

STATE OF ILLINOIS  
DEPARTMENT OF CORRECTIONS

LINCOLN CORRECTIONAL CENTER

LIMITED SCOPE COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2006

Performed as Special Assistant Auditors  
For the Auditor General, State of Illinois

STATE OF ILLINOIS  
DEPARTMENT OF CORRECTIONS  
LINCOLN CORRECTIONAL CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2006

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CENTER OFFICIALS

Warden	Ms. Carolyn Robertson
Assistant Warden - Programs (Current)	Ms. Shannis Stock
Assistant Warden - Programs (07/01/04 to 12/31/04)	Mr. Ray Bensko
Assistant Warden - Operations	Ms. Dawn Golden
Business Office Administrator (Current)	Vacant
Business Office Administrator (05/17/04 to 09/30/05)	Mr. Mike Layden

The Center is located at:

1098 1350th Street  
P.O. Box 549  
Lincoln, Illinois 62656-5094



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

**Rod R. Blagojevich**  
Governor

**Roger E. Walker Jr.**  
Director

Lincoln Correctional Center / 1098 1350<sup>th</sup> Street / Lincoln, IL 62656 / Telephone: (217)735-5411 / TDD: (800)526-0844

September 29, 2006

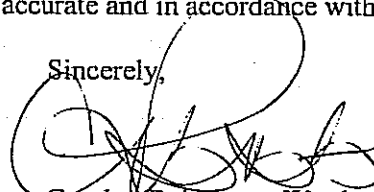
E. C. Ortiz & Co., LLP  
333 S. DesPlaines Street, Suite 2-N  
Chicago, Illinois 60661

Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the Agency. 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 Agency's compliance with the following assertions during the two-year period ended June 30, 2006. Based on this evaluation, we assert that during the years ended June 30, 2005 and June 30, 2006, the Agency has materially complied with the assertions below.

- A. The Agency 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 Agency 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 Agency has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. The State revenues and receipts collected by the Agency 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. The 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 recordkeeping relating thereto is proper, accurate and in accordance with law.

Sincerely,



Carolyn Robertson, Warden  
Lincoln Correctional Center

Cc: File

STATE OF ILLINOIS  
DEPARTMENT OF CORRECTIONS  
LINCOLN CORRECTIONAL CENTER  
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**COMPLIANCE REPORT**

**SUMMARY**

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

**ACCOUNTANTS' REPORT**

The Independent Accountants' Report on State Compliance, on Internal Control Over Compliance and on Supplementary Information for State Compliance Purposes relates only to those chapters of the "Audit Guide for Performing Financial Audits and Compliance Attestation Engagements of Illinois State Agencies" (*Audit Guide*) which are identified in the report as having compliance testing performed.

**SUMMARY OF FINDINGS**

<u>Number of</u>	<u>This Report</u>	<u>Prior Report</u>
Findings	3	1
Repeated findings	—	—
Prior recommendations implemented or not repeated	1	4

Details of findings are presented in a separately tabbed report section.

**SCHEDULE OF FINDINGS**

CURRENT FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>
06-1	10	Lack of Proper Segregation of Duties Over Locally Held Funds
06-2	11	Noncompliance With Statutory Mandate
06-3	12	Inadequate Contract Monitoring of Medical Service Providers

PRIOR FINDING NOT REPEATED

<u>Item No.</u>	<u>Page</u>	<u>Description</u>
06-4	14	No Monitoring of Telecommunication Expenditures

## EXIT CONFERENCE

Center management waived having an exit conference per a letter dated November 16, 2006. Responses to the recommendations were provided by Mary Ann Bohlen, Department of Corrections Accounting Manager, in a letter dated January 3, 2007.



**INDEPENDENT ACCOUNTANTS' REPORT ON STATE COMPLIANCE,  
ON INTERNAL CONTROL OVER COMPLIANCE, AND ON  
SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES**

Honorable William G. Holland  
Auditor General  
State of Illinois

**Compliance**

As Special Assistant Auditors for the Auditor General, we performed a limited scope compliance examination of the State of Illinois Department of Corrections - Lincoln Correctional Center's compliance with the requirements listed below, as more fully described in the Audit Guide for Performing Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (*Audit Guide*) as adopted by the Auditor General, during the two years ended June 30, 2006. The management of the State of Illinois Department of Corrections - Lincoln Correctional Center is responsible for compliance with these requirements. Our responsibility is to express an opinion on the State of Illinois Department of Corrections - Lincoln Correctional Center's compliance based on our examination.

- A. The State of Illinois Department of Corrections - Lincoln Correctional Center has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The State of Illinois Department of Corrections - Lincoln Correctional Center has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions or mandatory directions imposed by law upon such obligation, expenditure, receipt or use.
- C. The State of Illinois Department of Corrections - Lincoln Correctional Center has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. The State revenues and receipts collected by the State of Illinois Department of Corrections - Lincoln Correctional Center are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate and in accordance with law.
- E. Money or negotiable securities or similar assets handled by the State of Illinois Department of Corrections - Lincoln Correctional Center on behalf of the State or held in trust by the State of Illinois Department of Corrections - Lincoln Correctional Center have been properly and legally administered and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Our limited scope compliance examination of the Center was limited to the following areas of the *Audit Guide*:

- Chapter 8 - Personal Services Expenditures
- Chapter 9 - Contractual Services Expenditures
- Chapter 11 - Commodities Expenditures
- Chapter 18 - Appropriations, Transfers and Expenditures
- Chapter 22 - Review of Agency Functions and Planning Program
- Chapter 30 - Auditing Compliance With Agency Specific Statutory Mandates

The areas of the *Audit Guide* not examined at the Center have had procedures performed on a Department-wide basis through the compliance examination of the Department's General Office, and accordingly, any findings from the results of those procedures have been included in the Department of Corrections - General Office compliance report. We have also performed certain procedures with respect to the accounting records of the Center to assist in the performance of the Auditor General's financial statement audit of the entire Department of Corrections for the year ended June 30, 2006. The results of these additional procedures have been communicated to the Department of Corrections - General Office auditors.

