



STATE OF ILLINOIS  
**OFFICE OF THE  
 AUDITOR GENERAL**

Frank J. Mautino, Auditor General

**SUMMARY REPORT DIGEST**

**ILLINOIS DEPARTMENT OF CORRECTIONS**

Financial Audit for the Year Ended June 30, 2016 and  
 Compliance Examination for the Two Years Ended June 30, 2016

Release Date: May 23, 2017

FINDINGS THIS AUDIT: 43**				AGING SCHEDULE OF REPEATED FINDINGS*			
	New	Repeat*	Total	Repeated Since	Category 1	Category 2	Category 3
<b>Category 1:</b>	<b>0</b>	<b>3</b>	<b>3</b>	2014		7,10,28,31,32	
<b>Category 2:</b>	15	28	43	2012		3,5,6,11,12,18,	
<b>Category 3:</b>	<u>0</u>	<u>0</u>	<u>0</u>			21,35,39,40	
<b>TOTAL</b>	<b>15</b>	<b>31</b>	<b>46**</b>	2010		8,33	
				2008	<b>1,2</b>	4,16,38	
				2006		26,29	
				2000		24,30	
				1998		22	
				1994		37	
<b>FINDINGS LAST AUDIT: 40*</b>							

\*Effective July 1, 2014, the compliance examination for the Department of Corrections – Correctional Industries (ICI) was included as part of the compliance examination for the Department of Corrections; therefore, prior year findings are combined.

\*\*Total Findings and Findings This Audit do not equal due to two repeat findings (2014-001 and 003) from the ICI and one finding (2014-016) from the Department’s FY 2014 reports were consolidated with three other repeat findings (2016-002, 003 and 022).

**SYNOPSIS**

- **(16-01)** The Department’s year-end financial reporting to the Illinois Office of the Comptroller contained several inaccuracies.
- **(16-09)** The Department lacked controls over offender records.
- **(16-10)** The Department lacked controls to ensure fiscal requirements over the Offender 360 project were controlled and documented.
- **(16-31)** Employees continued to use leave time for their regular shift and then work another shift at an overtime rate on the same day.
- **(16-32)** Department employees accrued more than the federally allowed 480 hours of compensatory time during a one-year period.

**Category 1:** Findings that are **material weaknesses** in internal control and/or a **qualification** on compliance with State laws and regulations (material noncompliance).

**Category 2:** Findings that are **significant deficiencies** in internal control and **noncompliance** with State laws and regulations.

**Category 3:** Findings that have **no internal control issues but are in noncompliance** with State laws and regulations.

{Expenditures and Activity Measures are summarized on next page.}

**ILLINOIS DEPARTMENT OF CORRECTIONS**  
**FINANCIAL AUDIT**  
**For the Year Ended June 30, 2016**  
**COMPLIANCE EXAMINATION**  
**For the Two Years Ended June 30, 2016**

<b>EXPENDITURE STATISTICS</b>	<b>FY 2016*</b>	<b>FY 2015</b>	<b>FY 2014**</b>
<b>Total Expenditures</b>	<b>\$ 955,629,869</b>	<b>\$ 1,386,353,888</b>	<b>\$ 1,355,491,137</b>
<b>OPERATIONS TOTAL</b>	<b>\$ 955,559,263</b>	<b>\$ 1,371,627,356</b>	<b>\$ 1,330,966,680</b>
% of Total Expenditures	99.9%	98.9%	98.3%
Personal Services	840,499,365	859,280,103	869,492,166
Other Payroll Costs (FICA, Retirement and Group Insurance)	68,332,134	71,027,603	73,555,220
Contractual Services	19,228,826	304,281,444	277,178,917
Commodities	24,909,075	105,414,630	89,587,065
All Other Operating Expenditures	2,589,863	31,623,576	21,153,312
<b>AWARDS AND GRANTS</b>	<b>\$ 66,355</b>	<b>\$ 14,173,674</b>	<b>\$ 24,164,869</b>
% of Total Expenditures	0.1%	1.0%	1.6%
<b>PERMANENT IMPROVEMENTS</b>	<b>\$ -</b>	<b>\$ 50,562</b>	<b>\$ 182,864</b>
% of Total Expenditures	0.0%	0.0%	0.1%
<b>REFUNDS</b>	<b>\$ 4,251</b>	<b>\$ 502,296</b>	<b>\$ 176,724</b>
% of Total Expenditures	0.0%	0.1%	0.0%
<b>Total Receipts</b>	<b>\$ 49,675,980</b>	<b>\$ 74,870,289</b>	<b>\$ 75,945,226</b>
<b>Property and Equipment at June 30,</b>	<b>\$ 1,786,854,821</b>	<b>\$ 1,784,189,400</b>	<b>\$ 1,773,050,804</b>
*Expenditures and Receipts information for Fiscal Year 2016 was impacted by the budget impasse for prior year comparison			
**Department financial information for Fiscal Year 2014 was consolidated with Illinois Correctional Industries information			

