	1,471
Fund Balance June 30, 2007	<u>\$ -</u>	<u>\$ 37,272</u>	<u>\$ 3,313</u>

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

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

	2008		2007	
	Travel and Allowance Rev. Fund*	Residents' Trust Fund	Travel and Allowance Rev. Fund*	Residents' Trust Fund
Balance - July 1	\$ -	\$ 61,225	\$ -	\$ 83,719
Receipts				
Investment Income	-	876	-	680
Inmate Account Receipts	-	1,702,788	-	1,572,831
Appropriations from General Revenue Fund	34,145	-	17,435	-
<b>TOTAL RECEIPTS</b>	<u>34,145</u>	<u>1,703,664</u>	<u>17,435</u>	<u>1,573,511</u>
Disbursements				
Inmate Account Disbursements	-	1,669,878	-	1,595,325
Disbursements for released inmates	34,145	-	17,435	-
<b>TOTAL DISBURSEMENTS</b>	<u>34,145</u>	<u>1,669,878</u>	<u>17,435</u>	<u>1,595,325</u>
Fund Transfers				
Fund Transfers In	-	-	-	-
Fund Transfers (Out)	-	(19,821)	-	(680)
<b>TOTAL TRANSFERS</b>	<u>-</u>	<u>(19,821)</u>	<u>-</u>	<u>(680)</u>
Balance - June 30	<u>\$ -</u>	<u>\$ 75,190</u>	<u>\$ -</u>	<u>\$ 61,225</u>

Note: Schedule is presented on the cash basis of accounting

\* The replenishment of the Travel and Allowance Revolving Fund is provided through the Inmate Benefit Fund which is now administered by the IDOC Central Office. The Inmate Benefit Fund is reimbursed from the General Revenue Fund appropriation for travel and allowances for committed, paroled and discharged prisoners.

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

	2008					2007				
	Land	Buildings	Equipment	Improvements	Total	Land	Buildings	Equipment	Improvements	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance, beginning	465,483	68,715,802	3,776,527	8,208,292	81,166,104	465,483	68,460,212	4,110,691	8,208,292	81,244,678
Additions:										
Purchases	-	39,279	28,211	-	67,490	-	255,590	35,826	-	291,416
Transfers-in	-	-	234,646	-	234,646	-	-	2,533	-	2,533
Capital Development Board	-	-	-	-	-	-	-	-	-	-
Employees' Commissary Fund	-	-	-	-	-	-	-	-	-	-
Employees' Benefit Fund	-	-	-	-	-	-	-	-	-	-
Residents' Commissary Fund	-	-	-	-	-	-	-	-	-	-
Residents' Benefit Fund	-	-	-	-	-	-	-	-	-	-
Donations	-	-	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-	-	-	-
Total Additions	-	39,279	262,857	-	302,136	-	255,590	38,359	-	293,949
Deductions:										
Transfers-out	-	-	850	-	850	-	-	34,506	-	34,506
Scrap property	-	-	14,208	-	14,208	-	-	338,017	-	338,017
Surplus property	-	-	-	-	-	-	-	-	-	-
Condemned and lost property	-	-	-	-	-	-	-	-	-	-
Adjustment	-	366	-	-	366	-	-	-	-	-
Total Deductions	-	366	15,058	-	15,424	-	-	372,523	-	372,523
Balance, ending	465,483	68,754,715	4,024,326	8,208,292	81,452,816	465,483	68,715,802	3,776,527	8,208,292	81,166,104