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 Auditor General pursuant to the Act; and, accordingly, included examining, on a test basis, evidence about the State of Illinois Department of Corrections - Lincoln Correctional Center's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the State of Illinois Department of Corrections - Lincoln Correctional Center's compliance with specified requirements.

In our opinion, the State of Illinois Department of Corrections - Lincoln Correctional Center complied, in all material respects, with the aforementioned requirements during the two years ended June 30, 2006. However, the results of our procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with criteria established by the *Audit Guide*, issued by the Illinois Office of the Auditor General and which are described in the accompanying Schedule of Findings as Finding Nos. 06-2 and 06-3.

As required by the *Audit Guide*, immaterial findings relating to instances of noncompliance excluded from this report have been reported in a separate letter to your office.

### **Internal Control**

The management of the State of Illinois Department of Corrections - Lincoln Correctional Center is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws and regulations. In planning and performing our limited scope compliance examination, we considered the State of Illinois Department of Corrections - Lincoln Correctional Center's internal control over compliance with the aforementioned requirements in order to determine our examination procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the *Audit Guide*, issued by the Illinois Office of the Auditor General. We have also performed certain procedures with respect



to the accounting records of the Center to assist in the performance of the Auditor General's financial statement audit of the entire Department of Corrections for the year ended June 30, 2006. The results of these additional procedures have been communicated to the Department of Corrections - General Office auditors.

Our consideration of internal control over compliance with the aforementioned requirements would not necessarily disclose all matters in internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws and regulations that would be material in relation to one or more of the aforementioned requirements being examined may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over compliance that we consider to be material weaknesses. However, the results of our procedures disclosed other matters involving internal control which are required to be reported in accordance with criteria established by the *Audit Guide*, issued by the Illinois Office of the Auditor General and which are described in the accompanying Schedule of Findings as Finding Nos. 06-1 and 06-3.

As required by the *Audit Guide*, immaterial findings relating to internal control deficiencies excluded from this report have been reported in a separate letter to your office.

#### **Supplementary Information for State Compliance Purposes**

Our examination was conducted for the purpose of forming an opinion on compliance with the requirements listed in the first paragraph of this report. The accompanying supplementary information as listed in the table of contents as Supplementary Information for State Compliance Purposes is presented for purposes of additional analysis. We have applied certain limited procedures as prescribed by the *Audit Guide*, as adopted by the Auditor General to the 2006 and 2005 Supplementary Information for State Compliance Purposes, except for information on the Schedule of Locally Held Funds - Cash Basis, Schedule of Changes in State Property, Comparative Schedule of Cash Receipts and Deposits, Schedule of Changes in Inventories, Employee Overtime, Shared Resources, Annual Cost Statistics and Service Efforts and Accomplishments on which we did not perform any procedures. However, we do not express an opinion on the supplementary information.

We have not applied procedures to the 2004 Supplementary Information for State Compliance Purposes, and accordingly, we do not express an opinion thereon.

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

*E. C. Ortiz & Co., LLP*

E. C. Ortiz & Co., LLP  
Chicago, Illinois

September 29, 2006

STATE OF ILLINOIS  
DEPARTMENT OF CORRECTIONS  
LINCOLN CORRECTIONAL CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
SCHEDULE OF FINDINGS  
For the Two Years Ended June 30, 2006

Current Findings

06-1 Finding (Lack of Proper Segregation of Duties Over Locally Held Funds)

The Center did not have adequate control over transactions of its locally held funds.

Our review of the existing policies and procedures on locally held funds disclosed that the employee responsible for recording transactions for these funds is also responsible for performing reconciliations as well as performing the disbursement functions of invoice processing, check preparation and custodian of blank checks. The same employee also receives or opens mail receipts and records cash receipts.

Sound internal control requires adequate segregation of duties to ensure that effective checks and balances are in place to minimize the risk of loss. In addition, the Department of Correction Administrative Directive 02.40.101 states that the Business Administrator shall reconcile locally held funds or may delegate this responsibility to an individual who has no related record keeping functions. Also, the Business Administrator shall designate an individual to write checks and ensure that the individual does not receive or deposit cash, mail prepared checks or sign checks. Any exception to the separation of duties as outlined in this Directive shall be stated in writing by the Chief Administrative Officer and approved by the Deputy Director of the Division of Finance.

The Center's management stated that business administrator position was vacant since October 1, 2005. Center personnel stated that the Center has limited staff to provide for adequate segregation of duties.

Inadequate segregation of duties increases the risk that errors or irregularities may occur and not be detected promptly. Existence of incompatible duties and failure to obtain approval for exceptions are also violation of the Administrative Directive. (Finding Code No. 06-1)

Recommendation

We recommend the Center review Business Office staff workload and assign the more critical functions to different individuals to achieve an adequate segregation of duties.

Center Response

Recommendation accepted. The Facility is working to implement the recommended changes in the separation of duties for locally held funds.

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Current Findings

06-2 Finding (Noncompliance With Statutory Mandate)

The Center has not displayed notices of State employee protection under the Whistle Blower Protection Article of the State Officials and Employees Ethics Act.

The State Officials and Employees Ethics Act (5 ILCS 430/15) states that an officer, a member, a State employee, or a State agency shall not take any retaliatory action against a State employee because the State employee does any of the following: (1) discloses or threatens to disclose to a supervisor or to a public body an activity, policy or practice of any officer, member, State agency, or other State employee that the State employee reasonable believes is in violation of a law, rule, or regulation; (2) provides information to or testifies before any public body conducting an investigation, hearing, or inquiry into any violation of a law, rule or regulation by any officer, member, State agency, or other State employee; and (3) assists or participates in a proceeding to enforce the provisions of this Act. Under this Act, all officers, members and State agencies shall conspicuously display notices of State employee protection under the Act.