<b>SELECTED ACTIVITY MEASURES (unaudited)</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Inmate Population, June 30,	45,817	48,279	48,678
Rated Capacity, June 30,	31,831	31,981	31,949
Inmate Population Over Rated Capacity	13,986	16,298	16,729
Average Annual Cost, Correctional Centers	\$ 23,241	\$ 24,460	\$ 22,204
Overtime Hours Paid	654,375	952,892	1,009,115
Value of Overtime Hours Paid	\$ 32,171,005	\$ 47,045,691	\$ 49,119,780
Compensatory Hours Used	572,985	646,649	666,753
Value of Compensatory Hours Used	\$ 18,384,943	\$ 21,008,475	\$ 21,818,872
Average Number of Employees	11,389	11,017	10,662

<b>DEPARTMENT DIRECTOR</b>
During Examination: Salvador A. Godinez (5/02/11-12/31/14), Salvador A. Godinez (Acting 1/1/15-3/2/15), Bryan Gleckler (Acting 3/3/15 - 3/15/15), Donald Stolworthy (Acting 3/16/15-6/15/15), Gladyse Taylor (Acting 6/16/15-8/13/15), John R. Baldwin (Acting 8/14/15 through present)
Currently: John R. Baldwin

## FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

### **WEAKNESSES IN PREPARATION OF GAAP REPORTING FORMS SUBMITTED TO THE ILLINOIS OFFICE OF THE COMPTROLLER AND PREPARATION OF YEAR-END DEPARTMENT FINANCIAL STATEMENTS**

The Department's year-end financial reporting in accordance with generally accepted accounting principles (GAAP) to the Illinois Office of the Comptroller contained inaccuracies. These problems, if not detected and corrected, could materially misstate the Department's financial statements and negatively impact the financial statements prepared by the Illinois Office of the Comptroller (Comptroller).

#### **Manual asset summaries used due to system conversion issues**

During the audit of the Department's June 30, 2016 financial statements, the auditors noted the Department used manually compiled capital asset summaries and depreciation calculations to prepare GAAP Reporting forms related to capital assets and in determining the amounts reported in the financial statements. The conversion of its legacy capital asset system, the Automated Property Control System (APCS), to the Department of Central Management Services' Central Inventory System (CIS), was not fully implemented at the time of financial statement preparation and the APCS was no longer being utilized as of March 2016.

We noted the following inaccuracies in the originally submitted GAAP Reporting forms and financial statements:

#### **Transfers of \$4.3 million were not reported**

- The Department did not properly report capitalized transfers-in from the Capital Development Board (CDB) in the proper fiscal year. Transfers-in that met the capitalization threshold for capital assets totaling \$4,311,303 from Fiscal Year 2013 through Fiscal Year 2015 were not included in the capital assets balance and as capital transfers-in in the government-wide financial statements for the proper fiscal year. Accordingly, depreciation totaling \$402,267 through Fiscal Year 2016 was not reported. In addition, CDB transfers for Fiscal Year 2015 totaling \$2,349,227 were only reported in Fiscal Year 2016.
- The manually summarized asset details added to the Department's APCS report contained various errors: duplicate non-equipment items totaling \$1,767,169 and equipment items totaling \$24,142; input error of \$9,503; CDB transfers not matching the turnover reports totaling \$239,917; missing capitalizable purchases amounting to \$36,240 and \$121,282 for Fiscal Years 2015 and 2016,

respectively; and missing deletions totaling \$70,523. The related accumulated depreciation errors for these items amounted to an overstatement of \$65,508.