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

STATE OF ILLINOIS  
DEPARTMENT OF CORRECTIONS  
PINCKNEYVILLE CORRECTIONAL CENTER  
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	\$ 711	\$ 233	\$ 102
Inmate Restitution	-	-	10,347
Dormant Inmate Accounts	-	575	-
Funeral Furlough	-	-	1,239
Staff Witness Fees	-	-	22
Contraband Cash	-	-	-
Copying Fees	20	551	6
Miscellaneous	-	-	383
<b>TOTAL RECEIPTS</b>	<u>\$ 731</u>	<u>\$ 1,359</u>	<u>\$ 12,099</u>
<u>REMITTANCES</u>			
General Revenue Fund - 001	\$ 731	\$ 1,359	\$ 1,752
Department of Corrections Reimbursement Fund - 523	<u>**16,177</u>	<u>**16,683</u>	<u>10,347</u>
<b>TOTAL RECEIPTS REMITTED DIRECTLY TO STATE TREASURER</b>	<u>\$ 16,908</u>	<u>\$ 18,042</u>	<u>\$ 12,099</u>
<u>DEPOSITS</u>			
Receipts recorded by Center	\$ 731	\$ 1,359	\$ 1,752
Add: Deposits in transit - Beginning of year	-	-	-
Deduct: Deposits in transit - End of year	-	-	-
<b>DEPOSITS RECORDED BY THE STATE COMPTROLLER</b>	<u>\$ 731</u>	<u>\$ 1,359</u>	<u>\$ 1,752</u>

\*\* Receipts for Fund 523 are combined and forwarded to Central Accounting. A breakdown of the receipt types was not made available by the Center

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  
PINCKNEYVILLE 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 JUNE 30</u>		<u>INCREASE (DECREASE)</u>	
	<u>2008</u>	<u>2007</u>	<u>AMOUNT</u>	<u>%</u>
State Contribution to State Employees' Retirement System	\$4,168,614	\$2,837,682	\$1,330,932	47%
Travel	\$12,475	\$19,538	\$(7,603)	(36%)
Travel and Allowance for Committed, Paroled and Discharged Prisoners	\$34,145	\$17,435	\$16,710	96%
Equipment	\$25,522	\$9,127	\$16,395	180%
Telecommunications Services	\$53,000	\$88,205	\$(35,205)	(40%)

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

**State Contributions to State Employees' Retirement System**

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

**Travel**

The decrease in travel expenditures was a result of less overall daily travel and a reduction in annual hotel costs due to a change in internal policy to reduce travel costs.

**Travel and Allowances for Committed, Paroled and Discharged Prisoners**

The increase in travel and allowance expenditures was the result of fewer inmates paying for travel out of the inmate trust fund as compared to the previous year.

**Equipment**

The increase in equipment expenditures was a result of the purchase of a trash compactor in fiscal year 2008.

**Telecommunications Services**

The decrease in expenditures for telecommunication services was due to fiscal year 2008 expenditures being paid from fiscal year 2009 appropriations.

STATE OF ILLINOIS  
DEPARTMENT OF CORRECTIONS  
PINCKNEYVILLE CORRECTIONAL CENTER  
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 JUNE 30</u>		<u>INCREASE (DECREASE)</u>	
	<u>2007</u>	<u>2006</u>	<u>AMOUNT</u>	<u>%</u>
Employee Retirement Contributions				
Paid by Employer	\$0	\$305,497	\$(320,995)	(100%)
State Contribution to State Employees' Retirement System	\$2,837,682	\$1,831,425	\$808,573	42%
Travel	\$19,538	\$11,889	\$1,523	118%
Travel and Allowances for Committed, Paroled and Discharged Prisoners	\$17,435	\$31,335	\$(13,900)	(44%)
Printing	\$21,350	\$14,470	\$6,880	48%
Equipment	\$9,127	\$19,035	\$(9,908)	(52%)
Telecommunications Services	\$88,205	\$50,492	\$37,713	75%
Operation of Automotive Equipment	\$106,976	\$74,667	\$32,309	43%

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

**Employee Retirement Contributions Paid by Employer**

The decrease in employee retirement contributions paid by employer was due to the State ceasing to pay the employee's portion of the State Employee Retirement Contribution on December 31, 2005.

**State Contributions to State Employees' Retirement System**

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

**Travel**

The increase in travel expenditures was the result of the Center acquiring a bus at the end of fiscal year 2006, which allowed them to move more inmates and required more employees to accompany them. Usually, seven to eight correctional officers transport the inmates at a time with each receiving paid lunches.



**Travel and Allowances for Committed, Paroled and Discharged Prisoners**

The decrease in travel and allowance expenditures was the result of the Center's policy change on November 1, 2005, which gave inmates the option to pay for their own travel expenses from their trust fund upon release if their trust fund balance exceeded \$10.