Center personnel stated that Center employees are informed of their protection under the Whistle Blower Protection Article through the employee handbook.

Noncompliance with statutory mandate violates the specific statute that requires the Center to evidently display notices of State employee protection under the Act. (Finding Code No. 06-2)

Recommendation

We recommend the Center ensure that notices of State employee protection under the State Officials and Employees Ethics Act be conspicuously displayed in the Facility.

Center Response

Recommendation implemented. The Facility has requested, received and posted the notifications as required.

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SCHEDULE OF FINDINGS  
For the Two Years Ended June 30, 2006

Current Findings

06-3 Finding (Inadequate Contract Monitoring of Medical Service Providers)

The Center has inadequate monitoring procedures for its medical services contracts. The Center had two major medical service providers in FY 2006 and one in FY 2005. Amount paid to major medical service providers in FY 2006 and FY 2005 totaled \$3,447,933 and \$2,761,346, respectively.

Actual hours of service for one of its contractors are not reconciled with the monthly billing. Six of 23 (26%) vouchers tested for this contractor showed discrepancies in the total hours billed vs. total hours worked. Total hours billed for the six vouchers was 1,935 hours while total hours worked was 1,814 hours. Differences in number of hours were not resolved with the contractor prior to processing the vouchers for payment. The Center paid for the amount billed which is based on the billed hours.

In addition, three of four (75%) quarterly monitoring reports for FY 2005 were not prepared for one of the Center's major contract, while three of four (75%) quarterly contract monitoring reports for FY 2006 were not prepared for two of its major medical contractors. The Center's Monitoring Coordinator did prepare monthly flash reports that contain some of the information required for the quarterly report; however, these reports do not comply with the full reporting requirements for contractual services.

Department of Correction Administrative Directive 02.20.183 states that the Contractual Service Employees Sign-In Sheet (DOC 0134) be prepared for each contractor per day, week, or month depending upon the frequency of the service provided and this form shall be forwarded to the Business Office, who shall summarize and reconcile the hours of service with the vendor's monthly billing. If no discrepancies are found, the voucher shall be processed for payment or monthly pre-payments shall be reconciled quarterly. If discrepancies are found, the Business Office shall contact the Department head and the vendor to resolve any differences prior to processing the vouchers for payment.

Department of Correction Administrative Directive 02.20.182 - Reporting Procedures requires the facility Monitoring Coordinator to prepare and submit a written report quarterly to the Chief Administrator and the Business Administrator. Quarterly reports, at minimum, shall contain the following information:

- a) Contractor's name;
- b) Contract number and dollar amount;
- c) Brief description of services;

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SCHEDULE OF FINDINGS  
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Current Findings

06-3 Finding (Inadequate Contract Monitoring of Medical Service Providers) (Continued)

- d) Summary of all problems identified through the monitoring of the contract as reflected on contract monitoring compliance reports;
- e) The description of the corrective action taken to resolve the problems;
- f) Other recommendations by the Monitoring Coordinator, if applicable; and
- g) The name, title, and signature of the Monitoring Coordinator.

Monthly flash reports prepared by the Center's Monitoring Coordinator did not include the contract number and dollar amount, brief description of services, the description of the corrective action taken to resolve the problems and the signature of the Monitoring Coordinator.

The Center's management stated that business administrator position was vacant since October 1, 2005 and that they believed the monthly flash reports complied with the reporting requirements of the Administrative Directives.

Failure to adequately monitor contracts for services results in noncompliance with the Administrative Directive. Not performing a reconciliation of contractor's service hours may result in over/under payment of vendors. Also, inadequate contract monitoring may result in the Center not being aware of critical violations of contract specifications or unauthorized services rendered by contractors. (Finding Code No. 06-3)

Recommendation

We recommend the Center reconcile contractor's service hours and adequately monitor its contracts for services by preparing and submitting quarterly reports in accordance with the requirements of the Administrative Directive.

Center Response

Recommendation accepted. The Center will make every effort to ensure that contracts are monitored per the administrative directives. The Center was preparing monthly flash reports instead of quarterly full monitoring reports.

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SCHEDULE OF FINDINGS  
For the Two Years Ended June 30, 2006

Prior Finding Not Repeated

06-4 Finding (No Monitoring of Telecommunication Expenditures)

During the previous audit period, the Center had no process in place to review telecommunication expenditures for reasonableness and necessity. Telecommunication expenditures totaled \$171,848 for fiscal years 2004 and 2003.

In September 2004, an automated telephone monitoring system was implemented. Monthly reports are sent to area supervisors for review and approval. Employees are required to justify any call the supervisor indicates as potentially for personal use, unauthorized long distance or lengthy. Any calls found not to be justified are reimbursed by the employee responsible. (Finding Code No. 04-1)

STATE OF ILLINOIS  
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LIMITED SCOPE COMPLIANCE EXAMINATION  
SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES  
For the Two Years Ended June 30, 2006

SUMMARY

Supplementary Information for State Compliance Purposes presented in this section of the report includes the following:

Fiscal Schedules and Analysis:

- Schedule of Appropriations, Expenditures and Lapsed Balances
- Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances
- Description of Locally Held Funds
- Schedule of Locally Held Funds - Special Revenue Funds
- Schedule of Locally Held Funds - Cash Basis (Not Examined)
- Schedule of Changes in State Property (Not Examined)
- Comparative Schedule of Cash Receipts and Deposits (Not Examined)
- Analysis of Significant Variations in Expenditures
- Analysis of Significant Lapse Period Spending
- Schedule of Changes in Inventories (Not Examined)