**Significant errors noted in the reporting of depreciation and accumulated depreciation**

- Our tests of depreciation and accumulated depreciation balances identified the following computation errors: depreciation in excess of book value totaling \$826,214 and assets not depreciated for the correct depreciation period causing a net understatement totaling \$242,614. In addition, current year depreciation totaling \$389,200 and prior year depreciation totaling \$278,481 related to Fiscal Year 2015 asset items added to the worksheets were not included in the work forward depreciation analysis for Fiscal Year 2016. Also, accumulated depreciation totaling \$1,105,163 on prior years' CDB transfers included in APCS in Fiscal Year 2016 were not included in the depreciation work forward analysis.
- We also noted the Department did not evaluate changes in circumstances affecting capital assets to determine whether impairment occurred and did not properly account for and report capital asset impairments and disclose idle assets in the financial statements.

**Impaired assets originally over-reported by \$13.1 million**

The Department closed the Joliet Correctional Center in February 2002 and the capital assets were still being depreciated and maintained on the books as of June 30, 2016 instead of being analyzed for impairment and adjusted to the lower of carrying value or fair value on the date the permanent impairment occurred. After the impairment issue was brought to the attention of the Department by the auditors, an assessment was performed to determine if the impairment was temporary or permanent. The Department determined the impairment to be permanent and adjusted the facility's reported amount to its fair value of \$1,887,333 instead of the carrying value of \$14,978,767.

The Department also subsequently recorded and reported a prior period adjustment for the loss on impairment on Joliet Correction Center of \$12,751,947. The actual loss of \$13,091,434 should have instead been recorded; however, the misrecording resulted in an understatement of \$339,487. We further noted the Department understated the current fiscal year depreciation reversal by \$422,235. The net effect of these errors was an \$82,748 overstatement of the Fiscal Year 2016 net position. The Department did not consider the net effect of these errors to be material to the financial statements and, therefore, did not post a correction as of June 30, 2016.

The Department also assessed three additional closed facilities (Rushville, Dwight, and Tamms) to determine if

those capital assets were temporarily or permanently impaired. The final determination by the Department was to consider the centers as temporarily impaired and continue to assess in future reporting periods. As a result, no reporting changes were necessary.

- The Department did not record and properly report pension expenses for Fiscal Year 2015 totaling \$4,164,263 and Fiscal Year 2016 on-behalf payments made by the State of Illinois for pension amounting to \$344,584,944.

**Department adjusted financial statement to correct errors**

The Department subsequently adjusted the financial statements to correct these errors and also revised the notes to the financial statements to properly disclose the idle facilities. (Finding 1, Pages 18-21) **This finding has been repeated since 2008.**

We recommended the Department implement the new capital asset system as soon as practicable, perform tests of the capital asset transaction processing and reporting in CIS. We also recommended the Department outline and implement procedures to ensure GAAP Reporting Packages and financial statements are prepared in an accurate manner. Lastly, we recommended internal reviews be included in those procedures as a method to identify and correct errors prior to the submission of financial information to the Illinois Office of the Comptroller and other external parties.

**Department agreed with auditors**

Department officials accepted our recommendation and stated they will continue devoting the resources necessary to complete the GAAP reporting as required by taking all possible steps to ensure the GAAP Reporting Packages and financial statements are prepared in an accurate manner. (*For the previous Department response, see Digest Footnote #1*)

**NEED TO IMPROVE CONTROLS OVER OFFENDER RECORDS**

**Offenders erroneously flagged as sexual predators**

The Department lacked controls over offender records. As part of the examination of Correctional Centers, auditors tested the Department's compliance with the Sex Offender Registration Act (Act). The Act requires the Department to inform offenders who have been deemed a sexual predator or sexual offender of their responsibility to register as a sex offender. On December 14, 2016, the Department replaced their legacy applications with Offender 360; which maintains offenders' records. Due to information within the offenders' records being incorrectly migrated from the legacy system to Offender 360, the auditors could not conduct testing due to offenders being flagged as sexual predators, when they were not.

The Act also requires offenders to register as a sex offender for life. This is required for offenders who had previously

been registered as a sex offender, completed the registration period requirements, but were recommitted for sexual offenses. It was noted the Offender 360 did not allow the Department to override the expiration of the previous registration in order to reactivate the lifetime registration requirement.

**Inmates erroneously noted as registered sex offenders**

As a result, the auditors requested from the Department a dataset of all offenders' records from Offender 360 as of June 30, 2016. Although the auditor could not verify the completeness and accuracy of the information, they tested all offenders to determine if required offenders were registered as a sex offender within the Sex Offender Registry. The auditors noted 441 of 2,526 offenders appeared in the registry data, but did not appear to have offenses which required registration.