**Printing**

The increase in printing expenditures was as a result of the Center purchasing "NCR" paper in order to create multi-part forms in an attempt to reduce copying costs.

**Equipment**

The decrease in equipment expenditures was a result of appropriations decreasing due to budget cuts.

**Telecommunications Services**

The increase in telecommunications services expenditures was due to payments being made from fiscal year 2007 appropriations for services received and billed in fiscal year 2006.

**Operation of Automotive Equipment**

The increase in operation of automotive equipment expenditures was due to high repair costs for the aging fleet of vehicles, including \$16,000 in repairs as a result of a bus accident.

STATE OF ILLINOIS  
DEPARTMENT OF CORRECTIONS  
PINCKNEYVILLE CORRECTIONAL CENTER  
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 two appropriation line items with significant (20% or more) lapse period expenditures, as scheduled below:

<u>EXPENDITURE ITEM</u>	Fiscal Year Ended June 30, 2008		
	<u>TOTAL EXPENDITURES</u>	<u>LAPSE PERIOD EXPENDITURES</u>	<u>PERCENTAGE</u>
Travel	\$12,475	\$3,279	26%
Equipment	\$25,522	\$25,375	99%

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

**Travel**

Travel expenditures incurred prior to June 30 were paid during the lapse period due to travelers not submitting proper paperwork for reimbursement until lapse period.

**Equipment**

Equipment expenditures incurred prior to June 30 were paid during the lapse period due to the purchase of a trash compactor which was ordered late in the fiscal year.

STATE OF ILLINOIS  
DEPARTMENT OF CORRECTIONS  
PINCKNEYVILLE CORRECTIONAL CENTER  
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 one appropriation line item with a significant (20% or more) lapse period expenditure, 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>
Telecommunications Services	\$88,205	\$34,312	39%

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

**Telecommunications Services**

Telecommunications services expenditures incurred prior to June 30 were paid during the lapse period due to the Department of Corrections General Office not allowing the use of funds for these expenditures until after June 30, 2007.

STATE OF ILLINOIS  
DEPARTMENT OF CORRECTIONS  
PINCKNEYVILLE CORRECTIONAL CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
SCHEDULE OF CHANGES IN INVENTORIES  
Two Years Ended June 30, 2008

	Balance July 1, 2007	Additions	Deletions	Balance June 30, 2008
<b>GENERAL REVENUE FUND</b>				
General Stores	\$ 160,240	\$2,394,836	\$2,369,182	\$ 185,894
Mechanical Stores	9,088	72,071	74,390	6,769
Resident/Inmate Clothing	25,000	113,651	122,483	16,168
Officers' Clothing	-	21,096	21,096	-
Office Supplies	7,373	42,657	44,048	5,982
Postage	-	-	-	-
Surplus Inventory	-	-	-	-
	<u>\$ 201,701</u>	<u>\$2,644,311</u>	<u>\$2,631,199</u>	<u>\$ 214,813</u>
<b>LOCAL FUNDS</b>				
Employees' Commissary Fund	\$ 6,109	\$ 114,167	\$ 112,501	\$ 7,775
Residents' Commissary Fund	44,088	1,075,201	1,036,413	82,876
	<u>\$ 50,197</u>	<u>\$1,189,368</u>	<u>\$1,148,914</u>	<u>\$ 90,651</u>
	Balance July 1, 2006	Additions	Deletions	Balance June 30, 2007
<b>GENERAL REVENUE FUND</b>				
General Stores	\$ 204,234	\$2,028,907	\$2,072,901	\$ 160,240
Mechanical Stores	11,953	103,120	105,985	9,088
Resident Clothing	17,551	107,642	100,193	25,000
Officers' Clothing	-	8,086	8,086	-
Office Supplies	6,927	55,087	54,641	7,373
Postage	-	-	-	-
Surplus Inventory	-	-	-	-
	<u>\$ 240,665</u>	<u>\$2,302,842</u>	<u>\$2,341,806</u>	<u>\$ 201,701</u>
<b>LOCAL FUNDS</b>				
Employees' Commissary Fund	\$ 5,390	\$ 104,614	\$ 103,895	\$ 6,109
Residents' Commissary Fund	33,556	975,550	965,018	44,088
	<u>\$ 38,946</u>	<u>\$1,080,164</u>	<u>\$1,068,913</u>	<u>\$ 50,197</u>