Analysis of Operations:

- Center Functions and Planning Program
- Average Number of Employees
- Employee Overtime (Not Examined)
- Inmate Commissary Operation
- Shared Resources (Not Examined)
- Annual Cost Statistics
  - Costs Per Year Per Inmate (Not Examined)
  - Ratio of Employees to Inmates (Not Examined)
  - Cell Square Feet Per Inmate (Not Examined)
  - Food Services (Not Examined)
  - Medical and Clergy Service Contracts (Not Examined)
- Service Efforts and Accomplishments (Not Examined)

The accountants' report on the Supplementary Information for State Compliance Purposes presented in the Compliance Report Section states the auditors have applied certain limited procedures as prescribed by the *Audit Guide*, as adopted by the Auditor General to the 2006 and 2005 Supplementary Information for State Compliance Purposes, except for information on the Schedule of Locally Held Funds - Cash Basis, Schedule of Changes in State Property, Comparative Schedule of Cash Receipts and Deposits, Schedule of Changes in Inventories, Employee Overtime, Shared Resources, Annual Cost Statistics and Service Efforts and Accomplishments on which they did not perform any procedures. However, the auditors do not express an opinion on the supplementary information. The auditors have not applied procedures to the 2004 Supplementary Information for State Compliance Purposes, and accordingly, do not express an opinion thereon.

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SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES  
For the Year Ended June 30, 2006

	APPROPRIATIONS NET OF TRANSFERS	LAPSE PERIOD		TOTAL EXPENDITURES 14 MONTHS ENDED AUGUST 31, 2006	BALANCES LAPSED AUGUST 31, 2006
		EXPENDITURES THROUGH JUNE 30, 2006	EXPENDITURES JULY 1 TO AUGUST 31, 2006		
	\$ 12,097,300	\$ 11,472,239	\$ 625,019	\$ 12,097,258	\$ 42
Personal services	151,800	151,105	625	151,730	70
Employee retirement contributions paid by employer	219,300	200,650	18,621	219,271	29
Student, member and inmate compensation	943,500	893,948	48,703	942,651	849
State contributions to State Employees' Retirement System	898,400	851,678	46,690	898,368	32
State contributions to Social Security	4,734,500	4,380,041	354,445	4,734,486	14
Contractual services	8,600	4,097	4,442	8,539	61
Travel					
Travel and allowances for committed, paroled and discharged prisoners	11,600	10,686	902	11,588	12
Commodities	807,500	788,675	17,709	806,384	1,116
Printing	13,600	12,734	854	13,588	12
Equipment	19,700	19,144	536	19,680	20
Telecommunications services	61,500	61,388	13	61,401	99
Operation of automotive equipment	67,900	63,883	3,992	67,875	25
<b>Total - Fiscal Year 2006</b>	<b>\$ 20,035,200</b>	<b>\$ 18,910,268</b>	<b>\$ 1,122,551</b>	<b>\$ 20,032,819</b>	<b>\$ 2,381</b>

PUBLIC ACT 94-0015

GENERAL REVENUE FUND - 001

Note: The information reflected in this schedule was taken from the Center's records and reconciled to records of the State Comptroller.



STATE OF ILLINOIS  
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SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES  
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PUBLIC ACT 93-0842 & 93-0681

GENERAL REVENUE FUND - 001

	APPROPRIATIONS NET OF TRANSFERS	EXPENDITURES		LAPSE PERIOD		TOTAL EXPENDITURES 14 MONTHS ENDED AUGUST 31, 2005	BALANCES LAPSED AUGUST 31, 2005
		THROUGH JUNE 30, 2005	TO AUGUST 31, 2005	JULY 1 TO AUGUST 31, 2005	EXPENDITURES JULY 1 TO AUGUST 31, 2005		
Personal services	\$ 12,287,100	\$ 11,698,753	\$ 573,625	\$ -	\$ 12,272,378	\$ 14,722	
Employee retirement contributions paid by employer	24,730	24,730	-	-	24,730	-	
Student, member and inmate compensation	216,800	192,295	17,777	-	210,072	6,728	
State contributions to State Employees' Retirement System	1,907,900	1,812,830	90,097	-	1,902,927	4,973	
State contributions to Social Security	882,800	836,134	41,668	-	877,802	4,998	
Contractual services	4,034,300	3,264,583	625,380	-	3,889,963	144,337	
Travel	6,600	4,298	883	-	5,181	1,419	
Travel and allowances for committed, paroled and discharged prisoners	13,500	4,311	-	-	4,311	9,189	
Commodities	986,800	912,469	38,518	-	950,987	35,813	
Printing	14,500	11,703	214	-	11,917	2,583	
Equipment	5,200	-	3,462	-	3,462	1,738	
Telecommunications services	80,200	69,027	7,022	-	76,049	4,151	
Operation of automotive equipment	78,300	63,389	14,911	-	78,300	-	
<b>Total - Fiscal Year 2005</b>	<b>\$ 20,538,730</b>	<b>\$ 18,894,522</b>	<b>\$ 1,413,557</b>	<b>\$ -</b>	<b>\$ 20,308,079</b>	<b>\$ 230,651</b>	

Note: The information reflected in this schedule was taken from the Center's records and reconciled to records of the State Comptroller.

