

**STATE OF ILLINOIS
DEPARTMENT OF JUVENILE JUSTICE**

COMPLIANCE EXAMINATION

For the Two Years Ended June 30, 2014

STATE OF ILLINOIS
DEPARTMENT OF JUVENILE JUSTICE
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2014

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AGENCY OFFICIALS

Director	Candice Jones (2/10/15 to present) Candice Jones, Acting (1/31/14 to 2/10/15) Era Laudermilk, Acting (1/24/14 to 1/31/14) Arthur D. Bishop (8/1/10 to 1/23/14)
Deputy Director of Operations	Jesse Montgomery (3/24/14 to present) William E. Peyton (1/1/14 to 3/23/14) Ron K. Smith (7/1/11 to 12/31/13)
Deputy Director of Program Services	Heidi Mueller (4/21/14 to present) Jimmie Whitelow (6/10/13 to 4/11/14) Justin Slaughter (1/3/11 to 5/15/13)
Deputy Director of Aftercare	Eva Moore (5/1/14 to present) Thomas Kim (3/16/14 to 4/25/14) Thomas Kim, Acting (3/5/14 to 3/15/14) Gailyn Thomas (12/16/10 to 3/5/14)
Chief of Staff	Jessica McMiller-Baptiste (11/1/14 to present) Era Laudermilk (6/10/13 to 10/31/14) Ashley Cross (2/1/11 to 5/3/13)
Superintendent of School District #428	Gloria Davis (8/18/14 to present) Rick Gravatt, Acting (8/26/13 to 5/23/14) Kye Gaffey (8/16/11 to 8/22/13)
Chief of Training & Staff Development	Marna Goodman (8/1/14 to present) Jeff Hooker, Acting (8/16/07 to 2/14/14)
Chief Financial Officer	Kiersten Neswick (4/16/14 to present)
Chief Legal Counsel	Beth Compton (9/30/09 to present)
DJJ Intergovernmental Relations	Mary Reynolds (3/18/13 to present)

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AGENCY OFFICIALS (Continued)

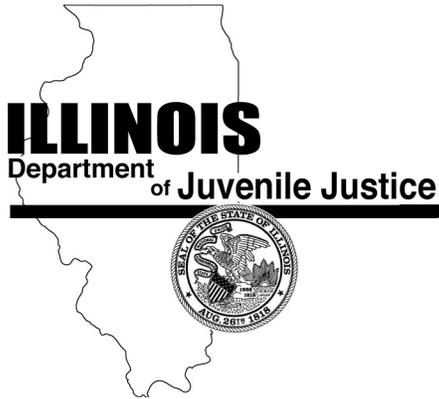
Pursuant to Enabling Legislation:

Illinois Department of Correction Employees

Chief of Investigations and Intelligence	Darryl Johnson (6/16/14 to present) Darryl Johnson, Acting (5/16/14 to 6/15/14) Michael Hood (1/16/13 to 5/14/14) Larry Beck (9/1/11 to 12/31/12)
Chief of Intergovernmental Relations	Michael Lane (3/5/13 to 3/17/13) Daryl Jones (5/1/12 to 3/4/13)
Chief of Labor Relations	Ed Jackson (3/1/14 to present) Amy McElroy (6/16/10 to 2/28/13)
Administrator of Affirmative Action and Minority Recruitment	Fernando Chavarria (5/16/14 to present) Vicki Fair (8/1/09 to 2/18/14)
Chief Fiscal Officer	Jared Brunk (6/1/2013 to present) Bryan Gleckler (6/16/2010 to 5/19/13)
Chief Internal Auditor	Ron Faith (12/16/14 to present) Ron Faith, Acting (11/16/12 to 12/15/14) Brett A. Finley (8/1/10 to 11/15/12)

The Department's General Office is located at:

707 North 15th Street
Springfield, IL 62702



Bruce Rauner
Governor

Candice Jones
Director

707 North 15th Street, Springfield, IL 62702
Phone: (217) 557-1030 / TDD: (800) 526-0844

MANAGEMENT ASSERTION LETTER

April 13, 2015

Honorable William G. Holland
Auditor General
740 East Ash Street
Springfield, IL 62703

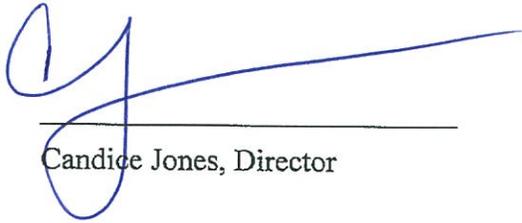
Auditor General Holland:

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 Illinois Department of Juvenile Justice (Department). 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 Department's compliance with the following assertions during the two-year period ended June 30, 2014. Based on this evaluation, we assert that during the years ended June 30, 2013 and June 30, 2014, the Department has materially complied with the assertions below.

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

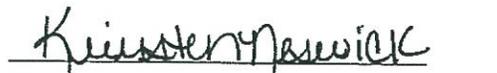
Yours truly,

Illinois Department of Juvenile Justice



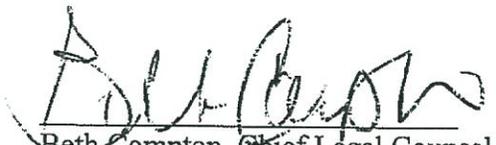
A handwritten signature in blue ink, consisting of a large, stylized 'C' followed by a long horizontal stroke that extends to the right and then loops back down to the left.

Candice Jones, Director



A handwritten signature in black ink, appearing to read 'Kiersten Neswick' in a cursive style.

Kiersten Neswick, Chief Fiscal Officer



A handwritten signature in black ink, appearing to read 'Beth Compton' in a cursive style.

Beth Compton, Chief Legal Counsel

STATE OF ILLINOIS
DEPARTMENT OF JUVENILE JUSTICE
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COMPLIANCE REPORT

SUMMARY

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

ACCOUNTANT’S REPORT

The Independent Accountant’s Report on State Compliance, on Internal Control Over Compliance and on Supplementary Information for State Compliance Purposes does not contain scope limitations, disclaimers, or other significant non-standard language.

SUMMARY OF FINDINGS

<u>Number of</u>	<u>Current</u> <u>Report</u>	<u>Prior</u> <u>Report</u>
Findings	16	18
Repeated findings	10	12
Prior recommendations implemented or not repeated	8	4

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (STATE COMPLIANCE)			
2014-001	11	Administrative process not fully segregated	Significant Deficiency and Noncompliance
2014-002	14	Inaccurate and inadequate equipment and capital asset record keeping	Significant Deficiency and Noncompliance
2014-003	19	Failure to properly transfer unclaimed inmate cash account balances	Significant Deficiency and Noncompliance
2014-004	21	Inadequate administration of locally held funds at Youth Centers	Significant Deficiency and Noncompliance
2014-005	23	Noncompliance with the Fiscal Control and Internal Auditing Act	Significant Deficiency and Noncompliance

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2014-006	25	Payroll timekeeping system not automated	Significant Deficiency and Noncompliance
2014-007	27	Performance evaluations not performed timely or at all	Significant Deficiency and Noncompliance
2014-008	29	Lack of segregation of duties	Significant Deficiency and Noncompliance
2014-009	31	Inadequate administration of confinement and discipline policies	Significant Deficiency and Noncompliance
2014-010	33	Weakness in emergency purchases administration	Significant Deficiency and Noncompliance
2014-011	35	Policies and procedures regarding operation of State vehicles not followed	Significant Deficiency and Noncompliance
2014-012	38	Failure to develop a formal fraud risk assessment program	Significant Deficiency and Noncompliance
2014-013	40	Lack of Disaster Contingency Planning	Significant Deficiency and Noncompliance
2014-014	42	Weaknesses regarding the security and control of confidential information	Significant Deficiency and Noncompliance
2014-015	45	Inadequate documentation of employee training	Significant Deficiency and Noncompliance
2014-016	46	Failure to designate person to Illinois Human Services Commission	Noncompliance

PRIOR FINDINGS NOT REPEATED (STATE COMPLIANCE)

A	47	Operation and maintenance of “cash box” funds at Youth Centers
B	47	Noncompliance with Uniform Disposition of Unclaimed Property Act

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C	47	Weaknesses in administration of locally held funds at the General Office
D	48	Weaknesses in contract administration
E	48	Employees not removed from payroll during leave of absence and other exceptions
F	48	Inadequate controls over computer inventory
G	49	Failure to maintain control over telecommunication devices
H	49	Cash receipts and refunds not paid into the State Treasury on a timely basis as required by State law

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Department personnel at an exit conference on April 2, 2015. Attending were:

Department of Juvenile Justice

Candice Jones, Director
Jesse Montgomery, Deputy Director of Operations
Jessica McMiller-Baptiste, Chief of Staff
Kiersten Neswick, Chief Financial Officer
Beth Compton, Chief Legal Counsel
Mary Reynolds, Intergovernmental Relations
Genna South, Internal Auditor

Office of the Auditor General

Sara Metzger, Audit Manager
Kathy Lovejoy, IS Audit Manager
Stephanie Wildhaber, Audit Supervisor
Adam Ausmus, Audit Supervisor

Department of Corrections

Ron Faith, Chief Internal Auditor
Jonathan Swager, Internal Auditor
Tara Kessler, Assistant Deputy Director
Brad Burnett, Director of Shared Services

The responses to the recommendations were provided by Mr. Ron Faith in correspondence dated April 13, 2015.

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OFFICE OF THE AUDITOR GENERAL
WILLIAM G. HOLLAND

INDEPENDENT ACCOUNTANT'S 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

We have examined the State of Illinois, Department of Juvenile Justice's compliance with the requirements listed below, as more fully described in the Audit Guide for 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, 2014. The management of the State of Illinois, Department of Juvenile Justice is responsible for compliance with these requirements. Our responsibility is to express an opinion on the State of Illinois, Department of Juvenile Justice's compliance based on our examination.

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

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

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evidence about the State of Illinois, Department of Juvenile Justice'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 Juvenile Justice's compliance with specified requirements.

In our opinion, the State of Illinois, Department of Juvenile Justice complied, in all material respects, with the compliance requirements listed in the first paragraph of this report during the two years ended June 30, 2014. However, the results of our procedures disclosed instances of noncompliance with the 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 items 2014-001 through 2014-016.

Internal Control

Management of the State of Illinois, Department of Juvenile Justice 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 examination, we considered the State of Illinois, Department of Juvenile Justice's internal control over compliance with the requirements listed in the first paragraph of this report to determine the examination procedures that are appropriate in the circumstances 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 Juvenile Justice's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the State of Illinois, Department of Juvenile Justice's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with the requirements listed in the first paragraph of this report on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a requirement listed in the first paragraph of this report will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings as items 2014-001 through 2014-015, that we consider to be significant deficiencies.

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

The State of Illinois, Department of Juvenile Justice'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 Juvenile Justice's responses and, accordingly, we express no opinion on the responses.

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 for the years ended June 30, 2014 and June 30, 2013 in Schedules I through II and the Analysis of Operations Section 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 June 30, 2014 and June 30, 2013 accompanying supplementary information in Schedules I through II. However, we do not express an opinion on the accompanying supplementary information.

We have not applied procedures to the June 30, 2012 accompanying supplementary information in Schedules 3 through 9 and in the Analysis of Operations Section, and accordingly, we do not express an opinion or provide any assurance on it.

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



BRUCE L. BULLARD, CPA
Director of Financial and Compliance Audits

Springfield, Illinois

April 13, 2015

STATE OF ILLINOIS
DEPARTMENT OF JUVENILE JUSTICE
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2014

2014-001. **FINDING** (Administrative process not fully segregated)

The Department of Juvenile Justice (Department) has not segregated certain aspects of its administrative processes from the Department of Corrections (DOC) as intended by statute.

The Unified Code of Corrections (Code) (730 ILCS 5/3-2.5) created the Department of Juvenile Justice, effective June 1, 2006. The statute permitted the Department to share certain administrative services with the DOC or a shared service center. The Code (730 ILCS 5/3-2.5-15(e)) states these services include budgeting, accounting related functions, auditing, human resources, legal, procurement, training, data collection and analysis, information technology, internal investigations, intelligence, legislative services, emergency response capability, statewide transportation services, and general office support. An interagency agreement between the Department and the DOC effective July 1, 2006 enumerated these services in a written document.

During the examination, auditors noted instances where the Department's activities should have been segregated from those of DOC but were not because of the longstanding relationship with DOC and overextension of the interagency agreement. While the Department was permitted a short period of time to plan for the creation of a new State agency, the exceptions noted below were still ongoing during the current examination. The specific exceptions noted were as follows:

- The Department's capital assets are maintained within the DOC Automated Property Control System (APCS) and the Department was unable to extract transaction reports specific to all of its activities. While it is permissible to utilize the APCS application for capital asset recordkeeping, the Department should ensure it can identify its activity as necessary so it can maintain books and records specific to its capital assets. Additionally, the Department property listing provided to the auditors included both Department and DOC items and was presented using a WordPad format, which made it nearly impossible to sort, search, filter and ensure only Department items were included in testing populations. Specifically, the Rushville facility was on the listing coded as a youth facility, however, based on discussions with legal personnel from DOC, the facility was never a youth facility; it has always belonged to DOC. Contrary to those discussions, the facility was included on the Department's Agency Report of State Property (C-15) until the fourth quarter of Fiscal Year 2014 when the facility was "transferred" to DOC.
- Since being separated from DOC, the Department has been utilizing the Administrative Directives established by DOC. The Department has made little progress towards updating the Administrative Directives (A.D.s) to be specific to the Department's unique

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purpose and mission. As of April 3, 2014 when the A.D.s were provided to the auditors, 317 of 424 (75%) A.D.s have effective dates prior to the establishment of the Department (June 1, 2006) and have not been updated with the Department's name. Additionally, 17 of 107 (16%) A.D.s, with effective dates on or after June 1, 2006, are titled DOC Administrative Directives. As a result, several A.D.s need to be revised and some are not being followed by Department personnel as noted in other findings presented within this report. Auditors specifically noted 6 of 6 (100%) Youth Centers have not set up separate bank accounts for youths with Trust Fund account balances over \$200. Department personnel provided auditors with internal guidance that was provided to Youth Center staff on April 24, 2012. The guidance does not require the use of separate bank accounts and, as a result, the guidance does not agree with the Department's A.D. The Department's Administrative Directive 02.40.103 states "All interest earned in savings accounts established for youth having trust fund accounts in excess of \$200 shall accrue to the youth's savings account." The guidance does state the Department is revising that A.D.; however, over two years have passed since the guidance was provided to the Youth Centers and the A.D. still has not been revised.

- The Department did not adequately monitor the administrative services provided by the DOC. As stated earlier, the Department relies on the DOC to provide several specific administrative services. However, services provided were not always adequate considering the issues noted in other findings presented within this report, including but not limited to fraud assessment, internal auditing functions, voucher processing weaknesses and inaccurate recordkeeping.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls. These controls should provide assurance that resources are being utilized efficiently and effectively; funds, property and other assets are safeguarded against waste, loss, unauthorized use and misappropriation; and that revenues, expenditures, and transfers are properly recorded and accounted for.

During the previous examination, the Department stated the issues noted were due to limitations of the DOC APCS application, competing priorities, and resource constraints. During the current examination, Department management stated the ongoing issues were due to the same factors.

Failure to adequately segregate certain functions between the Department and DOC does not comply with the intent of the originating legislation and results in inadequate controls within the Department. (Finding Code No. 2014-001, 12-01, 10-01, 08-02)

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RECOMMENDATION

We recommend the Department accelerate its efforts to segregate its books and records from those of the DOC to comply with the originating legislation. Additionally, the Department should more effectively monitor the administrative services provided by the DOC to ensure the Department's administrative responsibilities are being fulfilled.

DEPARTMENT RESPONSE

Recommendation accepted. The Department will continue efforts to acquire necessary resources to segregate its books and records from DOC, update and review A.D.s as necessary, and more effectively monitor the administrative services provided by DOC.

As of January 1, 2015, the Department hired a permanent Policy Staff Attorney position. In the 8 months after the end of this audit period, the Department has created new or revised 50 A.D.s to be specific to the Department's unique purpose and mission. In the 8 months after the end of this audit period, the Department has also rescinded 20 A.D.s that were inapplicable to the Department. As of April 1, 2015, the Department has taken over the management and formal promulgation of all Administrative Directives from the DOC Policy and Directives Unit, with the exception of those pertaining to Fiscal and Business Management (Section 02 of the A.D.s).