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

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CENTER FUNCTIONS AND PLANNING PROGRAM

Background

The Pinckneyville Correctional Center (Center) opened in October 1998. It is a Level II correctional facility located in Perry County, in Southern Illinois. The facility is comprised of 19 buildings totaling 434,000 square feet contained on 148 acres of land. The Center is also the parent facility for the DuQuoin Impact Incarceration Program, which houses an average of 200 offenders participating in a short-term paramilitary type rehabilitation program.

Mission Statement, Philosophy and Goals

It is the Center's mission to protect the public from criminal offenders through a system of incarceration and supervision which securely segregates offenders from society, assures offenders of their constitutional rights and maintains programs to enhance the success of offenders' reentry into society. The purpose of the Center involves two basic factors in both institutional and public safety. This is a combination of basic personnel, hardware and facilities to retain and control inmates within a correctional environment. The second relevant factor is the humane treatment and self-improvement opportunities available to those committed to the Center. It is felt that these secondary factors are basic to control within the institution and to reintegrating the offender into the community better able to cope in the social, vocational, and academic spheres.

Agency Functions and 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.

The Center has established formal written long and short-term goals, in the form of a five-year plan, with respect to its functions and programs. In accordance with their philosophy, the Center has established specific objectives with which to achieve each goal. These objectives are continuously monitored to ensure timely implementation as part of periodic meetings when key personnel meet to keep abreast of current operating, financial and security matters. In addition, the goals and objectives of the administrative staff and the department heads, formulated to comply with the Center's functions and planning program, are reviewed and revised on a periodic basis.

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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	16	16	15
Business office and stores	19	21	23
Clinical services	19	19	18
Work Camp	62	64	60
Recreation	3	3	4
Maintenance	16	16	16
Laundry	2	2	2
Correctional Officers	335	343	343
Dietary	23	23	24
Medical/Psychiatric	2	2	3
Religion	1	1	1
Records	9	10	11
Total	<u>507</u>	<u>520</u>	<u>520</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	343	352
New Correctional Officers hired	0	0
Correctional Officers transferred-in	2	0
Correctional Officers transferred-out	5	3
Correctional Officers separated from Department	14	6
Correctional Officers, end of the year	<u>326</u>	<u>343</u>

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

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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.

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	<u>9,305</u>	<u>5,007</u>	<u>3,685</u>
Value of overtime hours worked during fiscal year	<u>\$412,981</u>	<u>\$216,382</u>	<u>\$144,648</u>
Compensatory hours earned during fiscal year	<u>19,918</u>	<u>16,729</u>	<u>15,514</u>
Value of compensatory hours earned during fiscal year	<u>\$565,856</u>	<u>\$444,437</u>	<u>\$391,973</u>
Total paid overtime hours and earned compensatory hours during fiscal year	<u>29,222</u>	<u>21,736</u>	<u>19,199</u>
Total value of paid overtime hours and earned compensatory hours during fiscal year	<u>\$978,837</u>	<u>\$660,819</u>	<u>\$536,621</u>

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.

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INMATE COMMISSARY OPERATION (cont.)

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 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.

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	<u>2,434</u>	<u>2,434</u>	<u>2,434</u>
Inmate population (as of May 31)	<u>2,222</u>	<u>2,208</u>	<u>2,189</u>
Average number of inmates	<u>2,208</u>	<u>2,207</u>	<u>2,159</u>
Expenditures from appropriations	\$40,565,582	\$39,049,327	\$37,615,179
Less-equipment and capital improvements	<u>25,522</u>	<u>9,127</u>	<u>19,035</u>
Net expenditures	<u>\$40,540,060</u>	<u>\$39,040,200</u>	<u>\$37,596,144</u>
Net inmate cost per year	<u>\$18,361</u>	<u>\$17,689</u>	<u>\$17,414</u>



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CENTER INMATE STATISTICS (not examined) (cont.)