STATE OF ILLINOIS  
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LIMITED SCOPE COMPLIANCE EXAMINATION  
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES  
For the Years Ended June 30,

	FISCAL YEAR		
	2006	2005	2004
	P.A. 94-0015	P.A. 93-0842 & 93-0681	P.A. 93-0091
GENERAL REVENUE FUND - 001			
Appropriations (net of transfers)	\$ 20,035,200	\$ 20,538,730	\$ 21,380,300
EXPENDITURES			
Personal services	12,097,258	12,272,378	11,476,121
Employee retirement contributions paid by employer	151,730	24,730	576,853
Student, member and inmate compensation	219,271	210,072	221,764
State contributions to State Employees' Retirement System	942,651	1,902,927	1,021,474
State contributions to Social Security	898,368	877,802	851,089
Contractual services	4,734,486	3,889,963	4,160,768
Travel	8,539	5,181	5,391
Travel and allowances for committed, paroled and discharged prisoners	11,588	4,311	15,015
Commodities	806,384	950,987	1,196,500
Printing	13,588	11,917	14,901
Equipment	19,680	3,462	76,979
Telecommunications services	61,401	76,049	89,836
Operation of automotive equipment	67,875	78,300	90,598
Total Expenditures	<u>20,032,819</u>	<u>20,308,079</u>	<u>19,797,289</u>
LAPSED BALANCES	<u>\$ 2,381</u>	<u>\$ 230,651</u>	<u>\$ 1,583,011</u>

STATE OF ILLINOIS  
DEPARTMENT OF CORRECTIONS  
LINCOLN CORRECTIONAL CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
DESCRIPTION OF LOCALLY HELD FUNDS  
For the Two Years Ended June 30, 2006

The locally held funds of the Center are grouped into two fund categories, Governmental and Fiduciary funds. These are non-appropriated funds with the exception of the Travel and Allowance Revolving Fund, which is an appropriated fund. The funds are not held in the State Treasury and are described as follows:

1. Governmental Funds

*General Revenue Fund*

The Travel and Allowance Revolving Fund is a cash imprest fund located at the Center and is used to provide travel and allowances for discharged inmates. The Travel and Allowance Revolving Fund is replenished from the Center's General Revenue Fund appropriation on a monthly basis upon submission of a duly authorized voucher.

*Special Revenue Funds*

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The Center maintains four special revenue funds.

The Employees' Commissary Fund and Inmates' Commissary Fund are used to maintain stores for selling food, candy, tobacco, health and beauty aids and other personal items. The inmates' commissary sells solely to inmates and the employees' commissary sells to employees. Profits derived from Commissary Funds' sales are allocated 60% to pay the wages and benefits of employees who work at the commissaries and 40% to either the Inmates' Benefit Fund for sales from the Inmates' Commissary or the Employees' Benefit Fund for sales from the Employees' Commissary.

Inmates' Benefit Fund and Employees' Benefit Fund are used to provide entertainment and recreational activities for inmates and employees. The Employees' Benefit Fund is also used to provide travel expense reimbursement for correctional officers while travel vouchers are being processed. During the fiscal year 2006 the accounting and expenditure processing of the Inmates' Benefit Fund were transferred to the Department of Corrections General Office.

2. Fiduciary Fund

*Agency Fund*

An agency fund is used to account for assets held as agent for others. The Center maintains one such fund, the Inmates' Trust Fund, which is a depository for the inmates' money. The Inmates' Trust Fund is used to account for the receipts and disbursements of the inmate's individual accounts.

STATE OF ILLINOIS  
DEPARTMENT OF CORRECTIONS  
LINCOLN CORRECTIONAL CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
SCHEDULE OF LOCALLY HELD FUNDS - SPECIAL REVENUE FUNDS  
For the Year Ended June 30, 2006

	Employees' Commissary Fund	Inmates' Commissary Fund	Employees' Benefit Fund	Inmates' Benefit Fund *
<u>REVENUES</u>				
Income from Sales	\$ 55,266	\$ 1,118,790	\$ 39,439	\$ 15,799
Investment Income	34	327	35	373
Total Revenues	<u>55,300</u>	<u>1,119,117</u>	<u>39,474</u>	<u>16,172</u>
<u>EXPENDITURES</u>				
Purchases	52,959	907,424	34,058	-
General and Administrative	-	7,025	-	5,793
Contractual	-	-	5,785	40,398
Equipment	-	-	1,024	23,656
Other	337	701	385	-
Total Expenditures	<u>53,296</u>	<u>915,150</u>	<u>41,252</u>	<u>69,847</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,004</u>	<u>203,967</u>	<u>(1,778)</u>	<u>(53,675)</u>
<u>OTHER FINANCING SOURCES</u>				
Transfers In	-	-	1,235	81,780
Transfers (Out)	(2,004)	(203,967)	-	-
Total Other Financing Sources	<u>(2,004)</u>	<u>(203,967)</u>	<u>1,235</u>	<u>81,780</u>
Net Change in Fund Balance	-	-	(543)	28,105
Fund Balance July 1, 2005	-	-	25,593	203,601
Fund Balance June 30, 2006	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,050</u>	<u>\$ 231,706</u>

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

\* FY 2006 Inmates' Benefit Fund was not examined.

STATE OF ILLINOIS  
DEPARTMENT OF CORRECTIONS  
LINCOLN CORRECTIONAL CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
SCHEDULE OF LOCALLY HELD FUNDS - SPECIAL REVENUE FUNDS  
For the Year Ended June 30, 2005

	Employees' Commissary Fund	Inmates' Commissary Fund	Employees' Benefit Fund	Inmates' Benefit Fund
<u>REVENUES</u>				
Income from Sales	\$ 55,589	\$ 1,049,501	\$ 44,353	\$ 52,603
Investment Income	15	157	21	70
Miscellaneous				
Other	-	-	2,330	170
Total Revenues	<u>55,604</u>	<u>1,049,658</u>	<u>46,704</u>	<u>52,843</u>
<u>EXPENDITURES</u>				
Purchases	51,173	834,922	32,454	73,800
General and Administrative	-	6,337	-	-
Contractual	73	-	12,347	30,226
Equipment	425	-	710	14,416
Other	2,123	1,789	2,455	213
Total Expenditures	<u>53,794</u>	<u>843,048</u>	<u>47,966</u>	<u>118,655</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,810</u>	<u>206,610</u>	<u>(1,262)</u>	<u>(65,812)</u>
<u>OTHER FINANCING SOURCES</u>				
Transfers In	-	-	724	82,869
Transfers (Out)	(1,810)	(206,610)	-	-
Total Other Financing Sources	<u>(1,810)</u>	<u>(206,610)</u>	<u>724</u>	<u>82,869</u>
Net Change in Fund Balance	-	-	(538)	17,057
Fund Balance July 1, 2004	-	-	26,131	186,544
Fund Balance June 30, 2005	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,593</u>	<u>\$ 203,601</u>