As of April 1, 2015, the Department has a total of 351 Administrative Directives in effect. Of these A.D.s, 168 are reliant upon DOC for operations (147 Fiscal and Business Management and 21 adult sentence calculations for juvenile felons). Ninety-five of the remaining 183 A.D.s (52%), that the Department has the authority to revise to be specific to Department's unique purpose and mission, have been updated. The Department will continue to fully convert policies as shared services are transferred to Department control and the Department establishes substantively distinct policies and procedures.

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2014-002. **FINDING** (Inaccurate and inadequate equipment and capital asset record keeping)

The Department of Juvenile Justice (Department) did not exercise adequate controls over recording and reporting of its State property and equipment.

We noted the following during testing:

- The Department did not update its inventory records within 30 days of acquisition, change, or deletion of equipment items.
 - Twenty-one of 60 (35%) equipment addition items tested, totaling \$81,981, were added to Department inventory records between 3 and 859 days late.
 - Three of 60 (5%) equipment addition items tested, totaling \$56,295, did not have a documented date of receipt. Thus, auditors were unable to determine whether the items were timely added to the Department's inventory records.
 - Two of 60 (3%) equipment addition items tested, totaling \$19,332, were placed on the Department's inventory records prior to when the item was received. The items were added to the inventory records 86 and 188 days prior to receipt.
 - Twenty-one of 60 (35%) equipment deletion items tested, totaling \$72,934, were deleted from Department inventory records between 1 and 222 days late.
 - Nine of 60 (15%) equipment deletion items tested, totaling \$14,104, did not have a documented date of disposal. Thus, auditors were unable to determine whether the items were timely removed from the Department's inventory records.

The Illinois Administrative Code (Code) (44 Ill. Admin. Code 5010.400) states Agencies shall adjust property records within 30 days of acquisition, change, or deletion of equipment items. Department personnel stated the items were not added or removed from inventory records timely due to oversight, staffing constraints, competing priorities, certain additions/deletions are entered into the property records at the Springfield office while others are entered at the individual facilities, and the Department's use of different dates for determining when items were received and/or deleted.

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- The Department was unable to locate State property.
 - Four of 9 (44%) equipment items selected from the Department's property records, totaling \$5,529, were unable to be located at the Department's Springfield office.
 - Six of 51 (12%) equipment items selected from the Department's property records, totaling \$8,332, were unable to be located at 3 of 8 (38%) Department Youth Centers (Chicago, Warrenville and Joliet).

The State Property Control Act (Act) (30 ILCS 605/4) requires Agencies to be accountable for the supervision, control and inventory of all property under their jurisdiction. In addition, the Act (30 ILCS 605/6.02) requires Agencies to maintain a permanent record of all items of property under its jurisdiction and control. Department personnel stated some of the items were unable to be located as of the Annual Certification of Inventory on January 31, 2014 and the other items were assumed to be at Washington Cottage. Department personnel at the Youth Centers stated understaffing contributed to property not being accounted for properly. In addition, some items were either misplaced and/or proper documentation was not completed upon transfer.

- The Department did not have adequate controls over maintaining its inventory records.
 - Seven of 9 (78%) equipment items selected at the Department's Springfield office were not included on the Department's inventory records.
 - For 4 of 51 (8%) equipment items selected at the Department's Youth Centers, the actual location did not match the location listed on the property listing at 2 of 8 (25%) Youth Centers (Chicago and Harrisburg).
 - Seven of 51 (14%) equipment items selected at the Department's Youth Centers were not included on the Department's inventory records at 4 of 8 (50%) Youth Centers (Harrisburg, Pere Marquette, St. Charles and Joliet).
 - One of 51 (2%) equipment items selected at the Department's Youth Centers (Joliet) did not have a property tag affixed to the item.

The State Records Act (5 ILCS 160/9) requires Agencies to establish and maintain an active, continuing program for the economical and efficient management of the records of the agency. Such program shall provide for effective controls over the creation, maintenance, and use of records. The Statewide Accounting Management System

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(SAMS) (Procedure 29.10.10) requires an agency to maintain detailed property records and update property records as necessary to reflect the current balance of State property. The Code (44 Ill. Admin. Code 5010.210) requires agencies to mark each piece of State owned equipment in their possession with a unique six digit identification number. The Department's Administrative Directive 02.70.105 requires each facility to maintain a standard property control numbering system and tagging procedures. A tag book must be established and tag numbers affixed as they are assigned. Department personnel stated the errors were due to oversight and paperwork not being signed by Department Administration. Youth Center personnel stated the errors were due to understaffing, competing priorities, items being misplaced, and/or proper documentation not being completed upon transfer.

- The Department did not accurately report information on the Agency Report of State Property Quarterly Reports (C-15).
 - Twenty-six of 240 (11%) transaction type totals (comprised of additions, deletions, and net transfers for each of 10 divisions' quarterly C-15 worksheets) listed on the divisional C-15 worksheets did not agree to Department records from the Automated Property Control System (APCS). This resulted in 17 of 24 (71%) transaction type totals on the Department-wide C-15s, as submitted to the Illinois Office of the Comptroller (IOC), not agreeing to the APCS records.
 - The Department was unable to provide supporting documentation for 1 of 80 (1%) divisional C-15 worksheets. Thus, the auditors were unable to determine whether amounts listed on the divisional C-15 worksheet matched the Department's APCS records.
 - Four of 240 (2%) transaction type totals (comprised of additions, deletions, and net transfers for each of 10 divisions' quarterly C-15 worksheets) listed on the divisional C-15 worksheets included transactions, totaling \$6,791,941, had not been entered into the APCS.
 - Equipment purchases from two telecommunication vouchers in Fiscal Year 2014, totaling \$1,463,850, were not timely reported on Department-wide C-15s, as submitted to the IOC. A majority of the equipment items were added to the Fiscal Year 2015 Quarter 2 C-15.
 - As a result of the previous four bullet points, the auditors were unable to reconcile the Department-wide C-15s, as submitted to the IOC, to the IOC's Object Expense/Expenditures by Quarter Reports (SA02). The auditors noted

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differences totaling \$241,396 in Fiscal Year 2013 and \$532,542 in Fiscal Year 2014.

SAMS (Procedure 29.20.10) requires an agency to report all additions, deletions, and net transfers affecting each asset class that occurred during the quarter being reported. SAMS (Procedure 07.30.20) states that effectiveness of any accounting and financial information system is very much dependent on the accuracy of data submitted and the confidence of its users that the system handled that data properly. Department reconciliations are the primary control that ensures these requirements are being met. SAMS (Procedure 29.10.10) requires an agency to maintain detailed property records and update property records as necessary to reflect the current balance of State property. The Department's Administrative Directive 02.70.155 requires each facility to prepare a report of fixed assets at the end of each quarter. These reports should then be reconciled and compared to the IOC's C-15 report by the Shared Services Fiscal Accounting Compliance Section. Department personnel stated this did not occur due to oversight, facilities being understaffed, and facilities reporting transactions in one quarter, but not entering into APCS until another quarter. Department personnel also stated they do not perform reconciliations of SA02 reports and C-15s.

- The Department did not maintain property.
 - We noted 2 of 6 (33%) Youth Centers (St. Charles and Warrenville) had several unused, condemned or worn down buildings in need of repairs, demolition or significant improvements.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies establish and maintain a system, or systems, of internal fiscal and administrative controls which provide assurance that funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use and misappropriations. St. Charles personnel stated budget constraints have delayed repairs or removal of the buildings. Warrenville personnel stated problems were due to poor design and capital budget requests for improvements not being approved yet.

- The Department did not have adequate control over transfers.
 - We noted 3 of 40 (8%) Request for Change of Status of Equipment forms (DOC013s) were not completed properly at 1 of 2 (50%) closed Youth Centers (Joliet).

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- We noted 3 of 40 (8%) equipment transfers tested at 2 of 2 (100%) closed Youth Centers (Joliet and Murphysboro) did not have supporting documentation that matched the Department's records.
- We noted for 8 of 40 (20%) equipment transfers tested at 2 of 2 (100%) closed Youth Centers (Joliet and Murphysboro), the Department could not provide transfer documentation.

The Department's Administrative Directive 02.70.115 requires a DOC013 for all transfers or other disposition of property. In addition, Administrative Directive 02.70.150 requires the facility, office, or program site requesting a change of status of property to complete a DOC013. Department personnel stated this occurred due to employee oversight during the closing of facilities.

During the previous examination, the Department stated it would continue devoting the resources necessary within the limitations of the existing IDOC Automated Property Control System (APCS) to ensure property and equipment information is properly recorded and maintained. Department management responses for the current examination are noted above, following each exception.

Failure to maintain accurate property and equipment records is noncompliance with statutory and regulatory requirements and increases the potential for fraud and possible loss or theft of State property. In addition, inaccurate property reporting reduces the reliability of Statewide capital asset information. (Finding Code No. 2014-002, 12-02, 10-02, 08-03)

RECOMMENDATION

We recommend the Department strengthen controls over the recording and reporting of its State property and equipment by reviewing its inventory and recordkeeping practices to ensure compliance with statutory and regulatory requirements. We also recommend the Department ensure all equipment is accurately and timely recorded on the Department's property records.

DEPARTMENT RESPONSE

Recommendation accepted. The Department will continue efforts of devoting the resources necessary within the limitations of the existing Illinois Department of Corrections APCS to ensure that property and equipment information is timely and properly recorded and maintained. A review of the inventory and recordkeeping practices will be done to determine areas that can be improved on.

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2014-003. **FINDING** (Failure to properly transfer unclaimed inmate cash account balances)

The Department of Juvenile Justice (Department) improperly offset Juvenile Justice Inmate Trust Fund (Inmate Trust Fund) accounts with positive cash balances against accounts with negative balances prior to the transfer of unclaimed cash balances to the General Revenue Fund (GRF).

During testing, auditors noted dormant accounts, totaling \$2,165, were not transferred to the GRF during the two years ended June 30, 2014 due to offsetting or netting balances.

The Unified Code of Corrections (Code) (730 ILCS 5/3-4-3(a)) requires the Department to establish accounting records with individual accounts for each inmate. 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 Department's Administrative Directive (A.D.) 02.42.106 requires, upon determination of dormant accounts, the Business Administrator to prepare a list, which includes the account numbers, youths' names, identification numbers, account balances and a memorandum requesting permission to transfer the balances to the GRF.

During the previous examination, the Department stated it would review its internal policy and statutory requirements to determine the appropriate process to follow regarding dormant accounts. During the current examination, Department management indicated its internal policy for dormant accounts was to only transfer positive balances which exceed negative balances in total for all youth accounts. Department management further commented there are various causes for a negative balance, 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 youth's trust account had an insufficient balance. The majority of negative balances did not involve cash distributions, but represented amounts the Department paid from the GRF and other funds on behalf of a youth and can only be recouped if cash is available in the youth's account.

Offsetting negative account balances against other accounts in the Inmate Trust Fund effectively requires other youth's accounts to temporarily bear the costs of those deficits in violation of the Department's fiduciary responsibility and the Unified Code of Corrections. In addition, failure to ensure dormant cash balances are transferred to the General Revenue Fund is noncompliance with the A.D. and State statute. (Finding Code No. 2014-003, 12-04, 10-06)

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RECOMMENDATION

We recommend the Department revise internal policy for dormant accounts and thereby ensure dormant cash accounts are timely transferred to the General Revenue Fund as required by statute. We also recommend the Department develop procedures to administer youth cash balances in accordance with State statute.

DEPARTMENT RESPONSE

Recommendation accepted. The Department is currently working to revise the Administrative Directives for dormant accounts and will timely transfer to General Revenue Fund as required by statute.

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2014-004. **FINDING** (Inadequate administration of locally held funds at Youth Centers)

The Department of Juvenile Justice (Department) Youth Centers inadequately administered locally held (bank accounts) funds during the examination period.

During testing of the Department's Juvenile Justice Resident's Trust Fund (Trust Fund) and Juvenile Justice Benefit funds (Resident Benefit Fund and Employee Benefit Fund) auditors noted the following exceptions at the Youth Centers:

- Two of 6 (33%) Youth Centers (Chicago and Harrisburg) failed to request reimbursement for 3 bank service charges incurred during Fiscal Years 2013 and 2014 from the Resident Benefit Fund in a timely manner. The reimbursements were requested between 4 and 16 months after the service charges were applied to the bank accounts. The Department's Administrative Directive 02.43.101 states "Bank service charges incurred by the Inmates' Trust Fund shall be reimbursed from the Youths' Benefit Fund."
- Two of 6 (33%) Youth Centers (Chicago and Kewanee) did not properly complete the Offender Authorization for Payment (DOC296) form or equivalent for 11 of 60 (18%) tested disbursements, totaling \$294, from the Trust Fund. The Department's Administrative Directive 02.42.105 states all payments other than to the Commissary Fund and payments of restitution shall be authorized by the offender through completion of a DOC296.
- One of 6 (17%) Youth Centers (Chicago) provided signature authorization cards that included an employee no longer employed by the Department. The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department establish and maintain a system, or systems, of internal fiscal and administrative controls which provide assurance that funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation.
- At 2 of 6 (33%) Youth Centers (St. Charles and Warrenville), 2 of 30 (7%) cash receipts tested, totaling \$484, were not deposited timely. The Department's Administrative Directive 02.40.110 states "Cash accumulated in the amount of \$1,000 or more on any Business Office working day shall be deposited no later than 12:00 a.m. the next working day. Deposits shall be made at least once a week."
- Three of 6 (50%) Youth Centers (Chicago, Kewanee, and Warrenville) did not follow a Department Administrative Directive regarding the administration of the Resident Benefit Fund or the Employee Benefit Fund. Auditors noted 12 instances, totaling \$2,337, in which committee minutes could not be provided to determine the

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expenditures were submitted and approved by the committees as required by the Administrative Directive. The Department's Administrative Directive requires benefit fund committees to meet and review requests for expenditures. All decisions of the committees are to be documented in minutes.

- Two of 6 (33%) Youth Centers (Chicago and Harrisburg) were not performing monthly reviews comparing the receipts and expenditures sent to Springfield for the Resident Benefit Fund to the bank statements. One of 6 (17%) Youth Centers (Kewanee) was not able to log on to its online banking site, and therefore could not complete any monthly reviews comparing receipts and expenditures to the bank statements. The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department establish and maintain a system, or systems, of internal fiscal and administrative controls which provide assurance that funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation.

During the previous engagement, Department management stated they would remind Youth Center Staff of the requirements related to the operation and maintenance of locally held funds. During the current examination, Department management stated the exceptions noted were due to conflicting priorities, human error and oversight.

Lack of following the prescribed formal administrative directives could result in a breakdown of the authorization process and documentation of decisions and could lead to inappropriate expenditures not being prevented. (Finding Code No. 2014-004, 12-07, 10-09, 08-08)

RECOMMENDATION

We recommend the Department ensure the requirements related to the locally held fund administration as set forth in the administrative directives are followed by Youth Center staff.

DEPARTMENT RESPONSE

Recommendation accepted. The Department will make every effort to ensure the Administrative Directives are updated and followed regarding the uses of locally held funds, and to preserve and maintain records necessary to document its financial activity. In addition, the Department resolved the access issues with the online banking site.

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2014-005. **FINDING** (Noncompliance with the Fiscal Control and Internal Auditing Act)

The Department of Juvenile Justice (Department) did not comply with the Fiscal Control and Internal Auditing Act.

The Department has not established its own internal audit function. The Department of Corrections (DOC) Office of Internal Audit provides internal auditing services to the Department. During Fiscal Years 2013 and 2014, the DOC Office of Internal Audit prepared internal audit plans; however, no internal audits were completed.

The Fiscal Control and Internal Auditing Act (Act) (30 ILCS 10/2001) requires each State agency to maintain a full-time program of internal auditing. The Act (30 ILCS 10/2003) also requires the internal auditing program include audits of major systems of internal accounting and administrative control be conducted on a periodic basis so that all major systems are reviewed at least once every two years.

