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OFFICE OF THE AUDITOR GENERAL
WILLIAM G. HOLLAND

SUPPLEMENTAL DIGEST

DEPARTMENT OF JUVENILE JUSTICE

SEPTEMBER 2009

Today the Office of the Auditor General is releasing 9 reports for the Department of Juvenile Justice (DJJ); the reports include the General Office and 8 youth centers. This is the first examination and report for DJJ.

Effective June 1, 2006 Public Act 94-0696 established the Department of Juvenile Justice. This Act transferred certain rights, powers, duties and functions that were exercised by the Juvenile Division of the Department of Corrections (DOC). Effective July 1, 2006 the Department of Corrections school district was transferred to the Department of Juvenile Justice.

The Department of Juvenile Justice – General Office report contains a compliance attestation examination for the two years ending June 30, 2008. There were 25 findings presented in the DJJ – General Office report. Four findings were considered to be material weaknesses in DJJ's internal controls. As a result of the material weaknesses, the DJJ – General Office Independent Auditors' Opinion on State Compliance and Internal Control contained report qualifications.

The other 8 reports being released are limited scope compliance attestation examinations of individual youth centers for the two years ending June 30, 2008. There were 17 compliance findings reported in the June 30, 2006 youth center reports compared to 16 for the current engagements. One of the youth center reports for the current engagement period had no findings. In contrast, 3 youth centers had no findings in the previous engagement period.

The more prevalent findings in the 2008 engagements were in the areas of statutory mandates, internal control, payroll and personnel and voucher processing. The attached schedule of Major Findings by Topic summarizes the findings disclosed in our reports.

Included in the attached charts and schedules are summaries of certain operational and statistical data. For example, one chart provides details on the average population and rated capacity by center. For 2008 DJJ had an average population of 1,364 youth in centers with a rated capacity of 1,754. This is a decrease from 2006 when DOC had an average population of 1,459 youth in centers with a rated capacity of 1,754. Another chart provides details on the average yearly cost per youth by center. For 2008 the average yearly cost per youth ranged from \$69,434 to \$196,496 in the centers. The last table and chart provides information regarding the value of paid overtime hours and earned compensatory hours, number of correctional officers per youth center, and the ratio of youth to correctional officers at the centers. Total overtime and compensatory hours at DJJ increased 37.0% from fiscal year 2007 to 2008.

Major Findings by Topic

Number of Findings	Topic
FY08	
10	STATUTORY MANDATES
	<p>Failure to provide documentation to perform testing and information to include in Center report and noncompliance in providing commissary / concession type services at Youth Centers. Noncompliance with the Uniform Disposition of Unclaimed Property Act. Failure to prepare and submit reports to required entities. Center did not deposit youth trust funds into a separate interest bearing account. Center did not maintain a listing of outside personnel that accessed youth master record files. Center did not timely disburse funds to youth upon release.</p>
8	PAYROLL & PERSONNEL
	<p>Failure to expend appropriation as legislatively intended to hire additional front line staff, no documentation of approval of payroll vouchers at a Center. Standardized procedures for separated employees not being followed, employee performance evaluations not performed timely. Employee training not provided and not adequately documented, time sheets not submitted in compliance with State Officials and Employees Ethics Act. Failure to maintain adequate payroll and personnel file information.</p>
7	INTERNAL CONTROL
	<p>Lack of segregation of inventory and payroll processing at a Center. DJJ administrative process not fully segregated from DOC. Weaknesses in internal controls over the operation of the consolidated inmate benefit account. Lack of controls over grant reporting and weaknesses in operation and maintenance of "cash box" imprest funds. Inmate benefit fund expenditures were made without: 1) approval of all committee members; 2) committees not meeting as required; 3) required minutes not maintained; 4) written controls over the use of gift / purchase cards; and 5) maintaining documentation to support expenditures.</p>
5	MISCELLANEOUS DISBURSEMENT / VOUCHER PROCESSING
	<p>Center vouchers were: 1) not approved for payment timely; 2) lacked required approvals and/or dates of approvals; 3) not charged to the correct fiscal year; 4) not adequately reviewed to detect discrepancies; and 5) input with the incorrect account code. Interest due in accordance with the Prompt Payment Act was not paid. Exceptions were identified in processing travel vouchers.</p>
3	CONTRACTUAL SERVICES, COMMODITIES & OPERATION OF AUTOMOTIVE EQPT.
	<p>Center did not comply with professional service contract requirements. Contracts were missing: 1) required signatures; 2) required disclosure of financial interest; 3) required contract certifications. General Office did not have adequate procedures regarding State vehicles.</p>
2	INVENTORY
	<p>One Center did not maintain a perpetual inventory system. Weaknesses were identified at another Center where monthly physical inventory counts were not performed and errors in annual physical inventory counts were identified.</p>
2	EDP
	<p>Payroll timekeeping system is not automated and grant funds were not utilized to provide new computers for Centers.</p>