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.

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	<u>507</u>	<u>520</u>	<u>520</u>
Average number of correctional officers	<u>335</u>	<u>343</u>	<u>343</u>
Average number of inmates	<u>2,208</u>	<u>2,207</u>	<u>2,159</u>
Ratio of employees to inmates	<u>1 to 4.4</u>	<u>1 to 4.2</u>	<u>1 to 4.2</u>
Ratio of correctional officers to inmates	<u>1 to 6.6</u>	<u>1 to 6.4</u>	<u>1 to 6.3</u>

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	27	21

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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>38</u>	<u>39</u>	<u>39</u>

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	567,162	536,687	459,301
Lunch	812,263	803,310	704,733
Dinner	781,692	773,705	726,616
Staff meals	<u>113,045</u>	<u>117,460</u>	<u>117,750</u>
Total Meals Served	<u>2,274,162</u>	<u>2,231,162</u>	<u>2,008,400</u>
Food Cost	<u>\$2,021,695</u>	<u>\$1,762,997</u>	<u>\$1,663,078</u>
Cost Per Meal	<u>\$.89</u>	<u>\$.79</u>	<u>\$.83</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:			
Wexford Health Sources, Inc.	\$4,226,907	\$4,403,205	\$ -
Health Professionals Ltd	-	-	<u>2,491,771</u>
Total	<u>\$4,226,907</u>	<u>\$4,403,205</u>	<u>\$2,491,771</u>
Clergy Services:			
Lubavitch Chabad	\$ -	\$ -	<u>\$ 222</u>

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SERVICE EFFORTS AND ACCOMPLISHMENTS (not examined)

Security and Operations

The implementation of the security and operational measures listed below have resulted in lowered utility costs, increased security, and enabled us to maintain minimal amounts of weapon materials and other contraband being confiscated as well as a very low number of positive drug test results.

- Procedure of issuance of cell keys to the inmate population was abolished. All individual movement from cells now requires staff to open individual cells. Mass movement or dayroom times are controlled by pod officer opening doors one wing at a time.
- Requirement of prior approval for all non-security overtime and security overtime which would result in hold-over for next shift in an effort to alleviate as much overtime expenditure as possible. Additionally, daily overtime reports are compiled and reviewed by administrative staff and sent to executive staff to monitor correlation with staffing needs.
- Policy implemented to ensure electricity usage is closely monitored. Staff are responsible to ensure all equipment is shut down at the end of work day and thermostats during summer months are maintained at 75 degrees. Due to the increase in gas prices, thermostats in winter months are now maintained at 68 degrees.
- Personal Property Box Compliance Checks have been enforced more stringently to ensure any unauthorized items are not being maintained by the inmate population.
- Boot Camp participants provided a total of 74,983 work hours of community service in fiscal year 2008.
- GED participants completed an 84% pass rate at Pinckneyville Correctional Center and 94% at DuQuoin.

Drug Treatment Plan

The drug treatment program is established and an average of 25 inmates are enrolled in the program at any given time. The DuQuoin Impact Incarceration Program also has contracted drug treatment counselors providing services to approximately 50 inmates at any given time.

New Beginnings Substance Abuse Program is another program available to any offenders who present a need for substance abuse education. This class acts as an information base for offenders, and can be their first step to becoming involved in more intense treatment programs offered for substance abuse.

Post-Secondary Programs

Rend Lake College offers post-secondary programs in Horticulture, Computer Technology, Construction Occupations, Business Management, Commercial Custodial, and Food Service. An academic program is also available providing the opportunity for inmates to attain an Associate of Arts degree.

Anger Management curriculum remains in place and is offered through Clinical Services staff along with peer education classes providing information on sexually transmitted diseases.

Chaplaincy

Chaplaincy and volunteers play important roles within the correctional setting, and during fiscal year 2008, religious volunteers provided in excess of 850 hours of service to the offender population of Pinckneyville. Chaplaincy services are provided from various faith groups, encouraging spiritual growth as a means to maintain positive adjustment and personal growth.