During the previous engagement, Department management stated they would ensure the necessary resources are put in place within the Department's Office of Internal Audit to comply with the Fiscal Control and Internal Auditing Act. During the current engagement, Department management acknowledged they did not comply fully with the Act due to limited allocation of internal audit resources and the time needed to coordinate the external compliance examination. Department management also stated it developed a comprehensive plan for the internal audits to provide adequate coverage under the Act, but failed to complete any of the planned internal audits.

Failure by the Department to maintain its own internal audit function limits the coverage and likelihood of internal audits being performed on the major internal control systems. Incomplete auditing of all major internal control systems increases the risk that significant internal control weaknesses will exist and errors and irregularities may go undetected. (Finding Code No. 2014-005, 12-09)

RECOMMENDATION

We recommend the Department ensure that internal audits of all major systems of internal accounting and administrative control are conducted at least once every two years as required by the Fiscal Control and Internal Auditing Act.

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DEPARTMENT RESPONSE

Recommendation accepted. The Department will make every effort to ensure the necessary resources are put in place within the DOC's Office of Internal Audit to comply with the Fiscal Control and Internal Auditing Act. An auditor trainee was added in November of 2014.

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2014-006. **FINDING** (Payroll timekeeping system not automated)

The Department of Juvenile Justice's (Department) payroll timekeeping system was not automated.

During the 2008 examination period, the Department's human resources responsibilities were consolidated with a number of other State agencies as part of the Public Safety Shared Services Center (PSSSC). The PSSSC was scheduled to create/implement an automated timekeeping system, but it was not created. As noted in previous examinations, each Youth Center as well as other functions of the Department continued to maintain a manual timekeeping system for approximately 1,000 employees. Most Department Employees, which are security, attend roll-call fifteen minutes before each shift. This starts the payroll process for the majority of the Department employees. Other Department employees sign in and out, and sign-in sheets are sent to the timekeeping clerk. Other information, including notification of absence and call-in reports, are also forwarded to timekeepers. No automation is involved except for processing of payroll warrants.

During the current examination, Department management stated timekeeping was maintained using an excel spreadsheet. During employee testing, auditors tested timesheets from seven locations, which included the six active Youth Centers and the General Office. All locations used forms generated from an excel spreadsheet. However, 1 of 7 (14%) locations (Chicago Youth Center) provided timesheets with attendance and paid leave time data filled out by hand.

Auditors inquired with the Department about possible use of the two timekeeping systems administered through Central Management Services (CMS) that are available to all State agencies, Central Timekeeping and Attendance System (CTAS) and eTime. Department management stated that, at this time, there are no plans to utilize either system as they will not interface with the Department's current payroll system. Auditors noted Department of Human Services (DHS) administers a timekeeping system that interfaces the same payroll system used by the Department. The Department stated the use of the DHS system has been explored, but no final determination has been made due to updates needed to the timekeeping system to handle various contract items specific to the Department.

Prudent business practices suggest that controls available through automated timekeeping systems can provide greater efficiency and reduce the potential for costly errors or employee abuse. The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires State agencies establish and maintain a system, or systems, of internal fiscal and administrative

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controls. This system should provide assurance that funds are safeguarded against waste, loss, unauthorized use, and misappropriation.

During the previous examination, the Department stated it would participate in a new Statewide system for timekeeping should one be purchased. Regarding the current examination, Department management stated it lacked the resources to implement an automated timekeeping system during the period.

The lack of an automated timekeeping system increases the risk of errors and reduces the control efficiencies for accurately tracking time. (Finding Code No. 2014-006, 12-10, 10-10, 08-11)

RECOMMENDATION

We recommend the Department implement an automated timekeeping system.

DEPARTMENT RESPONSE

Recommendation accepted. The Department does not, at this time, have the resources to purchase a new timekeeping system. The Department would, however, participate in a new statewide system should one be purchased.

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2014-007. **FINDING** (Performance evaluations not performed timely or at all)

The Department of Juvenile Justice (Department) did not conduct performance evaluations in a timely manner.

Auditors tested 60 employee files containing 112 evaluations performed during the examination period. Auditors noted 4 of the 112 (4%) evaluations tested were performed 194 to 333 days late. Auditors also noted 8 of the 112 (7%) evaluations were not performed during the examination period for 8 employees tested.

The Illinois Administrative Code (80 Ill. Admin. Code 302.270) require performance records to include an evaluation of employee performance prepared by each agency not less often than annually. In addition, according to the Department's Administrative Directive 03.03.110 each employee shall have a list of measurable objectives for a specific work period and shall receive a documented evaluation of his or her job performance at least annually. Supervisory staff shall conduct a formal job performance evaluation on each employee prior to completion of any probationary period and annually thereafter. The results of the evaluation must be submitted from 7 to 30 days prior to the employee's anniversary date or the last day of the probationary period depending if the employee is a bargaining unit or merit compensation employee.

During the previous examination, the Department stated it would make every effort to ensure compliance with performance evaluation requirements. In the current examination, Department management indicated the exceptions noted for performance evaluations which occurred during the current audit period were due to human error and employee oversight.

Good internal controls dictate the annual evaluation be performed in a timely manner as it is an important component of the communication between the employee and employer on the performance and future expectations of the employee in the workplace. Employee evaluations support administrative personnel decisions by documenting regular performance measures. Late evaluations could cause delays in communicating positive and negative qualities of the employee's work performance. (Finding Code No. 2014-007, 12-11, 10-11, 08-12)

RECOMMENDATION

We recommend the Department follow the Illinois Administrative Code and the established Administrative Directive and hold management accountable for completing employee performance evaluations on a timely basis.

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DEPARTMENT RESPONSE

Recommendation accepted. The Department will make every effort to ensure compliance with performance evaluation requirements. The Department has implemented a system at all Centers and General Office to notify staff when performance evaluations are due.

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2014-008. **FINDING** (Lack of segregation of duties)

The Department of Juvenile Justice (Department) had an inadequate segregation of duties in the areas of locally held funds and commissary inventories at the Illinois Youth Centers. We noted the following during our testing:

- Two of 6 (33%) Youth Centers (Harrisburg and St. Charles) lacked segregation of duties regarding counting and reconciling the Travel and Allowance Fund cash box.
- IYC Kewanee did not have adequate segregation of duties regarding commissary inventory. Specifically, the person with custody of the store performed the inventory alone. Kewanee is the only facility that operates a commissary in house.
- Two of 6 (33%) Youth Centers (Chicago and Harrisburg) had improper segregation of duties over checks for the Employee Benefit Fund. The same employee was writing and mailing checks.
- Three of 6 (50%) Youth Centers tested (Chicago, Harrisburg, and St. Charles) had improper segregation of duties over checks for the Resident Trust Fund. The same employee was writing and mailing checks.
- One of 6 (17%) Youth Centers tested (Harrisburg) had improper segregation of duties over checks for the Travel and Allowance Fund. The same employee was writing and mailing checks.

The Fiscal Control and Internal Auditing Act (30 ILCS10/3001) requires the Department establish and maintain a system, or systems, of internal fiscal and administrative controls which provide assurance that funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation. This includes the establishment of proper segregation of duties so that cash boxes are reconciled by someone other than the individual who is assigned custody of that cash box and inventories are performed by someone independent of the commissary operations.

The Department's Administrative Directive (A.D.) 02.40.101 requires the Business Administrator to designate an individual to write checks and ensure this individual does not sign checks or mail prepared checks.

Department management indicated the exceptions noted at the Youth Centers in the finding were due to insufficient resources and conflicting priorities.

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A lack of adequate segregation of duties increases the likelihood that a loss from errors or irregularities could occur and would not be found in the normal course of employees carrying out their assigned duties. This is also noncompliance with the Department's A.D. (Finding Code No. 2014-008)

RECOMMENDATION

We recommend the Department implement procedures to ensure they maintain adequate segregation of duties over the locally held funds and commissary inventory function administered by the Youth Centers.

DEPARTMENT RESPONSE

Recommendation accepted. The Department will make every attempt to ensure procedures are implemented for proper segregation of duties over all locally held funds, as well as the commissary inventory function at Kewanee.

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2014-009. **FINDING** (Inadequate administration of confinement and discipline policies)

The Department of Juvenile Justice (Department) failed to maintain adequate administration of confinement and discipline policies at Department facilities.

During testing of the Department's confinement and discipline policies, we noted the following exceptions at the Youth Centers:

- Four of 60 (7%) youths selected for testing at 2 of 6 (33%) Youth Centers (Chicago and Kewanee) were isolated for more than 24 hours and auditors were not provided documentation showing the youths had been interviewed daily.
- Confinement Record Admission Forms for 9 of 60 (15%) confinements selected for testing from 3 of 7 (43%) Youth Centers (Chicago, Joliet and Kewanee) were not completed or were improperly completed.
- Three of 6 (50%) Youth Centers (Chicago, St. Charles and Warrenville) did not file a written report with the Chief Administrative Officer within 72 hours of an infraction when discipline was imposed for 3 of 60 (5%) youths selected for testing. One report was filed three days late; the other two reports were not filed at all.

The Uniform Code of Corrections (Code) (730 ILCS 5/3-10-8(a)(3)) states a person who has been isolated for 24 hours or more shall be interviewed daily by his staff counselor or other staff member. The Department's Policy/Procedure Bulletin 21 requires a Confinement Record Admission Form be completed when a youth is in confinement. The Code (730 ILCS 5/3-10-8(e)) also requires a written report of any infraction for which discipline is imposed to be filed with the Chief Administrative Officer within 72 hours of the occurrence of the infraction or the discovery of it and such report shall be placed in the file of the institution or facility.

Department management stated the exceptions noted were due to employee error and oversight.

Failure to maintain confinement records for all youth confinements and discipline records for all youth infractions is noncompliance with the Code. (Finding Code No. 2014-009)

RECOMMENDATION

We recommend the Department ensure the requirements related to confinements and discipline as set forth by the Unified Code of Corrections are followed by Youth Center

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Staff. We also recommend proper documentation be maintained for all youth confinements and youth discipline reports.

DEPARTMENT RESPONSE

Recommendation accepted. The Department will make every effort to ensure the requirements related to confinement and discipline as set forth in the Unified Code of Corrections is followed and proper documentation is maintained. The Department is also in the process of establishing new confinement and discipline policies per federal consent decree.

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2014-010. **FINDING** (Weakness in emergency purchases administration)

The Department of Juvenile Justice (Department) failed to ensure proper controls were established in the administration of its emergency purchases during the examination period.

During testing, auditors identified weaknesses in the Department's use of the emergency purchase provision of the Illinois Procurement Code (30 ILCS 500/20-30). Specifically, auditors noted:

- Eight of 12 (67%) emergency purchases, totaling \$395,700 were found to be extensions of existing contracts. The Illinois Procurement Code (Code) (30 ILCS 500/20-30) states that a purchasing agency may make emergency procurements without competitive sealed bidding or prior notice when there exists a threat to public health or public safety, or when immediate expenditure is necessary for repairs to State property in order to protect against further loss or damage to State property, to prevent or minimize serious disruption in State services, or to ensure the integrity of State records. However, auditors noted the condition that gave rise to the necessity of the emergency purchases was the Department's failure to adequately monitor the existing contracts and did not allow for time to competitively bid a new contract or execute a contract extension.
- Two of 12 (17%) emergency purchases were posted to the Illinois Procurement Bulletin 9 and 22 days later than required.
- Five of 12 (42%) emergency purchase affidavits were not filed with the Illinois Office of the Auditor General (OAG) within 10 days of the procurement. The affidavits were filed between 2 and 263 days late.

The Code (30 ILCS 500/20-30(b)) also requires notices of emergency procurements be published in the online electronic Bulletin no later than three business days after the contract is awarded. In addition, the Code (30 ILCS 500/20-30(c)) requires an affidavit to be filed with the OAG within 10 days after the procurement.

Department management stated the exceptions noted were due to conflicting priorities, staffing issues and human error.

Failure to properly administer emergency purchases is noncompliance with the Illinois Procurement Code and could compromise public accountability and oversight. (Finding Code No. 2014-010)

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RECOMMENDATION

We recommend the Department implement the necessary controls to adequately administer its emergency purchases and ensure compliance with the Illinois Procurement Code.

DEPARTMENT RESPONSE

Recommendation accepted. The Department has contacted the Auditor General's office and is now scanning and emailing the emergency purchase affidavits. Centers have been notified to adequately administer emergency purchases.

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2014-011. **FINDING** (Policies and procedures regarding operation of State vehicles not followed)

The Department of Juvenile Justice (Department) did not follow State statute and State administrative rules regarding vehicle maintenance records, reporting of vehicle accidents, and annual certifications of license and vehicle liability coverage.

Auditors noted Department employees were not ensuring vehicles personally assigned to them were adequately maintained and that accidents involving State vehicles were not properly reported. In addition, the annual certification of license and vehicle liability coverage was not completed timely. Specifically, we noted the following:

- During testing of 8 reported accidents involving State/Department owned vehicles, auditors noted 4 (50%) instances in which accidents had not been reported to the Department of Central Management Services (CMS) in a timely manner. The required accident reports were submitted from 1 to 446 days late.

According to 44 Illinois Administrative Code 5040.520, a driver of a state-owned or leased vehicle which is involved in an accident of any type shall report such accident to the appropriate law enforcement agency and to CMS by completing the "Motorist's Report of Illinois Motor Vehicle Accident" form (SR-1). The SR-1 is to be completed, as nearly as possible, in its entirety including a clear description of the accident and the conditions surrounding the accident. In no case is this form to be completed later than three days following an accident. If the State driver is incapable of completing the form because of death or disability, the driver's supervisor should complete this form. In all cases, the SR-1 must be received by CMS no later than 7 calendar days following the accident. In addition, the State of Illinois Self-Insured Motor Vehicle Liability Plan requires documentation be submitted to CMS within seven days of an accident.

- Thirteen of 35 (37%) employees tested did not file license and insurance certifications by July 31st.

The Illinois Vehicle Code (625 ILCS 5/7-601(c)) requires every employee of a State agency, who is assigned a specific vehicle owned or leased by the State on an ongoing basis, to provide a certification annually to the Director. The certification shall affirm the employee is duly licensed to drive and the employee has liability insurance coverage extending to the employee when the assigned vehicle is used for other than official State business. The certification shall be provided during the period July 1 through July 31 of each calendar year, or within 30 days of any new assignment of a vehicle on an ongoing basis, whichever is later.

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- For Fiscal Years 2013 and 2014, auditors requested to examine 13 vehicle maintenance records and noted the Department could not provide any maintenance documentation for 1 (8%) of the selected vehicles. Of the 12 vehicles for which maintenance records were provided, the Department failed to have annual inspections performed on 3 (25%) vehicles during the fiscal years tested. Additionally, 5 (42%) did not receive adequate tire rotations and/or oil changes for the fiscal years tested.

According to 44 Illinois Administrative Code (Code) 5040.410, agencies are required to have all vehicles inspected by CMS or an authorized vendor at least once per year or as required by law. The Code also requires agencies to maintain vehicles in accordance with the schedules provided by CMS or with other schedules acceptable to CMS that provide proper care and maintenance of special use vehicles. In addition, 44 Illinois Administrative Code 5040.400 requires all state-owned or leased vehicles to undergo regular service and/or repair in order to maintain the vehicles in road worthy, safe, operating condition and appropriate cosmetic condition.

During the previous examination, the Department stated it would ensure compliance with proper controls and procedures and revise processes and procedures as needed. The Department also stated it would communicate to personnel with assigned vehicles to properly complete and maintain the required documentation. During the current examination, Department management stated the exceptions noted were due to lack of staff and employee oversight.

When accident reports are not submitted in a timely manner, facts of the accident may become unclear and it is more difficult to follow up on any possible liability to the Department or the State. In addition, failure to timely complete and submit accident reports is noncompliance with the Illinois Administrative Code and the Illinois Self-Insured Motor Vehicle Liability Plan. It also risks forfeiture of coverage under the Self-Insured Motor Vehicle Liability Plan. Failure to obtain certification of license and vehicle liability coverage is a violation of a State statute and may result in uninsured, underinsured and/or unlicensed drivers operating State vehicles while performing State business. Failure to perform yearly inspections and regular maintenance on State vehicles could result in more significant expenditures related to the repair or replacement of the vehicles. (Finding Code No. 2014-011, 12-16, 10-15, 08-19)

RECOMMENDATION

We recommend the Department:

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- Monitor the submission of accident reports to ensure the requirements are being met as required by the Illinois Administrative Code and the State of Illinois Self-Insured Motor Vehicle Liability Plan.