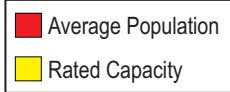
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(Major Findings by Topic continued)

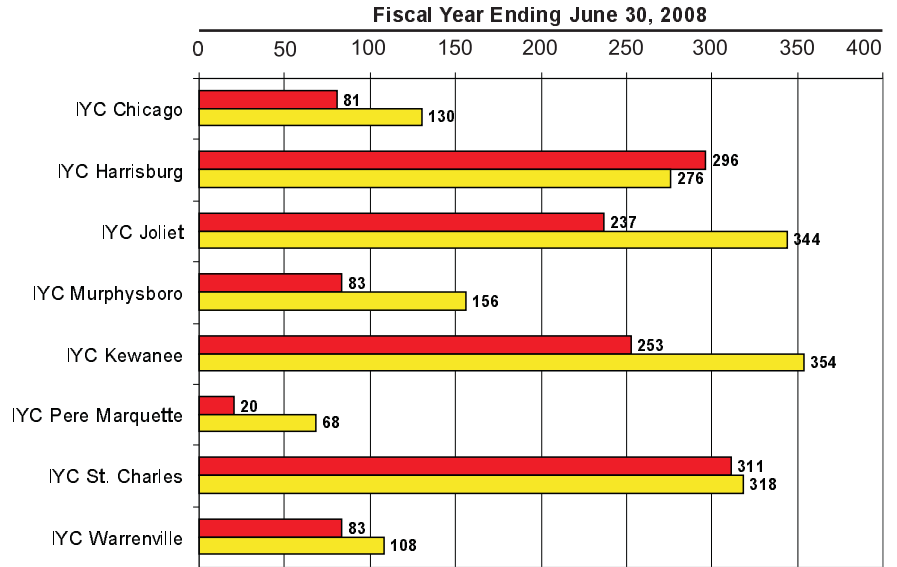
Number of Findings	Topic
FY08	
2	PROPERTY, PLANT & EQUIPMENT
	Failure to adequately control fixed assets noting: 1) property system not timely updated; 2) asset on property system not locatable; 3) location of an asset on the property listing was incorrect. Requested documentation to support General Office fixed asset reports not provided. Fixed asset reports not prepared by Center personnel.
1	ACCOUNTING REPORTS AND RECORDS
	Failure to document date reconciliations were performed.
1	REVENUES, APPROPRIATIONS AND VOUCHER PROCESSING
	Receipts and refunds were not deposited into the State treasury timely.
41	TOTAL REPORT FINDINGS BY TOPIC

