

REPORT DIGEST

**DEPARTMENT OF CORRECTIONS
STATEVILLE CORRECTIONAL CENTER
COMPLIANCE AUDIT
FOR THE TWO YEARS ENDED JUNE 30, 1994**

{Expenditures and Activity Measures are summarized on the reverse page.}

INTRODUCTION

We conducted a compliance audit of the Center as required by the Illinois State Auditing Act. We also performed certain agreed upon procedures with respect to the accounting records of the Center to assist our single audit of the entire Department. Financial statements for the Department will be presented in that report.

FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

IMPROPER FIXED ASSETS WRITE-OFF

The Center incorrectly removed \$7.4 million of land and building improvements from its property control records during fiscal year 1993.

During our examination of property and fixed assets, we noted that the Center had reported a \$9.5 million asset disposal on its "Report of Fixed Assets" for the quarter ended June 30, 1993. This represented 15 percent of the Center's fixed asset balance of \$50.1 million. After further review, it was determined that \$7.4 million of the disposal represented land and building improvements that should have been reassigned property numbers. The property control officer misinterpreted a memo and incorrectly removed the assets from the records. (Finding 1, page 12)

Center officials accepted our recommendation to establish guidelines for reviewing and approving property additions and deletions.

INADEQUATE CONTROL OVER LOCALLY HELD FUNDS

The Center either omitted or improperly recorded locally held fund cash transactions in its bank reconciliations and its general ledger.

During our review of the Inmate Trust Fund, we noted accrued interest totalling \$11,486 for the period from January 1991 to March 1994 was not withdrawn and deposited in the Inmate Benefit Trust Fund as required by Department of Correction's Administrative Directives. We also noted approximately \$950 of interest earned in the quarter ended June 30, 1994 had not been recorded. Inmate Trust Fund bank reconciliations and balance summaries also contained inaccuracies totalling \$938 at June 30, 1994 and \$7,103 at June 30, 1993. (Finding 2, page 14)

Center officials agreed with our finding and recommendation to correct these deficiencies. They said the business administrator will assign someone independent of the bank reconciliation process to perform reviews for accuracy and consistency.

APPROVAL OF UNALLOWABLE TRAVEL EXPENDITURES

The Center reimbursed an employee for travel vouchers which included certain mileage and meal expenses not allowed by State travel regulations. We also compared the individual's activity report to credit card telephone bills and other related documentation and found numerous days for which the activity report did not correspond to locations and times as shown on the supporting travel documentation. (Finding 3, page 16)

Center officials accepted our recommendation to closely monitor employees' activities and travel vouchers to insure only allowable expenditures are reimbursed. They also said that in the case cited above, the employee had reimbursed the Center approximately \$700 for expenses submitted in error.

OTHER FINDINGS

The remaining finding was administrative in nature and has been given appropriate attention by the Center. We will review the Center's progress towards implementing our recommendations during our next audit. Responses to our findings and recommendations were provided by Mr. Mark Krell, Chief Internal Auditor.

_____ WILLIAM G. HOLLAND, Auditor General

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SUMMARY OF AUDIT FINDINGS

<u>Number of</u>	<u>This Audit</u>	<u>Prior Audit</u>
Audit findings	4	1
Repeated recommendations	0	1
Recommendations implemented or not repeated	1	6

SPECIAL ASSISTANT AUDITORS

Our special assistant auditors were from the accounting firm of BDO Seidman.

ILLINOIS DEPARTMENT OF CORRECTIONS
STATEVILLE CORRECTIONAL CENTER
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EXPENDITURE STATISTICS	FY 1994	FY 1993	FY 1992
●Total Expenditures (All Funds)	\$42,137,797	\$39,803,416	\$37,601,684
Personal Services	\$28,529,382	\$26,605,510	\$25,374,158
% of Total Expenditures	67.7%	66.8%	67.4%
Average No. of Employees	858	863	842
Average Salary Per Employee	\$ 33,251	\$ 30,829	\$ 30,136
Inmate Compensation	\$ 373,232	\$ 391,546	\$ 285,496
% of Total Expenditures	1.0%	1.0%	1.0%
Other Payroll Costs (FICA, Retirement)	\$ 3,224,415	\$ 3,029,201	\$ 2,874,637
% of Total Expenditures	7.6%	7.6%	7.6%
Contractual Services	\$ 5,541,943	\$ 5,312,089	\$ 4,586,602
% of Total Expenditures	13.1%	13.3%	12.1%
All Other Items	\$ 4,468,825	\$ 4,465,070	\$ 4,480,881
% of Total Expenditures	10.6%	11.3%	11.9%
●Cost of Property and Equipment	\$51,637,340	\$50,735,231	\$49,697,768

SELECTED ACTIVITY MEASURES	FY 1994	FY 1993	FY 1992
●Average Number of Inmates	2,317	2,206	2,025
●Ratio of Correctional Officers to Inmates	.24 to 1	.25 to 1	.26 to 1
●Cost Per Year Per Inmate	\$ 18,146	\$ 17,997	\$ 18,412
●Rated Inmate Capacity	2,000	2,000	2,000
● Approximate Square Feet Per Inmate	54.54	57.20	62.45

CENTER WARDEN
During Audit Period: Salvador Godinez Currently: George DeTella