- Enforce vehicle maintenance schedules to reduce future year expenditures for repairs and to extend the useful lives of vehicles.

- Review and enforce procedures over the timely filing of the required annual certifications of license and liability insurance.

DEPARTMENT RESPONSE

Recommendation accepted. The Department will make every effort to ensure compliance with proper controls and procedures regarding State vehicles and assigned State-owned vehicles. The Department will also make every effort to revise processes and procedures as needed to ensure proper completion and maintenance of documentation as required for their assigned State-owned vehicles. A vehicle coordinator has now been assigned at each facility to ensure compliance.

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2014-012. **FINDING** (Failure to develop a formal fraud risk assessment program)

The Department of Juvenile Justice (Department) did not have a formal fraud risk assessment program in place during the examination period.

The Department relied on administrative directives, internal controls, and an internal audit plan to minimize the risk of fraud occurring, but had not established a formal program to assess the specific risks associated with fraud. Auditors noted issues related to administrative directives and internal audit which are presented in other findings within this report.

The Fiscal Control and Internal Auditing Act (Act) (30 ILCS 10/3001) states all State agencies shall establish and maintain a system, or systems, of internal fiscal and administrative controls, which shall provide assurance that: (1) resources are utilized efficiently, effectively, and in compliance with applicable law; (2) obligations and costs are in compliance with applicable law; and (3) funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation. Additionally, it is management's responsibility to prevent and detect fraud. Therefore, the Department should implement a formal policy regarding the evaluation of fraud risk and a system of controls to help prevent and detect potential fraudulent activity within its organization. Preparing a written policy will serve to document the Department's awareness and responsibility for fraud prevention and detection, as well as specific activities necessary to identify and address specific fraud risk factors.

In the previous examination, the Department stated it would make every effort to ensure a formal fraud risk policy and risk assessment is completed and appropriately acted upon. During the current examination, Department management acknowledged there is currently no formal system to identify fraud risks and during the examination period the Department was in the process of establishing a Chief Fiscal Officer and Deputy Director of Quality Assurance position.

The Department managed expenditures of \$117,886,926 of State funds in Fiscal Year 2013 and \$213,955,672 in Fiscal Year 2014. Without a formal program to identify and address the specific risks associated with fraud, fraudulent activities may go undetected and could result in misstatements in its financial reporting to the State or misappropriation of Department assets. (Finding Code No. 2014-012, 12-18)

RECOMMENDATION

We recommend management establish a continuous fraud prevention, deterrence and detection program. This program should include evaluating whether appropriate internal

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controls have been implemented in any areas identified as posing a higher risk of fraudulent activity, as well as controls over the financial reporting process. In addition, the Department's executive staff should evaluate management's identification of fraud risks and the implementation of anti-fraud measures.

DEPARTMENT RESPONSE

Recommendation accepted. The Department will make every effort to ensure a formal fraud risk policy and risk assessment is completed and appropriately acted upon. A formal policy for review was distributed on March 10, 2015.

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2014-013. **FINDING** (Lack of Disaster Contingency Planning)

The Department of Juvenile Justice (Department) had not developed a disaster recovery plan to ensure the timely recovery of its applications and data.

The Department carries out its mission through the use of Information Technology, on both mainframes and local area networks. The Department's critical computer systems include Juvenile Tracking System, Inmate Drug Screening, Correctional Intelligence System and Fund Accounting and Commissary Trading System.

As part of the audit process, we requested the Department's disaster recovery plan. However, the Department was unable to produce a disaster recovery plan or associated documents such as a listing of prioritized applications or data or recovery time objectives.

As part of a multi-agency mainframe recovery test performed in September 2013, the Department tested the Juvenile Tracking System. However, documentation supporting the analysis and enhancements to processes and plans was incomplete, and final testing documentation had not been provided to the Department of Central Management Services. Additionally, we noted the Department had not conducted testing of their midrange environment applications.

In addition, the Department had not established procedures to ensure resources were backed up and rotated offsite.

Department management stated that due to oversight and change in staffing levels with the current computing environment the planning, procedures and testing continuity of the disaster recovery process was overlooked.

Information technology guidance (including the National Institute of Standards and Technology and Government Accountability Office) endorse the formal development and testing of disaster contingency plans.

Without an adequately developed and tested contingency plan, the Department cannot ensure its critical systems could be recovered within an acceptable period and minimize the impact associated with a disaster. (Finding Code No. 2014-013)

RECOMMENDATION

We recommend the Department:

- Develop a disaster recovery plan, which should include at a minimum:

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- A current prioritized listing of applications,
- Detailed recovery scripts for each application,
- Recovery Time Objectives,
- Current listing of contact information,
- Assignment of task team members, and
- Retention period of backup media.

In addition, the Department should annually perform a comprehensive test of its Disaster Contingency Plan. The test should include all computing platforms currently used and should be adequately documented. The plan should be continuously modified to eliminate any weaknesses identified during testing.

The Department should also develop procedures to ensure all resources are backed up and rotated offsite.

DEPARTMENT RESPONSE

Recommendation accepted. The Department will make every effort, once resources become available, to update the disaster recovery plan to reflect the current environment and to test the plan on at least an annual basis.

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2014-014. **FINDING** (Weaknesses regarding the security and control of confidential information)

The Department of Juvenile Justice (Department) had weaknesses in the security and control of confidential information. During testing, we noted the following weaknesses:

- Failure to perform a risk assessment of the Department's computer resources.
- Lack of formalized procedures to identify and protect personal or confidential information, including notification procedures in the event of a breach of security.
- Had not developed a Statement of Purpose required by the Identity Protection Act (5 ILCS 179)
- Failed to provide training as required by the Identity Protection Act and the Federal Health Insurance Portability and Accountability Act (HIPAA).
- Had not consistently ensured Business Associates Agreements (BAA) were executed for entities providing medical services.
- Failed to protect (i.e. encrypt) personal or confidential information on all laptops.
 - Specifically, during Fiscal Years 2013 and 2014 the Department's Certification of Inventory listing of missing items included 62 computer equipment items, totaling \$59,297, and 92 computer equipment items, totaling \$78,958, respectively. The computer equipment may have contained confidential information; however, due to the lack of encryption, the security over the confidential information could not be determined. Also, the Department has not performed an assessment to determine if any notifications are required.

The Department had several computer systems that contained confidential or personal information such as names, addresses, and Social Security Numbers. In addition, the Department maintained protected health information that required protection under HIPAA.

The Department had not performed a risk assessment of its computing resources to identify confidential or personal information to ensure such information is protected from unauthorized disclosure. The Personal Information Protection Act (815 ILCS 530) requires that entities identify and protect all nonpublic personal information. In addition, the Department had not developed policies and procedures regarding the Department's

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responsibilities, as stated in the Personal Information Protection Act, in the event of a breach of personal information.

The Identity Protection Act (Act) requires that a statement of purpose or purposes for which the agency is collecting and using the social security number be provided. The Act and HIPAA also require all employees identified as having access to social security numbers or protected health information be trained to protect its confidentiality.

HIPAA requires the safeguarding of Protected Health Information (PHI) and one mechanism is the use of BAAs that outlines the responsibilities and associated safeguards for entities accessing PHI. Even though some contracts with vendors included provisions for BAAs, such agreements were not included in the contract or provided.

The Personal Information Act (815 ILCS 530/12) states that any State agency that collects personal information shall notify such persons at no charge that there has been a breach of the security of the system data or written material following discovery or notification of the breach.

Department management stated the issues noted were due to oversight and change in staffing levels.

Failure to protect confidential and personal information could impact the safeguarding and costs resulting from identity thefts. (Finding Code No. 2014-14)

RECOMMENDATION

We recommend the Department:

- Perform a risk assessment to evaluate its computer environment and data maintained to ensure adequate security controls, including adequate physical and logical access restrictions, have been established to safeguard its computer resources.
- Ensure confidential information is adequately secured with methods such as encryption or redaction.
- Conduct a detailed analysis of the information contained on the missing computer equipment to determine if individuals are required to be notified as required by the Personal Information Protection Act.

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- Develop policies and procedures to ensure timely compliance with the requirements outlined in the Personal Information Protection Act, in the event of a breach of personal information.
- Develop the Statement of Purpose as required by the Identity Protection Act.
- Provide training to staff as required by the Identity Protection Act and the Health Insurance Portability and Accountability Act.
- Perform a detailed analysis and determine whether each entity accessing PHI is required to enter into a BAA. If a BAA is not required or desired, the provision should not be included in contracts.

DEPARTMENT RESPONSE

Recommendation accepted. The Department will make every effort to ensure a risk assessment is performed to evaluate the computer environment, ensure confidential information is adequately secured, and conduct a detailed evaluation over missing computers. Also, the Department will make every effort to establish a policy for the Personal Information Protection Act (815 ILCS 530), to perform a risk assessment to evaluate the computer data environments, and to ensure confidential information is secured. The Department will make every effort to develop the Statement of Purpose and training as required by the Identity Protection Act and training for Health Insurance Portability and Accountability Act, as well as to perform a detailed analysis and determine whether each entity accessing Protected Health Information is required to enter into a Business Associates Agreement.

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2014-015. **FINDING** (Inadequate documentation of employee training)

The Department of Juvenile Justice (Department) did not properly document the completion of all employees' minimum required number of training hours.

During testing of the Department's training records for Fiscal Years 2013 and 2014, we noted 5 of 60 (8%) employees tested failed to meet the mandatory training hour requirements. We also noted the Department was unable to provide training records for 4 of 60 (7%) employees tested.

According to the Department's Administrative Directive (A.D.) 03.03.102 clerical and support staff (primarily those who have little or no inmate contact) are required to complete a minimum of 16 hours of training each year after their first year on the job. All other employees are required to complete a minimum of 40 hours each year. To ensure all employees receive training, the A.D. further instructs Training Coordinators be designated. The Training Coordinator is to maintain an "Employee Training Record" (Form DOC 0220) or a computer printout with the same information, for each employee that has been assigned to him or her.

During the previous examination, the Department stated it would make every effort to ensure compliance with training requirements and to properly record and maintain employee training documentation. During the current examination, Department management indicated the problems noted were due to human error and employee oversight.

Employees who have not received the minimum training may not be receiving important information and background preparation for their specific job duties. Training is crucial to Department employees, especially in the case of individuals who have direct contact with youths. (Finding Code No. 2014-015, 12-12, 10-12, 08-14)

RECOMMENDATION

We recommend the Department allocate sufficient resources to comply with the Department's A.D. 03.03.102 to document and ensure employees receive the required training to enable them to perform their specific job duties.

DEPARTMENT RESPONSE

Recommendation accepted. The Department will make every effort to ensure compliance with training requirements. A Chief of Professional Development and Training was hired in August 2014.

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2014-016. **FINDING** (Failure to designate person to Illinois Human Services Commission)

The Department of Juvenile Justice's (Department) Director did not serve nor did they designate a person to serve on the Illinois Human Services Commission.

The Illinois Human Services Commission Act (Act) (20 ILCS 5035/20(a)(3)(F)) requires the Department's Director or their designee to serve on the Illinois Human Services Commission (Commission). During audit fieldwork, the Commission website still listed the previous Department Director as being on the Commission.

Department management stated no one has participated in the Illinois Human Services Commission meetings because the designee hadn't been changed.

Failure of the Department's Director or their designee to serve on the Illinois Human Services Commission could limit the knowledge of the Commission in regards to human service issues faced by the Department. It is also noncompliance with the Act. (Finding Code No. 2014-016)

RECOMMENDATION

We recommend the Director serve or designate a person to serve on the Illinois Human Services Commission as required by the Illinois Human Services Commission Act.

DEPARTMENT RESPONSE

Recommendation accepted. The Department Director or designee will serve on the Illinois Human Services Commission as required by the Illinois Human Services Commission Act.

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PRIOR FINDINGS NOT REPEATED
For the Two Years Ended June 30, 2014

A. **FINDING** (Operation and maintenance of “cash box” funds at Youth Centers)

During the previous examination, Youth Centers were inappropriately using the Inmate Trust Fund and Juvenile Justice Benefit Fund to supply the “cash box” funds pending reimbursement from the General Revenue Fund for gate and transportation money. In addition, the Kewanee Youth Center had not requested reimbursement of their “cash box” fund since Fiscal Year 2005. Lastly, auditors noted a lack of segregation of duties regarding reconciliation of the “cash box.”

During the current examination, our testing results indicated Youth Centers have established the Travel and Allowance Revolving Fund. This fund eliminates the need to borrow from the trust and benefit fund. The “cash box” is now funded directly by the General Revenue Fund. Auditors did note multiple segregation of duties issues during the current examination. These issues have been combined into Finding Code No. 2014-008. (Finding Code No. 12-03, 10-05, 08-09)

B. **FINDING** (Noncompliance with Uniform Disposition of Unclaimed Property Act)

During the previous examination, the Department of Juvenile Justice (Department) had an established Administrative Directive to add back to locally held fund accounts any outstanding checks instead of sending the outstanding amounts to the Treasurer’s Unclaimed Property Division as required by the Uniform Disposition of Unclaimed Property Act (Act).

During the current examination, the Department, in cooperation with the Department of Corrections, made a legal determination that the Act does not apply to locally held funds that are Resident or Inmate Trust accounts. According to the Department, for Resident or Inmate Trust accounts, any unclaimed funds should be transmitted to the State Treasurer for deposit into the General Revenue Fund as mandated by the Unified Code of Corrections (730 ILCS 5/3-4-3). The Department did not have any outstanding checks within its other locally held fund accounts during the examination period. (Finding Code No. 12-05, 10-07, 08-25)

C. **FINDING** (Weaknesses in administration of locally held funds at the General Office)

During the previous examination, weaknesses were noted in the Department of Juvenile Justice’s (Department) General Office administration of its locally held funds. Specifically, auditors noted profits from the Juvenile Justice Commissary Fund were deposited into a Department of Corrections account by mistake, gift cards were purchased through locally held funds as opposed to the vendors billing the Youth Centers, and the Department could not provide copies of the Report of

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PRIOR FINDINGS NOT REPEATED
For the Two Years Ended June 30, 2014

Receipts and Disbursements for Locally Held Funds (C-17). In addition, auditors noted one disbursement was paid with a different check number than what was included in the FACTS Check History report and receipts lacked receipt copies to support receipts deposited into the resident's portion of the Juvenile Justice Benefit Fund.

During the current examination, auditors noted no exceptions during sample testing regarding locally held funds administration at the General Office. Department accounts are no longer comingled with the Department of Corrections account. All C-17s for the examination period were available for review and agreed to source documentation. (Finding Code No. 12-06, 10-08, 08-04)

D. **FINDING** (Weaknesses in contract administration)

During the previous examination, the Department of Juvenile Justice (Department) did not adequately monitor contracts, did not reduce all contracts to writing and ensure they were properly signed, and did not comply with emergency purchase requirements under the Illinois Procurement Code.

During the current examination, our testing results indicated the Department monitored its contracts and all agreements reviewed were reduced to writing and properly signed in a timely manner. However, the Department continued to have weaknesses regarding emergency purchases. These weaknesses are reported in Finding Code No. 2014-010. (Finding Code No. 12-08, 10-14, 08-18)

E. **FINDING** (Employees not removed from payroll during leave of absence and other exceptions)

During the previous examination, the Department of Juvenile Justice (Department) did not maintain or could not provide proper documentation of employee leaves of absences, and did not properly remove all employees from payroll during leaves of absences, which resulted in overpayments to employees.

During the current examination, our sample testing of leaves of absences indicated the Department maintained proper documentation of employee leaves of absences and properly removed employees from payroll during leaves of absences. (Finding Code No. 12-13)

F. **FINDING** (Inadequate controls over computer inventory)

During the previous examination, the Department of Juvenile Justice (Department) was not able to locate several computers and could not determine if these computers contained any confidential information.