The Department reviewed a sample of 80 from the 441 exceptions noted by the auditors, noting one offender should not have been listed on the Sex Offender Registry. The Department stated the remaining 79 offenders had prior offenses that required registration. However, complete information had not been provided to the auditors in order to make such a determination.

**Four inmates found to be required registered sex offenders were not on registry**

The auditors also noted 13 of 31,965 offenders did not appear in the registry data, but appeared to have offenses which required registration. The Department reviewed the 13 exceptions, noting four offenders should have been listed on the Sex Offender Registry; however, they were not. The Department stated the remaining nine offender offenses were not deemed an offense which required them to be registered.

The auditors also tested the Murderer and Violent Offender Against Youth Registration Act which requires offenders who were charged with a violent offense against a youth to be informed of their duties to register as a violent offender against youths. In the legacy system, if the victim's age was not known, the system indicated "unknown". However, during the migration of the offenders' records into Offender 360, the offenders' records were flagged as a violent offender against youth, even though the victim's age was unknown and the offender may not have been required to register.

**Violent offenders against youth not appropriately flagged**

Furthermore, during the migration, required offenders' records were not flagged as a violent offender against youth; therefore, the offender was not notified of their duty to register. (Finding 9, Pages 47-48)

We recommended the Department take action to review offenders' records to ensure their information is accurate in order to comply with the Sex Offender Registration Act.

**Department agreed with auditors**

Department officials accepted our recommendation and stated they will make every effort to ensure compliance with the

Department's responsibilities regarding the Sex Offender Registration Act and will work with the Illinois State Police to ensure that the Department's Offender 360 records comply with the Sex Offender Registration Act.

### **CONTINUED LACK OF FISCAL CONTROLS OVER OFFENDER 360 PROJECT**

The Department continued to lack controls to ensure fiscal requirements were controlled and documented. In June 2010, the Department embarked on the development of Offender 360 in order to meet the statutory requirements of Public Act 097-0697 to manage the awarding of sentence credits to eligible offenders.

In the prior examination, the auditors determined the Department had not implemented controls over the fiscal requirements related to the Offender 360 project. During the current examination, the auditors determined the Department had not taken actions to correct the weaknesses.

#### **Department did not maintain records of total cost of project**

During their testing, the auditors requested from the Department documentation supporting the total cost of the Offender 360 project. According to Department management, documentation was not maintained in order to determine the total cost. The Department provided an Excel spreadsheet that indicated approximately \$23,508,453 had been paid for vendor services since fiscal year 2012.

The auditors reviewed contracts, statements of work, schedules, and amendments related to the vendor's service for the development of the Offender 360 project, noting:

#### **Deficiencies noted on controls over vendor services**

- Statements of work and schedules were not signed by the Department.
- Statements of work and an amendment were indicated as draft.
- A Schedule was signed on June 30, 2015 and also expired on June 30, 2015.
- A Schedule did not have an expiration date and did not document the hours associated with the services.
- The licensing agreements did not indicate the price for licenses and cloud services.
- The agreements, schedules, and work orders did not outline the detailed hours associated with each service.

Based on the invoices provided by the Department, the auditors noted:

#### **Insufficient support for 8 invoices totaling \$6.7 million**

- Sufficient detail was not provided for eight invoices, totaling \$6,678,461, to determine the accuracy of the payment.

- Two invoices, totaling \$730,588 were paid by the Capital Development Board on behalf of the Department; however, were not approved by the Department.

**Auditors noted \$1.4 million in vendor overpayments**

In addition, per the auditor’s review of ten invoices, the Department over paid the vendor \$1,399,911 based on the terms of the agreements.

**Vendor was prepaid for services**

Furthermore, the auditors noted the Department had prepaid the vendor for services even though the Master Contract and the Contract Obligation Document stated advance payments were not allowed. Additionally, the invoices did not provide sufficient documentation to determine if all services were utilized prior to the expiration of the lapse period. (Finding 10, Pages 49-50)

We recommended the Department implement controls to ensure expenditures are made in accordance to State statute and are properly reviewed and documented. We also recommended the Department seek reimbursement of overpayments to the vendor and follow the contract terms and not make advance payments.

**Department agreed with auditors**

Department officials accepted our recommendation and stated they will make every effort to ensure expenditures are made in accordance to State statute and are properly reviewed and documented.

**TAKING PAID LEAVE AND WORKING OVERTIME ON THE SAME DAY**

The Department allowed employees to use leave time (i.e., sick, vacation, personal leave, and accumulated holiday time) for their regular shift and then work another shift at an overtime rate on the same day. While there may be instances where this would be a needed solution to a difficult staff coverage scenario, it could be a sign of abuse of overtime and may be against Department policy.