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

STATE OF ILLINOIS  
DEPARTMENT OF CORRECTIONS  
LINCOLN CORRECTIONAL CENTER  
SCHEDULE OF LOCALLY HELD FUNDS - CASH BASIS  
(NOT EXAMINED)  
For the Years Ended June 30,

	2005		2006	
	Travel and Allowance Rev. Fund	Inmates' Trust Fund	Travel and Allowance Rev. Fund	Inmates' Trust Fund
Balance - July 1	\$ 8,063	\$ 36,057	\$ 2,439	\$ 10,688
Receipts				
Investment Income	-	226	-	194
Inmate Account Receipts	-	1,219,237	-	1,306,957
Appropriations from General Revenue Fund	2,872	-	-	-
<b>TOTAL RECEIPTS</b>	<u>2,872</u>	<u>1,219,463</u>	<u>-</u>	<u>1,307,151</u>
Disbursements				
Inmate Account Disbursements	-	1,158,201	-	1,214,802
Disbursements for released inmates	8,496	86,405	2,439	83,944
<b>TOTAL DISBURSEMENTS</b>	<u>8,496</u>	<u>1,244,606</u>	<u>2,439</u>	<u>1,298,746</u>
Fund Transfers				
Fund Transfers In	-	-	-	-
Fund Transfers (Out)	-	(226)	-	(194)
<b>TOTAL TRANSFERS</b>	<u>-</u>	<u>(226)</u>	<u>-</u>	<u>(194)</u>
Balance - June 30	<u>\$ 2,439</u>	<u>\$ 10,688</u>	<u>\$ -</u>	<u>\$ 18,899</u>

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

STATE OF ILLINOIS  
DEPARTMENT OF CORRECTIONS  
LINCOLN CORRECTIONAL CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
SCHEDULE OF CHANGES IN STATE PROPERTY  
(NOT EXAMINED)

For the Years Ended June 30,

2006

2005

	Land	Buildings	Equipment	Total	Land	Buildings	Equipment	Total
Balance, beginning	\$ -	\$ 15,935,060	\$ 2,093,619	\$ 18,028,679	\$ -	\$ 15,870,521	\$ 2,182,433	\$ 18,052,954
Additions:								
Purchases	-	-	31,797	31,797	-	-	8,024	8,024
Transfers-in:								
Intra-agency	-	-	11,672	11,672	-	-	21,847	21,847
Inter-agency	-	-	-	-	-	-	500	500
Capital Development Board	-	9,392	-	9,392	-	64,539	-	64,539
Inmates' Benefit Fund	-	-	25,501	25,501	-	-	14,491	14,491
Total Additions	-	9,392	68,970	78,362	-	64,539	44,862	109,401
Deductions:								
Transfers-out:								
Inter-agency	-	-	-	-	-	-	-	-
Intra-agency	-	-	-	-	-	-	27,820	27,820
Scrap property	-	-	52,495	52,495	-	-	68,617	68,617
Surplus property	-	-	20,980	20,980	-	-	37,239	37,239
Total Deductions	-	-	73,475	73,475	-	-	133,676	133,676
Balance, ending	\$ -	\$ 15,944,452	\$ 2,089,114	\$ 18,033,566	\$ -	\$ 15,935,060	\$ 2,093,619	\$ 18,028,679

Note: Center management indicated the balances at June 30, 2006 and 2005 have been reconciled to the property reports submitted to the Office of the Comptroller. Land and Land Improvements are not presented because they are held and presented by the neighboring Logan Correctional Center.

STATE OF ILLINOIS  
DEPARTMENT OF CORRECTIONS  
LINCOLN CORRECTIONAL CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
COMPARATIVE SCHEDULE OF CASH RECEIPTS AND DEPOSITS  
(NOT EXAMINED)  
For the Years Ended June 30,

	FISCAL YEAR		
	2006	2005	2004
<b><u>RECEIPTS</u></b>			
Jury Duty and Telephone Reimbursement	\$ 11	\$ 91	\$ -
Inmate Restitution, Postage, Funeral Furlough, Medical Services	18,350	12,861	18,500
Miscellaneous	20	2,188	566
<b>TOTAL RECEIPTS</b>	<b>\$ 18,381</b>	<b>\$ 15,140</b>	<b>\$ 19,066</b>
<b><u>REMITTANCES</u></b>			
General Revenue Fund - 001	\$ 31	\$ 2,279	\$ 566
Department of Corrections Reimbursement Fund - 523	18,350	12,861	18,500
<b>TOTAL RECEIPTS REMITTED DIRECTLY TO STATE TREASURER</b>	<b>\$ 18,381</b>	<b>\$ 15,140</b>	<b>\$ 19,066</b>
<b><u>DEPOSITS</u></b>			
Receipts recorded by Center	\$ 31	\$ 2,279	\$ 566
Add: Deposits in transit - Beginning of year	1,588	1,183	900
Deduct: Deposits in transit - End of year	(166)	(1,588)	(1,183)
<b>DEPOSITS RECORDED BY THE STATE COMPTROLLER</b>	<b>\$ 1,453</b>	<b>\$ 1,874</b>	<b>\$ 283</b>

Note: The Deposits reconciliation section of this schedule is a reconciliation of the Center's General Revenue Fund receipts to the Comptroller's General Revenue Fund deposits only. The Comptroller's records do not provide a detail breakdown of deposits into the Department of Corrections Reimbursement Fund #523 by Center.