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PRIOR FINDINGS NOT REPEATED
For the Two Years Ended June 30, 2014

During the current examination, the Department was again unable to locate certain computers; however, this issue will be reported as a part of Finding 2014-014. (Finding Code No. 12-14)

G. **FINDING** (Failure to maintain control over telecommunication devices)

During the previous examination, the Department did not maintain a separate, up-to-date inventory of wireless Internet air cards and failed to cancel cellular phones and pagers in a timely manner after employees ceased working for the Department.

During the current examination, our sample testing of telecommunications devices indicated the Department maintained an appropriate inventory count of portable communication devices. We also noted the employees assigned portable communication devices were current employees of the Department and the need for the devices appeared reasonable based on their job descriptions. (Finding Code No. 12-15)

H. **FINDING** (Cash receipts and refunds not paid into the State Treasury on a timely basis as required by State law)

During the previous examination, auditors noted cash receipts and refunds were not paid into the State Treasury on a timely basis as required by State law. Specifically, auditors noted the Department did not retain support for all receipts and refunds tested, did not deposit receipts and refunds timely and did not remit Receipt Deposit Transmittal forms timely.

During the current examination, our sample testing of cash receipts and refunds indicated the Department could provide documentation to support timely deposit of refunds and prior year refunds were able to be traced to Department expenditure records. However, we noted the Department still had inadequate controls over their receipts processing and therefore, this issue has been reported in the Immaterial Letter. (Finding Code No. 12-17)

STATE OF ILLINOIS
DEPARTMENT OF JUVENILE JUSTICE
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2014

SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES

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
 - Comparative Schedule of Expenditures by Youth Center - All Funds
 - Comparative Schedule of Receipts, Disbursements and Fund Balance (Cash Basis) - Locally Held Funds
 - Schedule of Changes in State Property
 - Comparative Schedule of Cash Receipts and Reconciliation of Cash Receipts to Deposits Remitted to the State Comptroller
 - Analysis of Significant Variations in Expenditures
 - Analysis of Significant Variations in Receipts
 - Analysis of Significant Lapse Period Spending
 - Analysis of Accounts Receivable

- Analysis of Operations (Not Examined):
 - Agency Functions and Planning Program (Not Examined)
 - Average Number of Employees (Not Examined)
 - Analysis of Employee Overtime (Not Examined)
 - Annual Cost Statistics (Not Examined)
 - Participating Educational Institutions – School District #428 (Not Examined)
 - Emergency Purchases (Not Examined)
 - Youth Assaults on Staff at Illinois Youth Centers (Not Examined)
 - Service Efforts and Accomplishments (Not Examined)

The accountant's report that covers the Supplementary Information for State Compliance Purposes presented in the Compliance Report Section states the accountants have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General to the June 30, 2014 and June 30, 2013 accompanying supplementary information in Schedules 1 through 11. However, the accountants do not express an opinion on the supplementary information. The accountant's report also states that they have not applied procedures to the Analysis of Operations Section, and accordingly, they do not express an opinion or provide any assurance on it.

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SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
Appropriations for Fiscal Year 2014

Fourteen Months Ended August 31, 2014

Public Act 98-0050 and 98-0675	Appropriations (Net After Transfers)	Expenditures Through 6/30/14	Lapse Period Expenditures 7/01 - 8/31/2014	Total Expenditures	Balances Lapsed
<u>APPROPRIATED FUNDS</u>					
<u>GENERAL REVENUE FUND - 0001</u>					
Lump sum for operational expenses	\$ 116,498,000	\$ 100,506,959	\$ 11,346,712	\$ 111,853,671	\$ 4,644,329
Repairs, maintenance, and other capital improvements	350,000	118,851	131,439	250,290	99,710
Payments of statewide hospitalization	40,100	15,415	-	15,415	24,685
Lump sum for personal services & social security	2,503,500	-	2,503,414	2,503,414	86
	<u>119,391,600</u>	<u>100,641,225</u>	<u>13,981,565</u>	<u>114,622,790</u>	<u>4,768,810</u>
<u>DEPARTMENT OF CORRECTIONS</u>					
<u>REIMBURSEMENT & EDUCATION FUND - 0523</u>					
Payment of expenses associated with School District Programs	\$ 5,000,000	\$ 1,483,222	\$ 312,373	\$ 1,795,595	\$ 3,204,405
Payment of expenses associated with federal programs	3,000,000	708,976	152,747	861,723	2,138,277
Payments of expenses associated with misc. programs	5,000,000	1,364,127	1,848	1,365,975	3,634,025
	<u>13,000,000</u>	<u>3,556,325</u>	<u>466,968</u>	<u>4,023,293</u>	<u>8,976,707</u>
	<u>\$ 132,391,600</u>	<u>\$ 104,197,550</u>	<u>\$ 14,448,533</u>	<u>\$ 118,646,083</u>	<u>\$ 13,745,517</u>
	<u><u>\$ 132,391,600</u></u>	<u><u>\$ 104,197,550</u></u>	<u><u>\$ 14,448,533</u></u>	<u><u>\$ 118,646,083</u></u>	<u><u>\$ 13,745,517</u></u>

Note 1: Appropriations, expenditures, and lapsed balances are obtained from the Department's records and reconciled to the State Comptroller records.
Note 2: Expenditure amounts are vouchers approved for payment by the Department and submitted to the State Comptroller for payment.

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DEPARTMENT OF JUVENILE JUSTICE
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
Appropriations for Fiscal Year 2013

Fourteen Months Ended August 31, 2013

	Appropriations (Net After Transfers)	Expenditures Through 6/30/13	Lapse Period Expenditures 7/01 - 8/31/2013	Total Expenditures	Balances Lapsed
Public Act 97-0731 and 98-0017					
<u>APPROPRIATED FUNDS</u>					
<u>GENERAL REVENUE FUND - 0001</u>					
General Office:					
Personal Services	\$ 1,014,200	\$ 650,004	\$ 48,245	\$ 698,249	\$ 315,951
State Contributions to Social Security	86,500	54,871	4,171	59,042	27,458
Contractual Services	375,200	198,091	176,481	374,572	628
Travel	25,400	17,163	8,192	25,355	45
Commodities	5,000	1,299	3,313	4,612	388
Printing	1,000	58	-	58	942
Equipment	11,300	118	3,987	4,105	7,195
Electronic Data Processing	717,200	115,293	597,233	712,526	4,674
Telecommunication Services	140,000	31,739	72,458	104,197	35,803
Operation of Automotive Equipment	72,100	23,894	2,132	26,026	46,074
Tort Claims	411,200	50,636	360,477	411,113	87
Payment of statewide hospitalization	40,100	33,212	257	33,469	6,631
Repairs, maintenance, and other capital improvements	500,000	193,793	229,695	423,488	76,512
Total General Office	3,399,200	1,370,171	1,506,641	2,876,812	522,388
School District:					
Personal Services	\$ 6,915,000	\$ 5,918,934	\$ 802,799	\$ 6,721,733	\$ 193,267
State Contributions to Teachers' Retirement System	600	469	69	538	62
State Contributions to Social Security	527,500	434,314	60,301	494,615	32,885
Contractual Services	946,600	364,511	397,712	762,223	184,377
Travel	7,500	6,642	660	7,302	198
Commodities	36,900	6,626	7,304	13,930	22,970
Printing	4,200	2,313	1,260	3,573	627
Telecommunication Services	23,200	-	23,100	23,100	100
Operation of Automotive Equipment	2,000	-	-	-	2,000
Total School District	8,463,500	6,733,809	1,293,205	8,027,014	436,486

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DEPARTMENT OF JUVENILE JUSTICE
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
Appropriations for Fiscal Year 2013

Fourteen Months Ended August 31, 2013

	Appropriations (Net After Transfers)	Expenditures Through 6/30/13	Lapse Period Expenditures 7/01 - 8/31/2013	Total Expenditures	Balances Lapsed
Public Act 97-0731 and 98-0017					
After Care Services:					
Personal Services	\$ 2,625,000	\$ 1,081,991	\$ 211,083	\$ 1,293,074	\$ 1,331,926
State Contributions to Social Security	154,300	81,207	16,019	97,226	57,074
Contractual Services	2,325,500	1,622,046	524,783	2,146,829	178,671
Travel	1,800	777	1,013	1,790	10
Travel and Allowances for Youth	4,400	-	-	-	4,400
Commodities	38,100	8,808	2,385	11,193	26,907
Printing	1,700	-	-	-	1,700
Equipment	94,400	31,692	35,349	67,041	27,359
Telecommunications Services	142,400	130,000	12,021	142,021	379
Operation of Automotive Equipment	50,200	31,278	18,856	50,134	66
Total After Care Services	5,437,800	2,987,799	821,509	3,809,308	1,628,492
Illinois Youth Centers - Consolidated:					
Personal Services	\$ 71,985,300	\$ 65,698,650	\$ 5,819,544	\$ 71,518,194	\$ 467,106
Student, Member, and Youth Compensation	132,300	88,439	17,404	105,843	26,457
State Contributions to Social Security	5,353,700	4,855,347	464,863	5,320,210	33,490
Contractual Services	17,658,700	14,162,366	2,241,783	16,404,149	1,254,551
Travel	93,700	60,214	12,070	72,284	21,416
Travel and Allowances for Youth	17,100	12,100	750	12,850	4,250
Commodities	3,114,400	2,456,960	186,270	2,643,230	471,170
Printing	43,900	33,262	4,122	37,384	6,516
Equipment	122,100	31,636	62,206	93,842	28,258
Telecommunications Services	310,800	237,668	60,050	297,718	13,082
Operation of Automotive Equipment	257,600	192,733	53,329	246,062	11,538
Total Illinois Youth Centers	99,089,600	87,829,375	8,922,391	96,751,766	2,337,834
Total General Revenue Fund	116,390,100	98,921,154	12,543,746	111,464,900	4,925,200

STATE OF ILLINOIS
DEPARTMENT OF JUVENILE JUSTICE
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
Appropriations for Fiscal Year 2013

Fourteen Months Ended August 31, 2013

	Appropriations (Net After Transfers)	Expenditures Through 6/30/13	Lapse Period Expenditures 7/01 - 8/31/2013	Total Expenditures	Balances Lapsed
Public Act 97-0731 and 98-0017					
<u>DEPARTMENT OF CORRECTIONS</u>					
<u>REIMBURSEMENT & EDUCATION FUND - 0523</u>					
Payment of expenses associated with School District Programs	\$ 5,000,000	\$ 1,711,800	\$ 542,947	\$ 2,254,747	\$ 2,745,253
Payment of expenses associated with federal programs	3,000,000	1,930,170	118,241	2,048,411	951,589
Payments of expenses associated with misc. programs	5,000,000	1,781,538	337,335	2,118,873	2,881,127
Total Department of Corrections Reimbursement & Education Fund	<u>13,000,000</u>	<u>5,423,508</u>	<u>998,523</u>	<u>6,422,031</u>	<u>6,577,969</u>
Total Appropriated Funds	<u>\$ 129,390,100</u>	<u>\$ 104,344,662</u>	<u>\$ 13,542,269</u>	<u>\$ 117,886,931</u>	<u>\$ 11,503,169</u>
<u>NON-APPROPRIATED FUND</u>					
<u>CMS VS AFSCME WAGES TRUST FUND - 0168</u>					
AFSCME V State Disputed Wages	\$	3,537,095	-	\$ 3,537,095	
Total Non-Appropriated Fund		<u>3,537,095</u>	<u>-</u>	<u>3,537,095</u>	
GRAND TOTAL - ALL FUNDS	<u>\$ 129,390,100</u>	<u>\$ 107,881,757</u>	<u>\$ 13,542,269</u>	<u>\$ 121,424,026</u>	<u>\$ 11,503,169</u>

Note 1: Appropriations, expenditures, and lapsed balances are obtained from the Department's records and reconciled to the State Comptroller records.

Note 2: Expenditure amounts are vouchers approved for payment by the Department and submitted to the State Comptroller for payment.

STATE OF ILLINOIS
DEPARTMENT OF JUVENILE JUSTICE
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Fiscal Years Ended June 30, 2014, 2013, and 2012

	FISCAL YEAR		
	2014	2013	2012
	P.A. 98-0500 & 98-0675	P.A. 97-0731 & 98-0017	P.A. 97-0065, 97-0053 & 97-0642
APPROPRIATED FUNDS -			
GENERAL REVENUE FUND - 0001			
Appropriations (Net After Transfers)	\$ 119,391,600	\$ 116,390,100	\$ 123,819,700
General Office:			
Personal Services	-	698,249	533,415
State Contributions to Social Security	-	59,042	54,543
Contractual Services	-	374,572	259,778
Travel	-	25,355	19,786
Commodities	-	4,612	2,150
Printing	-	58	37
Equipment	-	4,105	123
Electronic Data Processing	-	712,526	447,267
Telecommunication Services	-	104,197	61,322
Operation of Automotive Equipment	-	26,026	72,173
Tort Claims	-	411,113	4,000
Payment of Statewide Hospitalization	15,415	33,469	22,931
Repairs, Maintenance, and Other Capital Improvements	250,290	423,488	248,154
Lump sum for operational expenses	111,853,671	-	-
Lump sum for personal services & social security	2,503,414	-	-
Total General Office Expenditures	114,622,790	2,876,812	1,725,679
School District:			
Personal services	-	6,721,733	7,346,787
State contributions to teachers' retirement system	-	538	400
State contributions to social security	-	494,615	539,143
Contractual services	-	762,223	551,395
Travel	-	7,302	6,442
Commodities	-	13,930	25,397
Printing	-	3,573	3,994
Telecommunication services	-	23,100	1,969
Operation of automotive equipment	-	-	-
Total School District Expenditures	-	8,027,014	8,475,527
After Care Services:			
Personal services	-	1,293,074	320,054
State contributions to social security	-	97,226	24,276
Contractual services	-	2,146,829	687,712
Travel	-	1,790	1,611
Travel and allowances for youth	-	-	-
Commodities	-	11,193	1,345
Printing	-	-	132
Equipment	-	67,041	-
Telecommunications services	-	142,021	30
Operation of automotive equipment	-	50,134	7,700
Total After Care Services Expenditures	-	3,809,308	1,042,860

STATE OF ILLINOIS
DEPARTMENT OF JUVENILE JUSTICE
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Fiscal Years Ended June 30, 2014, 2013, and 2012

	FISCAL YEAR		
	2014	2013	2012
	P.A. 98-0500 & 98-0675	P.A. 97-0731 & 98-0017	P.A. 97-0065, 97-0053 & 97-0642
Illinois Youth Centers - Consolidated:			
Personal services	-	71,518,194	78,136,635
Student, member, and youth compensation	-	105,843	119,783
State contributions to social security	-	5,320,210	5,805,869
Contractual services	-	16,404,149	17,430,902
Travel	-	72,284	42,151
Travel and allowances for youth	-	12,850	16,123
Commodities	-	2,643,230	3,106,390
Printing	-	37,384	46,266
Equipment	-	93,842	227,473
Telecommunications services	-	297,718	302,558
Operation of automotive equipment	-	246,062	398,373
Total Illinois Youth Center Expenditures	-	96,751,766	105,632,523
Total General Revenue Fund Expenditures	114,622,790	111,464,900	116,876,589
Total General Revenue Fund Lapsed Balances	\$ 4,768,810	\$ 4,925,200	\$ 6,943,111
CAPITAL DEVELOPMENT FUND - 0141			
Appropriations	\$ -	\$ -	\$ 2,444,032
Health and life safety improvement support	-	-	2,444,032
Total Capital Development Fund Expenditures	-	-	2,444,032
Total Capital Development Fund Lapsed Balances	\$ -	\$ -	\$ -
DEPARTMENT OF CORRECTIONS			
REIMBURSEMENT & EDUCATION FUND - 0523			
Appropriations (Net After Transfers)	\$ 13,000,000	\$ 13,000,000	\$ 17,000,000
Payment of expenses associated with School District Programs	1,795,595	2,254,747	2,137,011
Payment of expenses associated with federal programs	861,723	2,048,411	1,335,938
Payments of expenses associated with misc. programs	1,365,975	2,118,873	2,737,251
ARRA: Federal recovery and programs	-	-	2,627,180
Total DOC Reimbursement & Education Fund Expenditures	4,023,293	6,422,031	8,837,380
Total DOC Reimbursement & Education Fund Lapsed Balances	\$ 8,976,707	\$ 6,577,969	\$ 8,162,620
TOTAL - ALL APPROPRIATED FUNDS			
Appropriations (Net After Transfers)	\$ 132,391,600	\$ 129,390,100	\$ 143,263,732
Total Expenditures	118,646,083	117,886,931	128,158,001
Lapsed Balances	\$ 13,745,517	\$ 11,503,169	\$ 15,105,731

STATE OF ILLINOIS
DEPARTMENT OF JUVENILE JUSTICE
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Fiscal Years Ended June 30, 2014, 2013, and 2012

	FISCAL YEAR		
	2014	2013	2012
	P.A. 98-0500 & 98-0675	P.A. 97-0731 & 98-0017	P.A. 97-0065, 97-0053 & 97-0642
NON-APPROPRIATED FUND			
CMS VS AFSCME Wages Trust Fund - 0168			
AFSCME V State Disputed Wages	\$ -	\$ 3,537,095	\$ -
Total CMS VS AFSCME Wages Trust Fund Expenditures	\$ -	\$ 3,537,095	\$ -
GRAND TOTAL - ALL FUNDS	\$ 118,646,083	\$ 121,424,026	\$ 128,158,001
STATE OFFICERS' SALARIES			
Appropriations	\$ 120,400	\$ 120,400	\$ 120,400
Expenditures:			
Director	120,517	120,325	120,325
Assistant Director	-	-	-
Total Expenditures	120,517	120,325	120,325
Lapsed Balances	\$ (117)	\$ 75	\$ 75

Note: Expenditures and lapsed balances for Fiscal Year 2012 do not reflect interest payments approved by the Department and submitted to the State Comptroller for payment after August.