**654,375 hours of overtime paid at a cost of \$32,171,005**

According to the Department, for Fiscal Year 2016 there was a total of 654,375 hours of overtime paid at a cost of \$32,171,005. There were also 572,985 hours of compensatory time used/reimbursed at a cost of \$18,384,943. Stateville Correctional Center reported 145,713 hours of overtime at a cost of \$7,360,310, the highest amount of overtime of any correctional facility. The facility with the next highest amount of overtime was the Menard Correctional Center with 67,216 hours of overtime at a cost of \$2,882,736.

Auditors reviewed Fiscal Year 2016 overtime payments for 20 employees for May 2016. The auditors sampled 10 employees at the Stateville Correctional Center and 10 employees at the Menard Correctional Center who had the highest amount of

overtime paid. As part of the review, auditors obtained employee annual timesheets, shift logs, and approval slips for overtime and compensatory time as well as payroll reports for each pay period. Auditors also reviewed the five employees with the highest amount of compensatory time at the Stateville Correctional Center, Menard Correctional Center, and Logan Correctional Center for a total of 15 employees.

**Employees utilized leave time on the same day as working overtime**

During the review of these 35 employee timesheets for Fiscal Year 2016, 10 employees (29%) had used a full day of leave time at least once during the fiscal year on the same day that they had worked overtime. For these 10 employees, auditors identified a total of 33 instances during Fiscal Year 2016 in which employees used a full day of leave time (7.5 hours) the same day that they also worked overtime. An employee at Stateville Correctional Center used leave time the same day in which they worked an overtime shift on 8 different occasions during fiscal year 2016. An employee at Logan Correctional Center used leave time the same day in which they worked an overtime shift on 10 different occasions during Fiscal Year 2016.

**Employees receive 1.5 times rate of pay when using leave time on same day as working overtime**

The financial advantage of this practice from the employee's perspective is that the employee is paid for the leave time shift at the usual rate for that day and then also paid for the overtime shift at 1.5 times the usual rate of pay on the same day. The financial effect on the State, however, is that not only does the State pay the employee at the overtime rate for the shift worked in addition to the regular rate for the leave time taken, but the State must also pay another employee overtime to cover the shift for which the leave time was used. This type of abuse of leave time may be an example of "shift swapping" in which employees knowingly use leave time and swap shifts in order to gain a financial advantage. (Finding 31, Pages 91-92)

We recommended the Department of Corrections monitor the use of leave time being used on the same day as overtime is worked and comply with its training manual by not allowing employees to work overtime on the same day that a full day of leave time is also used.

**Department agreed with auditors**

Department officials accepted our recommendation and stated they will make every effort to ensure employee overtime worked complies with the Department's Overtime Equalization Training Manual by not allowing employees to work overtime the same day leave time is also used.

**COMPENSATORY TIME ACCRUAL IN VIOLATION OF FEDERAL LAW AND COMPENSATORY TIME PAYMENTS IN VIOLATION OF UNION AGREEMENT**

**Department violated Fair Labor Standards Act**

The Department violated the federal Fair Labor Standards Act (FLSA) of 1938 for compensatory time accrual by allowing

Department employees to accrue more than 480 hours of compensatory time during a one-year period. The FLSA (29 USC 207(o)(3)(A)) does not allow public safety employees of a State agency to accrue more than 480 hours of compensatory time.

The Department is also in violation of the union master agreement when paying compensatory time. The union master agreement for Correctional Officers and Correctional Sergeants (RC-06) requires that accrued compensatory time not scheduled or taken by the end of the fiscal year shall be liquidated and paid in cash at the rate it was earned (Article XII, Section 15 of RC-06 Union Agreement (July 1, 2012, through June 30, 2015; and then to continue year to year)).

**645,375 hours of overtime paid at a cost of \$32,171,005**

According to the Department, for Fiscal Year 2016 there was a total of 654,375 hours of overtime paid at a cost of \$32,171,005. There were also 572,985 hours of compensatory time used/reimbursed at a cost of \$18,384,943. Stateville Correctional Center reported 145,713 hours of overtime at a cost of \$7,360,310, the highest amount of overtime of any correctional facility. The facility with the next highest amount of overtime was the Menard Correctional Center with 67,216 hours of overtime at a cost of \$2,882,736.