STATE OF ILLINOIS  
DEPARTMENT OF CORRECTIONS  
LINCOLN CORRECTIONAL CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES  
For the Two Years Ended June 30, 2006

Fiscal Year 2006

A comparative schedule of significant variations in expenditures (20% or more) for the fiscal years ended June 30, 2006 and June 30, 2005 are shown below:

EXPENDITURE ITEM	FISCAL YEAR ENDED JUNE 30,		INCREASE (DECREASE)	
	2006	2005	AMOUNT	%
Employee retirement contributions paid by employer	\$ 151,730	\$ 24,730	\$ 127,000	514%
State contributions to State Employees' Retirement System	942,651	1,902,927	(960,276)	(50%)
Contractual services	4,734,486	3,889,963	844,523	22%
Travel	8,539	5,181	3,358	65%
Travel and allowances for committed, paroled and discharged prisoners	11,588	4,311	7,277	169%
Equipment	19,680	3,462	16,218	468%

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

Employee retirement contributions paid by employer

With the exception of the July 1-15 payroll in FY 2005, Employee Retirement Contributions Paid by Employer was processed from Personal Services appropriation (Object Code 1120) for FY 2005. FY 2006 retirement contributions were vouchered through this line item resulting in the increase in expenditures.

State contributions to State Employees' Retirement System

The rate of state contributions to State Employees' Retirement System in FY 2006 (7.792%) decreased compared to FY 2005 (16.107%).

STATE OF ILLINOIS  
DEPARTMENT OF CORRECTIONS  
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LIMITED SCOPE COMPLIANCE EXAMINATION  
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES  
For the Two Years Ended June 30, 2006

Fiscal Year 2006 (Continued)

Contractual services

Increase is attributed to an increase in the cost of health care services.

Travel

The increase is due to a Memorandum of Understanding signed 12/07/05 which allowed staff away from their parent institutions for inmate escort of writ duties the option of accepting or refusing a sack lunch. If the sack lunch is not accepted, the staff member may submit for lunch reimbursement.

Travel and allowances for committed, paroled and discharged prisoners

Effective 10/01/04, the Department began the process of liquidating the Travel and Allowance Locally Held Funds. The spend down of the cash box and checking account resulted in significant savings in FY 2005.

Equipment

Central Office approved a higher amount to be spent on equipment during FY 2006 than in FY 2005. As a result, the Center purchased necessary equipment for operations in FY 2006 to replace older items.

STATE OF ILLINOIS  
DEPARTMENT OF CORRECTIONS  
LINCOLN CORRECTIONAL CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES  
For the Two Years Ended June 30, 2006

Fiscal Year 2005

A comparative schedule of significant variations in expenditures (20% or more) for the fiscal years ended June 30, 2005 and June 30, 2004 are shown below:

EXPENDITURE ITEM	FISCAL YEAR ENDED JUNE 30,		INCREASE (DECREASE)	
	2005	2004	AMOUNT	%
Employee retirement contributions paid by employer	\$ 24,730	\$ 576,853	(\$ 552,123)	(96%)
State contributions to State Employees' Retirement System	1,902,927	1,021,474	881,453	86%
Travel and allowance for committed, paroled and discharged prisoners	4,311	15,015	(10,704)	(71%)
Commodities	950,987	1,196,500	(245,513)	(21%)
Printing	11,917	14,901	(2,984)	(20%)
Equipment	3,462	76,979	(73,517)	(96%)

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

Employee retirement contributions paid by employer

With the exception of the July 1-15 payroll in FY 2005, Employee Retirement Contributions Paid by Employer was processed from Personal Services appropriation (Object Code 1120) for FY 2005 resulting in a decrease in expenditures.

State contributions to State Employees' Retirement System

The State of Illinois required employees to contribute an additional 4% to the State Employee Retirement Fund in FY 2005.

STATE OF ILLINOIS  
DEPARTMENT OF CORRECTIONS  
LINCOLN CORRECTIONAL CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES  
For the Two Years Ended June 30, 2006

Fiscal Year 2005 (Continued)

Travel and allowances for committed, paroled and discharged prisoners

Effective 10/01/04, the Department began the process of liquidating the Travel and Allowance Locally Held Funds. The spend down of the cash box and checking account resulted in significant savings in FY 2005.

Commodities

Due to budgetary restraints, no significant commodities expenditures were incurred in FY 2005. Purchases were limited to operational necessities and were made on as-needed basis to reduce costs.

Printing

Due to budgetary restraints, no significant printing expenditures were incurred in FY 2005. Purchases were limited to operational necessities and were made on as-needed basis to reduce costs.

Equipment

Due to budgetary restraints, minimal equipment purchases were made in FY 2005.

STATE OF ILLINOIS  
DEPARTMENT OF CORRECTIONS  
LINCOLN CORRECTIONAL CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING  
For the Two Years Ended June 30, 2006

Our testing of lapse period expenditures for fiscal year ended June 30, 2006 disclosed one appropriation line item with significant (20% or more) lapse period expenditures, as scheduled below.

EXPENDITURE ITEM	Fiscal Year Ended June 30, 2006		
	TOTAL EXPENDITURES	LAPSE PERIOD EXPENDITURES	%
Travel	\$ 8,539	\$ 4,442	52%

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

Travel

All travel for half of FY 2006 was approved during lapse period due to lack of funds and union/management agreement to pay \$5.50 for all refused bag lunches while officers were traveling.