STATE OF ILLINOIS
DEPARTMENT OF JUVENILE JUSTICE
COMPARATIVE SCHEDULE OF EXPENDITURES BY YOUTH CENTER - ALL FUNDS
For the Fiscal Years Ended June 30, 2014, 2013, and 2012

	FISCAL YEAR		
	2014	2013	2012
	Public Acts 98-0500 & 98-0675	Public Acts 97-0731 & 98-0017	Public Acts 97-0065, 97-0053, & 97-0642
YOUTH CENTER:			
Chicago	\$ 11,103,786	\$ 9,941,657	\$ 9,038,988
Harrisburg	21,641,198	21,389,910	19,879,392
Joliet*	-	11,737,807	18,870,442
Kewanee	21,626,809	18,104,584	17,816,986
Murphysboro*	-	2,053,051	7,651,576
Pere Marquette	5,072,570	4,212,797	3,983,230
St. Charles	26,252,491	20,333,386	19,800,706
Warrenville	9,628,151	8,978,574	8,591,203
	<u>\$ 95,325,005</u>	<u>\$ 96,751,766</u>	<u>\$ 105,632,523</u>

* Murphysboro Illinois Youth Center was closed on January 4, 2013 and Joliet Illinois Youth Center was closed on February 12, 2013.

STATE OF ILLINOIS
DEPARTMENT OF JUVENILE JUSTICE
COMPARATIVE SCHEDULE OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE
(CASH BASIS) - LOCALLY HELD FUNDS
For the Fiscal Years Ended June 30, 2014 and 2013

	<u>Fiscal Year</u>	
	2014	2013
Juvenile Justice Commissary Fund - 1394		
Beginning Cash Balance	\$ 5,139	\$ 3,849
Cash Receipts:		
Investment Income	7	7
Fund Transfers - In	96,594	82,175
Cash Disbursements:		
Commodities	579	-
Fund Transfers - Out	16,491	13,575
Cost of Sales	77,739	67,317
Ending Cash Balance	<u>\$ 6,931</u>	<u>\$ 5,139</u>
 Juvenile Justice Benefit Fund - 1395		
Beginning Cash Balance	\$ 181,132	\$ 175,853
Cash Receipts:		
Fund Transfers - In	6,660	5,573
Investment Income	460	456
Private Organizations or Individuals	190,798	192,582
Rental Income	27,199	61,724
Cash Disbursements:		
Contractual Services	124,281	165,020
Commodities	20,400	23,493
Equipment	11,374	5,888
Awards or Grants	56,234	47,538
Fund Transfers - Out	2,249	13,117
Ending Cash Balance	<u>\$ 191,711</u>	<u>\$ 181,132</u>

STATE OF ILLINOIS
DEPARTMENT OF JUVENILE JUSTICE
COMPARATIVE SCHEDULE OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE
(CASH BASIS) - LOCALLY HELD FUNDS
For the Fiscal Years Ended June 30, 2014 and 2013

	<u>Fiscal Year</u>	
	2014	2013
Juvenile Justice Inmate Trust Fund - 1396		
Beginning Cash Balance	\$ 60,830	\$ 34,455
Cash Receipts:		
Fund Transfers - In	98,171	134,307
Investment Income	41	26
Private Organizations or Individuals	298,859	298,430
Cash Disbursements:		
Contractual Services	208,437	227,575
Fund Transfers - Out	105,307	83,837
Resident Disbursements	73,410	94,626
Bank Fees to be Reimbursed by IBF	109	350
Ending Cash Balance	<u>\$ 70,638</u>	<u>\$ 60,830</u>
 Travel and Allowance Revolving Fund - 1406		
Beginning Cash Balance	\$ 1,409	\$ -
Cash Receipts:		
Fund Transfers - In	11,107	7,476
Cash Disbursements:		
Travel	5,770	3,867
Fund Transfers - Out	2,000	2,142
Bank Fees to be Reimbursed by IBF	114	58
Ending Cash Balance	<u>\$ 4,632</u>	<u>\$ 1,409</u>

STATE OF ILLINOIS
DEPARTMENT OF JUVENILE JUSTICE
SCHEDULE OF CHANGES IN STATE PROPERTY
For the Two Years Ended June 30, 2014

	Equipment	Land and Land Improvements	Buildings and Improvements	Site Improvements	Capital Leases: Building Improvements and Equipment	Total
Balance at July 1, 2012	\$ 15,159,634	\$ 1,910,375	\$ 183,999,691	\$ 8,612,525	\$ 8,975,690	\$ 218,657,915
Additions	603,988	-	999,934	18,411	71,000	1,693,333
Deletions	(317,392)	-	-	-	(25,000)	(342,392)
Net Transfers	(444,389)	-	11,477,462	123,407	-	11,156,480
Balance at June 30, 2013	<u>\$ 15,001,841</u>	<u>\$ 1,910,375</u>	<u>\$ 196,477,087</u>	<u>\$ 8,754,343</u>	<u>\$ 9,021,690</u>	<u>\$ 231,165,336</u>
Balance at July 1, 2013	\$ 15,001,841	\$ 1,910,375	\$ 196,477,087	\$ 8,754,343	\$ 9,021,690	\$ 231,165,336
Additions	274,117	-	2,504,687	-	33,000	2,811,804
Deletions	(68,088)	-	-	-	(66,000)	(134,088)
Net Transfers	(588,727)	(124,080)	(30,523,026)	(4,878,551)	-	(36,114,384)
Balance at June 30, 2014	<u>\$ 14,619,143</u>	<u>\$ 1,786,295</u>	<u>\$ 168,458,748</u>	<u>\$ 3,875,792</u>	<u>\$ 8,988,690</u>	<u>\$ 197,728,668</u>

Note: This schedule was prepared from the Department's records and reconciled to the Agency Report of State Property Quarterly Reports. During our review of the Department's property records, we noted deficiencies with the property records. See Finding 2014-002 in the Schedule of Findings for additional details.

STATE OF ILLINOIS
DEPARTMENT OF JUVENILE JUSTICE
**COMPARATIVE SCHEDULE OF CASH RECEIPTS AND
RECONCILIATION OF CASH RECEIPTS TO
DEPOSITS REMITTED TO THE STATE COMPTROLLER**
For the Fiscal Years Ended June 30,

	2014	2013	2012
General Revenue Fund - 0001			
Jury duty	\$ 613	\$ 695	\$ 1,089
Dormant trust accounts	6,992	10,101	10,922
General Office	-	-	2,187
Subpoena fee	20	55	-
Office materials fee/Miscellaneous	1,113	784	-
Workers Compensation - sick time reimbursement	-	2,998	-
Prior year refunds	12,940	11,142	29,530
Total cash receipts per Agency	<u>21,678</u>	<u>25,775</u>	<u>43,728</u>
Less - In transit at End of Year	-	-	-
Plus - In transit at Beginning of Year	-	-	-
Total cash receipts per State Comptroller's Records	<u>\$ 21,678</u>	<u>\$ 25,775</u>	<u>\$ 43,728</u>
CMS vs AFSCME Wages Trust Fund - 0168			
Court Ordered Distribution/Disputed Raises - General Revenue Fund	\$ -	\$ 3,517,272	\$ -
Court Ordered Distribution/Disputed Raises - Other	-	150,634	-
Total cash receipts per Agency	-	3,667,906	-
Less - In transit at End of Year	-	-	-
Plus - In transit at Beginning of Year	-	-	-
Total cash receipts per State Comptroller's Records	<u>\$ -</u>	<u>\$ 3,667,906</u>	<u>\$ -</u>
Dept of Corrections Reimbursement & Education Fund - 0523			
Illinois Criminal Justice Information Authority	\$ 495,480	\$ 838,685	\$ 1,129,859
Illinois State Board of Education	2,979,680	3,809,005	3,898,759
General Revenue Fund	410,004	690,198	518,929
Illinois Department of Human Services	319,896	89,645	191,611
Private Organizations or Individuals	-	240,000	-
Reimbursement - other youth cost recoveries	6,662	7,883	10,222
Profit - youth commissary sales	10,612	10,552	20,610
Federal Stimulus Package - ARRA	-	1,470,270	2,431,926
Prior year refunds	700	13	-
Total cash receipts per Agency	<u>4,223,034</u>	<u>7,156,251</u>	<u>8,201,916</u>
Less - In transit at End of Year	-	-	-
Plus - In transit at Beginning of Year	-	-	-
Total cash receipts per State Comptroller's Records	<u>\$ 4,223,034</u>	<u>\$ 7,156,251</u>	<u>\$ 8,201,916</u>
GRAND TOTAL - ALL FUNDS			
Total cash receipts per Agency	<u>\$ 4,244,712</u>	<u>\$ 10,849,932</u>	<u>\$ 8,245,644</u>
Total cash receipts per State Comptroller's Records - All Funds	<u>\$ 4,244,712</u>	<u>\$ 10,849,932</u>	<u>\$ 8,245,644</u>

STATE OF ILLINOIS
DEPARTMENT OF JUVENILE JUSTICE
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2014

Significant variances were determined to be changes of at least \$100,000 and 20% between fiscal years as reported in the Schedule of Appropriations, Expenditures and Lapsed Balances, and are explained below.

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2014 AND 2013

General Revenue Fund - 0001

Repairs, Maintenance, and Other Capital Improvements

The decrease in Repairs, Maintenance, and Other Capital Improvements expenditures was due to the Department receiving a smaller appropriation in Fiscal Year 2014 than they received in Fiscal Year 2013.

Lump Sum for Operational Expenses

For Fiscal Year 2014, the Department received a lump sum appropriation for operational expenses rather than individual appropriations designated for specific purposes. For Fiscal Year 2013, the Department received individual appropriations designated for specific purposes.

Lump Sum for Personal Services and Social Security

For Fiscal Year 2014, the Department received a lump sum appropriation for personal service and social security expenses late in the fiscal year in order to pay back salaries to employees.

Department of Corrections Reimbursement & Education Fund - 0523

Payment of Expenses Associated with School District Programs

The decrease of Payment of Expenses Associated with School District Programs expenditures was due to personnel changes within the School District causing grant funds to not be expended as planned.

Payment of Expenses Associated with Federal Programs

The decrease of Payment of Expenses Associated with Federal Programs expenditures was due to the Department shifting all American Recovery and Reinvestment Act (ARRA) funds into the Federal Grant Appropriations. The ARRA grant ended in Fiscal Year 2013.

STATE OF ILLINOIS
DEPARTMENT OF JUVENILE JUSTICE
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2014

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2014 AND 2013 (continued)

Payments of Expenses Associated with Miscellaneous Programs

The decrease in Payments of Expenses Associated with Miscellaneous Programs expenditures was due to the Department paying less Aftercare expenditures out of the Corrections Reimbursement and Education Fund (Fund 0523) and paying more Aftercare expenditures out of the General Revenue Fund (Fund 0001) in Fiscal Year 2014. During Fiscal Year 2013, the Department also bought Star-Com radios using funds from the Corrections Reimbursement and Education Fund.

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2013 AND 2012

General Revenue Fund - 0001

General Office

Personal Services

The increase in Personal Services expenditures was due to more people included on the Department's payroll. The Department was also required to pay "back wages" in Fiscal Year 2013 after a freeze in salaries had taken place.

Contractual Services

The increase in Contractual Services expenditures was due to a lawsuit in which the Department was involved in regarding "back wages" during Fiscal Year 2013. The Department also incurred additional costs while implementing the Vehicle Maintenance Program in Fiscal Year 2013.

Electronic Data Processing

The increase in Electronic Data Processing expenditures in Fiscal Year 2013 was due to the Bureau of Communication and Computer Services (BCCS) rate increasing.

Tort Claims

The increase in Tort Claim expenditures in Fiscal Year 2013 was due to expenditures related to a settlement.

Repairs, Maintenance, and Other Capital Improvements

The increase in Repair, Maintenance, and Other Capital Improvement expenditures was due to additional repairs and maintenance being done throughout the Department's facilities during Fiscal Year 2013. This was possible due to the General Assembly appropriating additional monies to the Repairs, Maintenance, and Other Capital Improvements line.

STATE OF ILLINOIS
DEPARTMENT OF JUVENILE JUSTICE
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2014

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2013 AND 2012 (continued)

School District

Contractual Services

The increase in School District Contractual Services expenditures was due to the Department purchasing a software package for the Virtual High School Program in Fiscal Year 2013. The Department also incurred additional expenditures due to the increase in contract price for a contract with Southeastern Illinois College.

Aftercare Services

Personal Services

The increase in Personal Services expenditures was due to additional personnel being hired during Fiscal Year 2013. The Department was also required to pay “back wages” in Fiscal Year 2013 after a freeze in salaries had taken place.

Contractual Services

The increase in Contractual Services expenditures was due to the Department’s Aftercare Services expanding during Fiscal Year 2013. This caused an increase in Placement contracts within Aftercare Services.

Equipment

The increase in Equipment expenditures was due to the Department purchasing computers, monitors, and computer equipment during Fiscal Year 2013.

Telecommunication Services

The increase in Telecommunication Services expenditures was due to expansion of the Aftercare Services, which caused the need for increased phone lines and video conferencing.

Illinois Youth Centers (Consolidated)

Equipment

The decrease in Illinois Youth Centers’ Equipment expenditures was due to the Department purchasing vehicles during Fiscal Year 2012.

Operation of Automotive Equipment

The decrease in Illinois Youth Centers’ Operation of Automotive Equipment expenditures was due to the Vehicle Maintenance Program being paid out of the Contractual Services appropriation line during Fiscal Year 2013.

STATE OF ILLINOIS
DEPARTMENT OF JUVENILE JUSTICE
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2014

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2013 AND 2012 (continued)

Capital Development Fund - 0141

Health and Life Safety Improvements Support

The decrease in Health and Life Safely Improvements Support expenditures was due to the Department not receiving a State appropriation for this fund during Fiscal Year 2013.

Department of Corrections Reimbursement & Education Fund - 0523

Payments of Expenses Associated with Miscellaneous Programs

The decrease in Payments of Expenses Associated with Miscellaneous Programs was due to part of the “back wages” settlement that was paid in Fiscal Year 2012. Suicide prevention furniture was also purchased in Fiscal Year 2012. Additional Aftercare expenditures were also paid for out of this fund in Fiscal Year 2012.

ARRA: Federal Recovery and Programs

The decrease of ARRA: Federal Recovery and Programs expenditures was due to the Department shifting the remainder of ARRA funds from the ARRA appropriation to the Federal Grant appropriation.

STATE OF ILLINOIS
DEPARTMENT OF JUVENILE JUSTICE
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
For the Two Years Ended June 30, 2014

Significant variances were determined to be changes of at least \$5,000 and 20% between fiscal years as reported in the Comparative Schedule of Cash Receipts, and are explained below.

ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BETWEEN FISCAL YEARS 2014 and 2013

CMS vs. AFSCME Wages Trust Fund - 0168

Court Ordered Distribution/Disputed Raises - General Revenue Fund

The decrease in Court Ordered Distribution/Disputed Raises - General Revenue Fund receipts was due to the Department receiving amounts for payments of Fiscal Year 2012 bargaining-unit raises during Fiscal Year 2013. These receipts were related to a court order of the State of Illinois (Department of Central Management Services) v. AFSCME Council 31. There were no similar receipts during Fiscal Year 2014.

Court Ordered Distribution/Disputed Raises - Other

The decrease in Court Ordered Distribution/Disputed Raises - Other receipts was due to the Department receiving amounts for payments of Fiscal Year 2012 bargaining-unit raises during Fiscal Year 2013. These receipts were related to a court order of the State of Illinois (Department of Central Management Services) v. AFSCME Council 31. There were no similar receipts during Fiscal Year 2014.

Department of Corrections Reimbursement & Education Fund - 0523

Illinois Criminal Justice Information Authority

The decrease in Illinois Criminal Justice Information Authority receipts was due to reduced federal funding and reduced spending because of vendor staffing issues. Spending for one grant stopped because of the closing of the Joliet Youth Center. The majority of spending for the Virtual High School grant was received in Fiscal Year 2013. This grant was also changed to a Department of Human Services grant.

Illinois State Board of Education

The decrease in Illinois State Board of Education receipts was due to changes in personnel. An experienced grant employee retired at the beginning of Fiscal Year 2014.

General Revenue Fund

The decrease in General Revenue Fund receipts was due to an \$86,000 decrease in Special Education Personnel Reimbursement Grants in Fiscal Year 2014. Also, only one reimbursement was received in Fiscal Year 2014 for the Fiscal Year 2013 grant.

STATE OF ILLINOIS
DEPARTMENT OF JUVENILE JUSTICE
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
For the Two Years Ended June 30, 2014

ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BETWEEN FISCAL YEARS 2013 and 2014 (continued)

Illinois Department of Human Services

The increase in Illinois Department of Human Services receipts was due to only one grant received in Fiscal Year 2013. Two grants were received in Fiscal Year 2014.

Private Organizations or Individuals

The decrease in Private Organizations or Individuals receipts was due to The MacArthur grant. This grant began on February 1, 2013. The Department received a \$240,000 advance for Fiscal Year 2013. Due to a delay in spending, the Department did not receive the second year advance until Fiscal Year 2015.

Federal Stimulus Package - ARRA

The decrease in Federal Stimulus Package - ARRA receipts was due to no funds being received by the Department in Fiscal Year 2014.

ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BETWEEN FISCAL YEARS 2013 and 2012

General Revenue Fund - 0001

Prior Year Refunds

The decrease in Prior Year Refunds receipts was due to processing errors made by the Department. These errors vary widely from year to year. There were fewer processing errors made in Fiscal Year 2013.

CMS vs. AFSCME Wages Trust Fund - 0168

Court Ordered Distribution/Disputed Raises - General Revenue Fund

The increase in Court Ordered Distribution/Disputed Raises - General Revenue Fund receipts was due to this fund being new in Fiscal Year 2013. These receipts were related to a court order of the State of Illinois (Department of Central Management Services) v. AFSCME Council 31. The Department received these amounts in order to make payments for bargaining-unit raises not paid during Fiscal Year 2012.

STATE OF ILLINOIS
DEPARTMENT OF JUVENILE JUSTICE
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
For the Two Years Ended June 30, 2014

**ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BETWEEN
FISCAL YEARS 2012 and 2013 (continued)**

Court Ordered Distribution/Disputed Raises - Other

The increase in Court Ordered Distribution/Disputed Raises - Other receipts was due to this fund being new in Fiscal Year 2013. These receipts were related to a court order of the State of Illinois (Department of Central Management Services) v. AFSCME Council 31. The Department received these amounts in order to make payments for bargaining-unit raises not paid during Fiscal Year 2012.

Department of Corrections Reimbursement & Education Fund - 0523

Illinois Criminal Justice Information Authority

The decrease in Illinois Criminal Justice Information Authority receipts was due to reduced federal funding and reduced spending because of vendor staffing issues. Also, spending for one grant stopped because of the Joliet Youth Center closing.

General Revenue Fund

The increase in General Revenue Fund receipts was due to an \$86,000 increase of Special Education Personnel Reimbursement Grants in Fiscal Year 2013. Also, two reimbursement payments for Fiscal Year 2012 were received during Fiscal Year 2013.

Illinois Department of Human Services

The decrease in Illinois Department of Human Services was due to the Department receiving two grants in Fiscal Year 2012 and only receiving one grant in Fiscal year 2013.

Private Organizations or Individuals

The increase in Private Organizations or Individuals receipts is due to the MacArthur Grant. This grant started on February 1, 2013. The Department received a \$240,000 advance for Fiscal Year 2013.

Profit - Youth Commissary Sales

The decrease in Profit - Youth Commissary Sales was due to a cash flow decrease of the Inmate Commissary Fund. As a result, fewer profits were sent to Fund 0523 during Fiscal Year 2013.

Federal Stimulus Package - ARRA

The decrease in Federal Stimulus Package - ARRA receipts was due to a partial year of spending and reimbursement during Fiscal Year 2013. The ARRA grant ended on February 28, 2013. Fiscal Year 2012 reflected a full year of spending and reimbursement.

STATE OF ILLINOIS
DEPARTMENT OF JUVENILE JUSTICE
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Two Years Ended June 30, 2014

Significant lapse period expenditures were determined to be lapse expenditures of at least \$100,000 and 20% of total expenditures as reported in the Schedule of Appropriations, Expenditures and Lapsed Balances, and are explained below.

FISCAL YEAR 2014

General Revenue Fund – 0001

General Office

Repairs, Maintenance, and Other Capital Improvements

Repair and maintenance work was not completed until late in Fiscal Year 2014, therefore, the related invoices were received and processed during the lapse period.

Lump Sum for Personal Services and Social Security

The appropriation was not received until late in Fiscal Year 2014. Therefore, all related expenditures were not processed until the lapse period.

FISCAL YEAR 2013

General Revenue Fund – 0001

General Office

Contractual Services

Invoices for Contractual Services expenditures were not received until late in Fiscal Year 2013, therefore, the related invoices were processed during the lapse period.

Electronic Data Processing

Most invoices received late in the fiscal year were from the Statistical Services Revolving Fund for services in Fiscal Year 2013. The invoices were not processed until the lapse period.

Tort Claims

Invoices related to a lawsuit were not received until the lapse period. The related invoices were processed during the lapse period.

Repairs, Maintenance, and Other Capital Improvements

Invoices related to Repairs, Maintenance, and Other Capital Improvements were received during the lapse period. These invoices were for repairs and maintenance at the Illinois Youth Centers that took place throughout Fiscal Year 2013. The related invoices were processed during the lapse period.

STATE OF ILLINOIS
DEPARTMENT OF JUVENILE JUSTICE
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Two Years Ended June 30, 2014

FISCAL YEAR 2013 (continued)

General Revenue Fund – 0001 (continued)

School District

Contractual Services

The Department purchased a software package for the Virtual High School Program in Fiscal Year 2013. This invoice was received in late June and processed during the lapse period.

Aftercare Services

Contractual Services

Invoices for services provided by contracted vendors for aftercare prior to June 30 were received and processed during the lapse period.

Department of Corrections Reimbursement & Education Fund - 0523

Payment of Expenses Associated with School District Programs

Expenditures for employee travel to in-state school district conferences and trainings were incurred late in Fiscal Year 2013, which caused vouchers to be processed during the lapse period.

STATE OF ILLINOIS
DEPARTMENT OF JUVENILE JUSTICE
ANALYSIS OF ACCOUNTS RECEIVABLES
For the Two Years Ended June 30, 2014

Accounts receivable for the Department consist primarily of receivables from federal and State grant reimbursements and formula payments due from grantor agencies. The principal grantor agencies are other State agencies; therefore, the Department's receivables are all considered fully collectible.

STATE OF ILLINOIS
DEPARTMENT OF JUVENILE JUSTICE
AGENCY FUNCTIONS AND PLANNING PROGRAM
For the Two Years Ended June 30, 2014
(Not Examined)

Mission Statement

The mission of the Department of Juvenile Justice (Department) is to preserve the public safety by reducing recidivism. Youth committed to the Department’s care will receive individualized services provided by qualified staff that gives them the skills to become productive citizens.

Organization

Senate Bill 92 was signed into law in November 2005 indicating the intention of separating the Juvenile Justice Division within the Department of Corrections into its own State agency. Public Act 94-696, codified as part of the Department of Juvenile Justice Law (Law) (730 ILCS 5) created the Department of Juvenile Justice. The new agency was implemented on July 1, 2006. The Law permitted the Department to share certain administrative services with the Department of Corrections (DOC) or a shared service center, including “...budgeting, accounting related functions, auditing, human resources, legal, procurement, training, data collection and analysis, information technology, internal investigations, intelligence, legislative services, emergency response capability, statewide transportation services, and general office support.” An interagency agreement between the Department and the DOC effective July 1, 2006 enumerated these services in a written document. This agreement is effective until the Department can perform these functions separately.

Arthur Bishop was appointed Acting Director on July 16, 2010 and was confirmed Director on August 1, 2010. Arthur Bishop left the Department on January 23, 2014 and Era Laudermilk was appointed Acting Director from January 24, 2014 to January 31, 2014. Candice Jones was appointed Acting Director on January 31, 2014 and was confirmed Director on February 10, 2015. The Director’s office is at 707 N. 15th Street, Springfield, IL 62702.

The Department operates the following Illinois Youth Centers (IYC), which are listed by security level:

Security Level	Center Name
Maximum	IYC Warrenville
Medium	IYC Chicago, IYC Kewanee, IYC St. Charles
Multiple	IYC Harrisburg
Minimum	IYC Pere Marquette

During the examination period, the Department also operated IYC Murphysboro (minimum) and IYC Joliet (maximum). IYC Murphysboro closed on January 4, 2013 and IYC Joliet closed on February 12, 2013.

STATE OF ILLINOIS
DEPARTMENT OF JUVENILE JUSTICE
AGENCY FUNCTIONS AND PLANNING PROGRAM
For the Two Years Ended June 30, 2014
(Not Examined)

Internal Organization and Programs

The function of the Administrative Office is to provide strategic planning and support services to all of the Department's facilities and divisions. The team is guiding the Department's transformation efforts from an adult-focused, punitive model to a therapeutic and rehabilitative model of care. The Administrative Office also interacts with other governmental agencies such as the Department of Corrections, Department of Children and Family Services, Department of Human Services and city and county governments to utilize the administrative services detailed in interagency agreements.

Programming services and activities provided to youth at the IYCs include:

Clinical Services

- Case Management: A written program case plan/treatment plan is initiated to set realistic attainable goals for academics, behavior, mental health, substance abuse, and other necessary programming. All facilities document the program services that youth receive throughout their stay in the facilities; case plans facilitate the effective coordination of program activities and are developed through individual and multi-disciplinary counseling sessions with all youth.
- Field Services: All facilities coordinate plans for youth needing housing placement in the community.
- Community Reintegration: Youth are educated on the importance of rule compliance and expectations while on parole status. Parole school is provided to all youth prior to presentation to the Prisoner Review Board.
- Grant Initiatives and Special Programs: Each facility establishes and develops programs that address the special needs of youth (i.e. behavioral health, co-occurring disorders, and trauma) by providing evidence base or evidence informed practices.

Mental Health Services

- Reception Services: The Department utilizes a variety of instruments to screen and assess all youth at intake. These diagnostic evaluations determine the basic service needs for youth.
- All facilities provide mental health services for youth, which includes psychological and psychiatric services. Youth can be assigned to individual or group therapy. The Department currently has two Special Treatment Programs at IYC St. Charles and Kewanee. IYC St. Charles treats youth with mental health issues that are chronic in nature. IYC Kewanee treats youth with mental health issues that are more acute in nature. IYC Kewanee also provides programming for youth that are dually diagnosed

STATE OF ILLINOIS
DEPARTMENT OF JUVENILE JUSTICE
AGENCY FUNCTIONS AND PLANNING PROGRAM
For the Two Years Ended June 30, 2014
(Not Examined)

with mental health and substance abuse issues. Additionally, IYC Kewanee houses the treatment unit for youth adjudicated of sexual offenses.

- All facilities now provide Structured Psychotherapy for Adolescent Responding to Chronic Stress Groups (SPARCS). This group helps youth address their traumatic experiences. The SPARCS program is a strength-based approach that helps youth support skills they already possess and foster new ways of coping. The program also provides group members with freedom to address problems that are important to them and create opportunities for change. This program provides youth with skills to help them to become productive citizens thereby reducing recidivism.
- The Family Integrated Transitions (FIT) Program is a pilot at IYC Chicago. FIT provides integrated individual and family services to juvenile offenders with mental health and chemical dependency disorders during the period of the youth's transition from incarceration back to the community. The goals of the FIT program include lowering the risk for recidivism, connecting the family with appropriate community supports, achieving youth abstinence from alcohol and other drugs, improving the mental health status of the youth, and increasing pro-social behavior.
- The Phoenix Program is a pilot at IYC Harrisburg. The goal of the Phoenix program is to better manage, in an effective and proactive manner, youth who display consistently disruptive behaviors and who normally cannot be effectively managed in a regular housing unit. This program is designed to provide intensive structure using a multidisciplinary team and evidence based practices and programming that includes the Moral Reconciliation Therapy (MRT), *Positive Behavior Interventions and Supports* (PBIS), and concepts of *Balanced and Restorative Justice* (BARJ) models.
- MRT is a systematic treatment strategy that seeks to decrease recidivism among juvenile and adult criminal offenders by increasing moral reasoning. Its cognitive-behavioral approach combines elements from a variety of psychological traditions to progressively address ego, social, moral, and positive behavioral growth. MRT takes the form of group and individual counseling using structured group exercises and prescribed homework assignments.
- Dialectical Behavior Therapy (DBT) is a pilot conducted at IYC Warrenville. DBT was developed as a treatment for Borderline Personality Disorder (BPD). However, the core behavior patterns of BPD can be found in many mental health disorders, and they are prevalent in incarcerated youth and adults. DBT is a treatment that has been found to be effective in working with a wide variety of mental health disorders and highly disruptive behaviors, including clients with both mental illness and substance use disorders.

STATE OF ILLINOIS
DEPARTMENT OF JUVENILE JUSTICE
AGENCY FUNCTIONS AND PLANNING PROGRAM
For the Two Years Ended June 30, 2014
(Not Examined)

Substance Abuse

- The Substance Abuse Programs at all facilities provide Illinois Department of Human Services, Division of Alcohol and Substance Abuse level I and II substance abuse treatment for youth.
- The Substance Abuse Programs at all facilities are currently utilizing the Forward Thinking Program Curriculum. The Forward Thinking series is a cognitive –behavior program that uses evidence-based strategies to assist youth involved in the criminal justice system in making positive changes to their thoughts, feelings and behaviors.
- The Treatment Retention and Induction Program (TRIP) is a pilot program occurring at IYCs Harrisburg and Pere Marquette. The primary goal of the current proposal is to examine the effectiveness of the TRIP, aimed at improving motivation and engagement in the first few weeks of treatment, with juvenile offenders receiving substance abuse treatment. TRIP utilizes evidence-based induction and retention tools that have been developed and effectively implemented with adult treatment samples and are currently being evaluated within community-based adolescent treatment settings.

Leisure Time Activities

- Structured team sports (i.e. softball, basketball, flag football, volleyball, track and field) that encourage teamwork and sportsmanship.
- Facility Events: Youth engage in holiday program events and also participate in pro-social events such as spelling bee competitions, talent shows, and art contests.

Volunteer Services

- Volunteer programs are provided to all youth to offer life skills development activities (i.e. mentoring, culinary arts, and performing arts).

Chaplaincy Services

- Religious programs, services, and counseling are provided on a daily basis at all facilities.

School District 428

- School District 428 provides all Department facilities with remedial, high school, secondary, and college level education courses.
- School programs also include: GED preparation classes, library services, and vocational and work training programs.