Rated Capacity and Average Youth Population

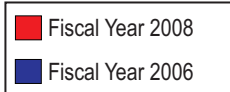
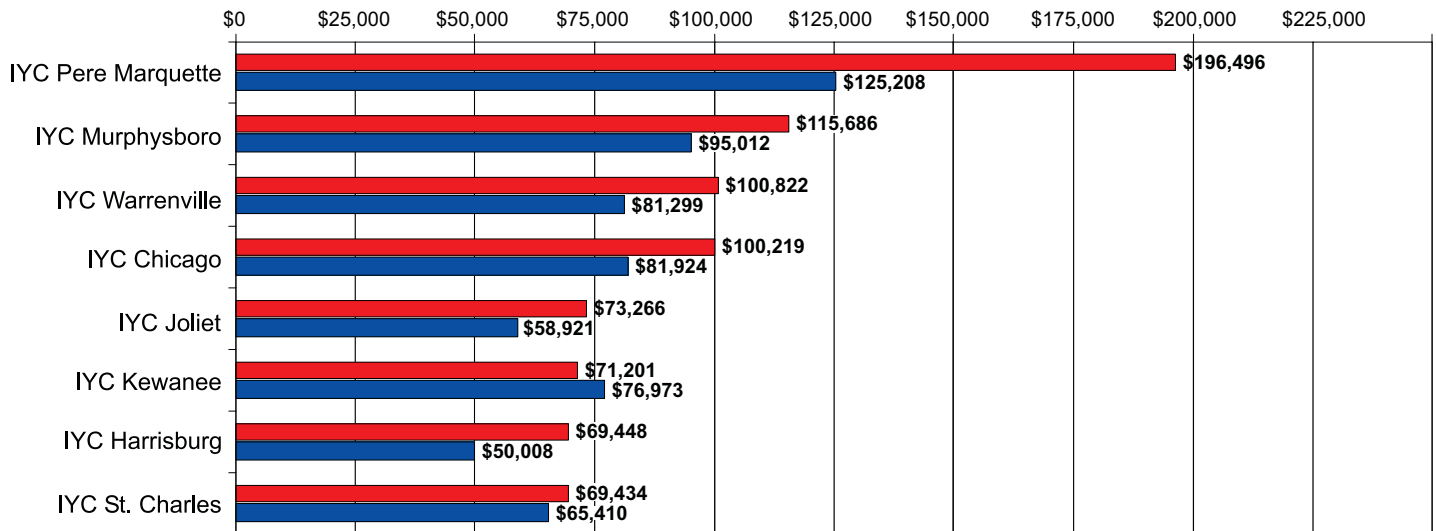
Juvenile Centers	FY08	FY06
Average Population	1,364	1,459
Rated Capacity	1,754	1,754
Residents (under Capacity)	(390)	(295)



Source: Illinois Dept. of Juvenile Justice (Unaudited)



Average Yearly Cost Per Youth

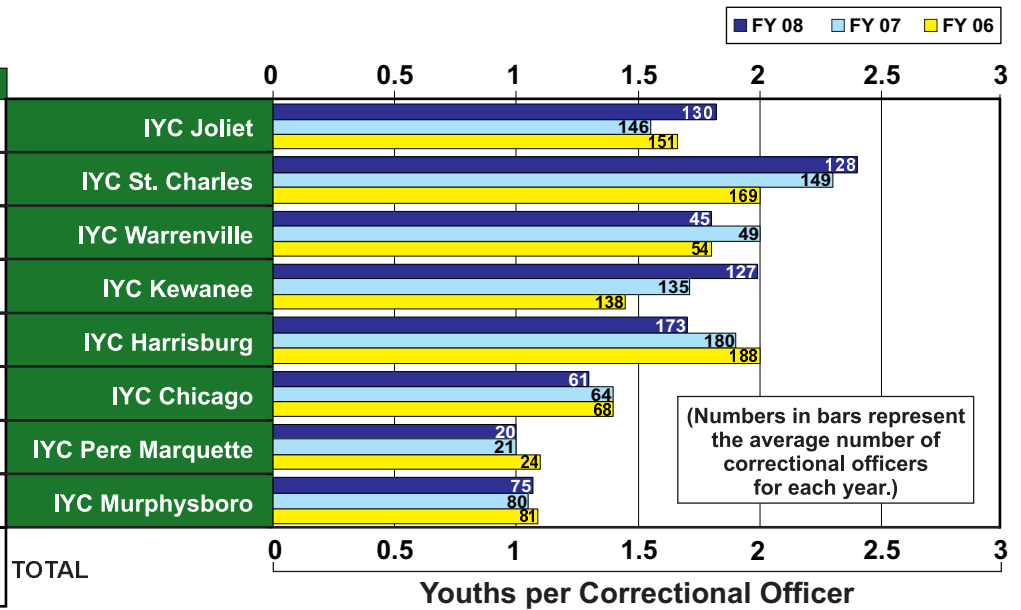


Source: Illinois Dept. of Juvenile Justice (Unaudited)

Number of Youths Per Correctional Officer & Employee Overtime/Compensatory Time

Total Value of Paid Overtime Hours & Earned Compensatory Time during Fiscal Year:

2006	2007	2008
\$451,375	\$787,422	\$1,735,645
\$861,703	\$1,217,744	\$1,699,968
\$474,304	\$701,184	\$783,471
\$98,493	\$160,686	\$516,628
\$338,890	\$423,598	\$446,222
\$173,580	\$158,726	\$283,231
\$180,162	\$301,405	\$253,814
\$170,144	\$145,711	\$107,521
\$2,748,651	\$3,896,476	\$5,826,500



Source: Illinois Dept. of Juvenile Justice (Unaudited)