We reviewed Fiscal Year 2016 overtime payments for 20 employees for May 2016. We judgmentally sampled 10 employees at Stateville Correctional Center and 10 employees at Menard Correctional Center who had the highest amount of overtime paid. As part of our review, we obtained employee annual timesheets, shift logs, and approval slips for overtime and compensatory time as well as payroll reports for each pay period. We also reviewed the five employees with the highest amount of compensatory time at Stateville Correctional Center, Menard Correctional Center, and Logan Correctional Center for a total of 15 employees.

**20% of sampled employees' compensatory time exceeded limits**

For 3 of 15 (20%) employees sampled at Stateville Correctional Center, we found Fiscal Year 2016 payroll payments for compensatory time that exceeded more than 480 hours. These included:

- One employee was paid for 529 hours in June 2015 (\$24,868) and 533.63 hours in June 2016 (\$25,086).
- Another employee was paid in June 2016 for a total of 672 hours of compensatory time accrued (\$29,651). The employee was allowed to accumulate as much as 692 hours of compensatory time at one point in FY15 and 824 hours of compensatory time at one point in FY16 before being paid for the time.

- Another employee at Stateville was paid for 649 hours of accrued compensatory time in June 2016 (\$30,498). The employee was allowed to accumulate as much as 666 hours of compensatory time at one point in FY16.

**Employees allowed to carryover compensatory hours in excess of union agreement**

For 5 of 35 (14%) employees tested, the employees were allowed to carry hours of compensatory time from the end of Fiscal Year 2015 or 2016 to the next fiscal year in violation of the union agreement. Two employees at Menard Correctional Center, two employees at Stateville Correctional Center, and one employee at Logan Correctional Center were allowed to carry over a total of 107 hours of compensatory time from the end of one year to the next. One employee accounted for 94.5 of these hours. The Department does not have a centralized timekeeping system to track the hours of compensatory time that employees have accrued. The Department uses a manual timekeeping system and does not track the rate at which compensatory time is accrued/earned for each employee. At correctional centers we visited, the balance of compensatory time accrued is listed on the employee's annual timesheet for each month. (Finding 32, Pages 93-95)

We recommended the Department:

- Comply with the federal Fair Labor Standards Act of 1938 by not allowing employees to accrue more than 480 hours of compensatory time;
- Comply with the union master agreement and track and pay compensatory time at the rate it was earned/accrued; and
- Comply with the union master agreement by not allowing employees to carry compensatory time from the end of one fiscal year to the next.

**Department agreed with auditors**

Department officials accepted our recommendation and stated they will make every effort to ensure compliance with the federal Fair Labor Standards Act of 1938, and with union master agreements by tracking and paying compensatory time at the rate it was earned when a centralized timekeeping and payroll system is implemented. Also, the Department stated they will make every effort to ensure employees do not carry over compensatory time from one fiscal year to the next, unless provided by the union master agreements and will do everything it can to procure an automated timekeeping system which would assist in the tracking and computation of time.

**OTHER FINDINGS**

The remaining findings pertain to internal control and compliance matters. We will review the Department's progress towards the implementation of our recommendations in our next financial audit and compliance examination.

## **AUDITOR'S OPINION**

The auditors stated the financial statements of the Department as of and for the year ended June 30, 2016 are fairly stated in all material respects.

## **ACCOUNTANT'S OPINION**

The accountants conducted a compliance examination of the Department for the two years ended June 30, 2016, as required by the Illinois State Auditing Act. The accountants qualified their report on State compliance for Findings 2016-001 through 2016-003. Except for the noncompliance described in these findings, the accountants stated the Agency complied, in all material respects, with the requirements described in the report.

This financial audit and compliance examination was conducted by Adelfia LLC.

**SIGNED ORIGINAL ON FILE**

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JANE S. CLARK  
Division Director

This report is transmitted in accordance with Section 3-14 of the Illinois State Auditing Act.

**SIGNED ORIGINAL ON FILE**

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FRANK J. MAUTINO  
Auditor General

FJM:ETL

## **DIGEST FOOTNOTES**

### **#1 - WEAKNESSES IN PREPARATION OF GAAP REPORTING FORMS AND FINANCIAL STATEMENTS**

2014: Recommendation accepted. IL Department of Corrections (IDOC) will continue devoting the resources necessary to complete the GAAP reporting as required by taking all possible steps to ensure the GAAP Reporting Package and financial statements are prepared in an accurate manner.