STATE OF ILLINOIS
DEPARTMENT OF JUVENILE JUSTICE
AGENCY FUNCTIONS AND PLANNING PROGRAM
For the Two Years Ended June 30, 2014
(Not Examined)

In addition, School District 428 offers a hands on technology based curriculum and vocational skills to help Department youth attain their high school diploma or work towards a GED. This process called *Online Educational Enhancement*, allows the student to work on high school curriculum, which meets all State and national standards. This curriculum is individualized for each student. The key academic and vocational goals are:

- Earn high school diploma
- Offer appropriate curriculum to each youth
- Increase cognitive ability
- Improve technology skills
- Youth collaboration while working on project based assignments
- Assist with transition from the Department to a youth's home school, by offering appropriate and transferable curriculum
- Increase self-esteem with individual success
- Offer vocational classes for youth experience and high school/college credit

Cook County Aftercare

The Cook County Aftercare Program is a comprehensive model that moves the supervision of Department youth on parole from DOC parole officers to Department Aftercare specialists. It entails the modification of the supervision duties of the parole agent working with juveniles to include case management services for the youth and their families. The Aftercare program provides a seamless array of services for the youth from their commitment to the Department through intake and assignment to a youth host facility to re-entry back into the community.

The key goals of the program include:

- Lower the risk of re-offending
- Improve the youth's educational level and vocational opportunities
- Connect youth with appropriate community-based services
- Achieve abstinence from use of controlled substances and alcohol
- Improve mental health and stability of youth
- Increase pro-social behavior
- Reduce criminal recidivism
- Improve and support successful family reintegration

The Department published its first Annual Report for Fiscal Year 2014. The report is comprised of an overview and history of the Department and each of the facilities, statistical snapshots of the youth, applicable mandates and responsibilities, Department challenges, plans for the future and

STATE OF ILLINOIS
DEPARTMENT OF JUVENILE JUSTICE
AGENCY FUNCTIONS AND PLANNING PROGRAM
For the Two Years Ended June 30, 2014
(Not Examined)

the changes under way at the Department, and statistical data tracking outcomes of youth and the impact of services provided.

The Department has administrative directives, which mirror those of the Department of Corrections. Department management stated the Department has begun to systematically review and revise administrative directives to ensure they are specific to the Department of Juvenile Justice and ensure they are consistent with its youth-focused mission. The Department submits various reports to mandated parties and funding sources as required by statute and grant awards.

STATE OF ILLINOIS
DEPARTMENT OF JUVENILE JUSTICE
AVERAGE NUMBER OF EMPLOYEES
For the Years Ended June 30,
(Not Examined)

The following table, prepared from Department records, presents the average number of employees, by function, for the Fiscal Years ended June 30, 2014, 2013, and 2012.

<u>Division</u>	<u>Fiscal Year</u>		
	<u>2014</u>	<u>2013</u>	<u>2012</u>
General Office	11	8	7
School District	79	107	137
After Care Services	39	17	5
<u>Youth Centers</u>			
Chicago	87	81	76
Harrisburg	206	212	207
Joliet*	-	119	206
Kewanee	185	180	185
Murphysboro*	-	22	76
Pere Marquette	45	39	37
St. Charles	222	183	186
Warrenville	91	85	86
Total Average Full-Time Employees	<u>965</u>	<u>1,053</u>	<u>1,208</u>

* Murphysboro Illinois Youth Center was closed on January 4, 2013 and Joliet Illinois Youth Center was closed on February 12, 2013.

STATE OF ILLINOIS
DEPARTMENT OF JUVENILE JUSTICE
AVERAGE NUMBER OF EMPLOYEES
For the Years Ended June 30,
(Not Examined)

The following table, prepared from Department records, presents the average number of Juvenile Justice Specialists for the Fiscal Years ended June 30, 2014, 2013, and 2012. These totals are included in the total average full-time employees on the previous page.

<u>Youth Centers</u>	<u>Fiscal Year</u>		
	<u>2014</u>	<u>2013</u>	<u>2012</u>
Chicago	66	62	59
Harrisburg	146	152	149
Joliet	-	92	155
Kewanee	131	122	127
Murphysboro	-	14	52
Pere Marquette	27	26	24
St. Charles	158	125	127
Warrenville	60	60	57
 Total Average Juvenile Justice Specialists	 <u>588</u>	 <u>653</u>	 <u>750</u>

STATE OF ILLINOIS
DEPARTMENT OF JUVENILE JUSTICE
ANALYSIS OF EMPLOYEE OVERTIME
For the Two Years Ended June 30, 2014
(Not Examined)

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

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

The following tables on pages 82 and 83, prepared from Department records, present the paid overtime and used compensatory time incurred during the Fiscal Years 2013 and 2014.

STATE OF ILLINOIS
DEPARTMENT OF JUVENILE JUSTICE
ANALYSIS OF EMPLOYEE OVERTIME
For the Year Ended June 30, 2014
(Not Examined)

Division	Overtime Hours		\$ Value of		Compensatory Hours Used	\$ Value of		Total Overtime & Compensatory Hours	Total \$ Value of Overtime & Compensatory Hours
	Paid		Overtime Paid	Hours		Compensatory Hours	Hours		
General Office	-	-	\$ -	-	-	\$ -	-	-	\$ -
School District	7	557			14	751	21	1,308	
After Care Services	367	16,041			442	16,869	809	32,910	
IYC Chicago	7,539	415,584			4,252	162,683	11,791	578,267	
IYC Harrisburg	6,259	341,444			6,626	243,441	12,885	584,885	
IYC Joliet*	-	-			-	-	-	-	-
IYC Kewanee	9,898	494,981			8,038	288,056	17,936	783,037	
IYC Murphysboro*	-	-			-	-	-	-	-
IYC Pere Marquette	4,159	180,750			2,241	93,833	6,400	274,583	
IYC St. Charles	33,253	1,553,061			1,373	49,232	34,626	1,602,293	
IYC Warrenville	2,933	163,509			3,938	156,081	6,871	319,590	
TOTAL	64,415	\$ 3,165,927	\$	26,924	\$	1,010,946	91,339	\$	4,176,873

* Murphysboro Illinois Youth Center was closed on January 4, 2013 and Joliet Illinois Youth Center was closed on February 12, 2013.

STATE OF ILLINOIS
DEPARTMENT OF JUVENILE JUSTICE
ANALYSIS OF EMPLOYEE OVERTIME
For the Year Ended June 30, 2013
(Not Examined)

Division	\$ Value of		Compensatory Hours Used	\$ Value of		Total Overtime & Compensatory Hours	Total \$ Value of Overtime & Compensatory Hours
	Overtime Hours Paid	Overtime Hours Paid		Compensatory Hours	Compensatory Hours		
General Office	-	\$ -	-	\$ -	-	\$ -	-
School District	14	748	-	-	14	748	748
After Care Services	4	235	376	13,315	380	13,550	13,550
IYC Chicago	6,344	204,621	3,286	111,613	9,630	316,234	316,234
IYC Harrisburg	12,788	629,632	10,657	356,750	23,445	986,382	986,382
IYC Joliet*	4,598	211,856	3,281	105,665	7,879	317,521	317,521
IYC Kewanee	8,887	435,239	6,411	220,244	15,298	655,483	655,483
IYC Murphysboro*	202	10,054	56	1,919	258	11,973	11,973
IYC Pere Marquette	3,645	143,937	4,404	159,178	8,049	303,115	303,115
IYC St. Charles	22,805	999,482	3	173	22,808	999,655	999,655
IYC Warrenville	2,953	146,834	4,541	158,422	7,494	305,256	305,256
TOTAL	62,240	\$ 2,782,638	33,015	\$ 1,127,279	95,255	\$ 3,909,917	\$ 3,909,917

* Murphysboro Illinois Youth Center was closed on January 4, 2013 and Joliet Illinois Youth Center was closed on February 12, 2013.

STATE OF ILLINOIS
DEPARTMENT OF JUVENILE JUSTICE
ANNUAL COST STATISTICS
For the Two Years Ended June 30, 2014
(Not Examined)

	2014			2013		
	Rated Capacity June 30, 2014	Average Daily Population	Average Yearly Cost per Resident ⁽¹⁾	Rated Capacity June 30, 2013	Average Daily Population	Average Yearly Cost per Resident ⁽¹⁾
Illinois Youth Center ⁽²⁾						
IYC Chicago	130	86	\$ 129,114	130	89	\$ 111,704
IYC Harrisburg	300	177	122,271	276	243	88,024
IYC Kewanee	354	226	95,694	354	212	85,399
IYC Pere Marquette	40	38	133,489	68	31	135,897
IYC St. Charles	348	274	95,810	318	184	110,508
IYC Warrenville	78	46	209,308	108	49	183,236
Total	1,250	847	\$ 130,948	1,254	808	\$ 119,128
(Under)/over capacity		(403)			(446)	

⁽¹⁾ Net expenditures/Average Daily Population. Net expenditures for Illinois Youth Centers equals expenditures appropriated to each center less equipment expenditures. Net expenditures do not include any allocations from the General Office, School District, and Aftercare Services.

⁽²⁾ Source: Facility data provided by the Illinois Department of Juvenile Justice

* Murphysboro Illinois Youth Center was closed on January 4, 2013 and Joliet Illinois Youth Center was closed on February 12, 2013. These Centers were not included in the above schedule because they were not open for the whole year during Fiscal Year 2013.

STATE OF ILLINOIS
DEPARTMENT OF JUVENILE JUSTICE
PARTICIPATING EDUCATIONAL INSTITUTIONS
SCHOOL DISTRICT #428
For the Two Years Ended June 30, 2014
(Not Examined)

The Department provided post-secondary academics and vocational training programs to enrolled residents through a contractual agreement with the following college:

<u>Educational Institution</u>	<u>Youth Center Served</u>
Southeastern Illinois College	IYC Harrisburg

This contractual agreement ended June 30, 2013.

STATE OF ILLINOIS
DEPARTMENT OF JUVENILE JUSTICE
EMERGENCY PURCHASES
For the Two Years Ended June 30, 2014
(Not Examined)

The Department reported the following emergency purchases to the Office of the Auditor General during Fiscal Year 2014 and Fiscal Year 2013:

Description	Amount
A 90 day emergency extension for substance abuse treatment services to juvenile females at IYC -Warrenville (FY13 - 10/1/12 through 12/29/12)	\$ 52,282 *
A 90 day emergency extension for substance abuse screening and assessment service for juvenile males at IYC - St. Charles (FY13 - 10/1/12 through 12/29/12)	16,679
A 90 day emergency extension for direct services to youth in the pre and post Parole Readjustment Program (FY13 - 11/13/12 through 2/10/13)	64,865
A 90 day emergency extension for substance abuse treatment services to juvenile females at IYC -Warrenville (FY13 - 12/30/12 through 3/29/13)	63,793
A 90 day emergency extension for substance abuse screening and assessment service for juvenile males at IYC - St. Charles (FY13 - 12/20/12 through 3/29/13)	10,388
A 90 day emergency extension for direct services to youth in the pre and post Parole Readjustment Program (FY13 - 2/11/13 through 5/11/13)	60,367 *
A 90 day emergency extension for clinical post release case management services to juvenile male inmates	52,983
Cost of an additional dome camera at IYC - Joliet	20,150
Tutoring and mentoring services to the IDJJ schools	30,155
Upgrade the water units to be compliant with EPA drinking water regulations at IYC - St. Charles	21,440
The leasing of 6 unit modular office buildings to be used for Clinical and Psychological Services at IYC - St. Charles due to current buildings being structurally unsound.	289,125
Replacement of roofs on two buildings at IYC - St. Charles due to leaking and to prevent more internal damage.	99,030
Purchase of two water storage tanks to provide water for showers at IYC - Pere Marquette due to a crack in the current tank.	18,503
Clinical substance abuse treatment services to juvenile male inmates at IYC - Harrisburg	29,327
TOTAL APPROXIMATE COST	\$ 829,086

* Estimated Amounts (Final Amounts were not provided by the Department)

STATE OF ILLINOIS
DEPARTMENT OF JUVENILE JUSTICE
YOUTH ASSAULTS ON STAFF
AT ILLINOIS YOUTH CENTERS
For the Two Years Ended June 30, 2014
(Not Examined)

Illinois Youth Centers	Fiscal Year 2014	Fiscal Year 2013
IYC Chicago	4	2
IYC Harrisburg	5	23
IYC Joliet*	0	0
IYC Kewanee	48	18
IYC Murphysboro*	0	0
IYC Pere Marquette	2	1
IYC St. Charles	23	12
IYC Warrenville	13	11
Total	95	67

* Murphysboro Illinois Youth Center was closed on January 4, 2013 and Joliet Illinois Youth Center was closed on February 12, 2013.

Source: Department of Corrections Planning and Research

STATE OF ILLINOIS
DEPARTMENT OF JUVENILE JUSTICE
SERVICE EFFORTS AND ACCOMPLISHMENTS
For the Two Years Ended June 30, 2014
(Not Examined)

Mission and Organization

The Department of Juvenile Justice (Department) works to provide treatment and services through a comprehensive continuum of individualized educational, vocational, social, emotional and basic life skills that will enable youth to avoid delinquent futures and become productive, fulfilled citizens.

Improvements to Education – The Department will be focused on enhancing the quality of education for committed youth. School District 428 continues to work collaboratively with the State Board of Education to develop an enhanced educational curriculum and specialized programming and services for committed youth that ensures federal and state educational program compliance. To ensure that the school district retains qualified staff, recruitment efforts have been underway during this fiscal year to identify additional certified, bi-lingual, and physical education instructors. Special education instructors will be hired to help build a cohesive educational team.

Expand and Enhance the Aftercare System – The Department will continue to staff an Aftercare system targeted at youth development and successful re-entry into society. The Aftercare system will include partnerships with other state agencies and community-based organizations that provide these services to youth. As part of this Aftercare system, more emphasis will be placed on providing community treatment through a network of specialized treatment beds, transition beds, and community based placement positions.

STATE OF ILLINOIS
DEPARTMENT OF JUVENILE JUSTICE
SERVICE EFFORTS AND ACCOMPLISHMENTS
For the Two Years Ended June 30, 2014
(Not Examined)

Mission Statement: Understanding that youth have different needs than adults, it is the mission of the Illinois Department of Juvenile Justice to preserve public safety by reducing recidivism. Youth committed to the Department’s care will receive individualized services provided by qualified staff that give them the skills to become productive citizens.

Program Goals: 1. Develop a structural framework and foundation necessary to deliver services to youth.

- Objectives:**
- a. Develop and implement performance-based standards that are consistent with contemporary practices in the field of juvenile justice.
 - b. Enhance and further develop the Aftercare system that is designed to enhance the chances for success upon a youth’s re-entry into the community.
 - c. Increase the number of educators throughout the system to meet the Department’s mandates to provide adequate educational services for all youth.
 - d. Hire and train new Juvenile Justice Specialists.

Source of Funds: General Revenue Fund
Department of Corrections Reimbursement
And Education Fund

Statutory Authority: 730 ILCS 5

	<u>Fiscal Year 2012 Actual</u>	<u>Fiscal Year 2013 Actual</u>	<u>Fiscal Year 2014 Target /Projected</u>	<u>Fiscal Year 2014 Actual</u>	<u>Fiscal Year 2015 Target /Projected</u>
<u>Input Indicators</u>					
• Total expenditures – all sources (in thousands)	\$ 131,901.4	\$ 117,886.9	\$ 122,488.1	\$ 118,646.1	\$ 135,888.1
• Total expenditures – state appropriated funds (in thousands)	\$ 131,901.4	\$ 117,886.9	\$ 122,488.1	\$ 118,646.1	\$ 135,888.1
• Average monthly full-time equivalents	1,210.0	1,032.0	1,061.0	965.0	1,110.0
<u>Output Indicators</u>					
• Percentage of juveniles returned to youth centers within three years of release	53.5%	52.4%	52.5%	48.6%	50.0%
• Education spending per capita (in thousands)	\$ 9.2	\$ 11.3	\$ 12.2	\$ 9.3	\$ 11.8
• Aftercare services spending per capita (in thousands)	\$ 2.3	\$ 4.5	\$ 7.7	\$ 6.5	\$ 10.6