STATE OF ILLINOIS  
DEPARTMENT OF CORRECTIONS  
LINCOLN CORRECTIONAL CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING  
FOR THE TWO YEARS ENDED JUNE 30, 2006

Our testing of lapse period expenditures for fiscal year ended June 30, 2005 disclosed one appropriation line item with significant (20% or more) lapse period expenditures, as scheduled below:

EXPENDITURE ITEM	Fiscal Year Ended June 30, 2005		
	TOTAL EXPENDITURES	LAPSE PERIOD EXPENDITURES	%
Equipment	\$ 3,462	\$ 3,462	100%

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

Equipment

Approval for equipment to be purchased was received on 6/21/05. Order process began on that date.

STATE OF ILLINOIS  
DEPARTMENT OF CORRECTIONS  
LINCOLN CORRECTIONAL CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
SCHEDULE OF CHANGES IN INVENTORIES  
(NOT EXAMINED)  
Two Years Ended June 30, 2006

	Balance July 1, 2005	Additions	Deletions	Balance June 30, 2006
<b>GENERAL REVENUE FUND</b>				
General Stores	\$ 13,173	\$ 150,025	\$ 147,733	\$ 15,465
Mechanical Stores	10,114	19,424	21,607	7,931
Inmate Clothing	5,310	81,190	80,247	6,253
Officers' Clothing	-	14,110	14,110	-
Office Supplies	5,809	25,518	22,736	8,591
Kitchen	125,169	545,532	570,894	99,807
Surplus Inventory	8,847	-	8,125	722
	<u>\$ 168,422</u>	<u>\$ 835,799</u>	<u>\$ 865,452</u>	<u>\$ 138,769</u>

<b>LOCAL FUNDS</b>				
Employees' Commissary Fund	\$ 3,221	\$ 53,760	\$ 52,231	\$ 4,750
Inmates' Commissary Fund	67,002	905,198	875,149	97,051
	<u>\$ 70,223</u>	<u>\$ 958,958</u>	<u>\$ 927,380</u>	<u>\$ 101,801</u>

	Balance July 1, 2004	Additions	Deletions	Balance June 30, 2005
<b>GENERAL REVENUE FUND</b>				
General Stores	\$ 25,474	\$ 135,356	\$ 147,657	\$ 13,173
Mechanical Stores	18,768	29,472	38,126	10,114
Inmate Clothing	10,234	62,002	66,926	5,310
Officers' Clothing	6	12,467	12,473	-
Office Supplies	6,189	-	380	5,809
Kitchen	165,516	712,525	752,872	125,169
Surplus Inventory	9,381	-	534	8,847
	<u>\$ 235,568</u>	<u>\$ 951,822</u>	<u>\$ 1,018,968</u>	<u>\$ 168,422</u>

<b>LOCAL FUNDS</b>				
Employees' Commissary Fund	\$ 3,521	\$ 51,914	\$ 52,214	\$ 3,221
Inmates' Commissary Fund	82,213	831,018	846,229	67,002
	<u>\$ 85,734</u>	<u>\$ 882,932</u>	<u>\$ 898,443</u>	<u>\$ 70,223</u>

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

STATE OF ILLINOIS  
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ANALYSIS OF OPERATIONS  
For the Two Years Ended June 30, 2006

CENTER FUNCTIONS AND PLANNING PROGRAM

Lincoln Correctional Center, located in Lincoln, Illinois, was opened in 1984 as a minimum-security facility of the Illinois Department of Corrections (Department). The Facility initially served male inmates. In addition, the Center also held fiscal and administrative responsibility for the Springfield Work Camp.

Effective October 7, 2000, the Department converted the Center to a Level 4 (medium security) institution for female inmates. At that time, administrative responsibility of the Springfield Work Camp was transferred to Logan Correctional Center. Lincoln Correctional Center continued to hold fiscal responsibility for the Springfield Work Camp until that duty was transferred to Logan Correctional Center during FY 2002.

The Unified Code of Corrections (730 ILCS 5/3-2-2) mandates the Department to "accept persons committed to it by the courts of this State for care, custody, treatment and rehabilitation." Within this framework, the Department offers the inmates a variety of programs designed to return them to the community with skills to make them useful and productive citizens. These programs include adult basic education and GED classes provided by Correctional School District No. 428 as well as vocational training and college level academic courses offered through a contract with Richland Community College. In addition, the Department strives to create a healthful environment by providing a variety of services such as medical, dental, religious, counseling and library services as well as recreational programs.

The Center was accredited in January 1998 by the American Correctional Association. This Association is not governed by any federal or state statutory authority. To receive the accreditation the Center must comply with a significant number of approximately 500 various standards.

Effective July 1, 2004, Carolyn Robertson became the Center's warden. The Department maintains its general office in Springfield.



STATE OF ILLINOIS  
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LIMITED SCOPE COMPLIANCE EXAMINATION  
ANALYSIS OF OPERATIONS  
For the Two Years Ended June 30, 2006

CENTER FUNCTIONS AND PLANNING PROGRAM (Continued)

AGENCY PLANNING PROGRAM

The Department's Bureau of Administration and Planning is primarily responsible for coordination of the Department's planning program. The Center has prepared a mission statement for the facility. The Center has also prepared an institutional directive to document its policies and procedures for establishing, implementing, monitoring and evaluating its goals and objectives. Specific goals and objectives are developed and incorporated into annual job performance evaluations of top management staff. Goals and objectives for the Center are also developed through the preparation of annual budget requests.

EVALUATION

Since long-range planning activities are primarily carried out at the Department level, the Center's planning program focuses on the development of goals and objectives on an annual basis. Taking into consideration this management structure, the Center's goals and objective, as incorporated into annual job performance evaluations, appear to represent adequate goals and objectives for carrying out the Center's functions.

Evaluation of progress is achieved through quarterly reviews conducted with Center personnel and Department officials. The Center has specific written definitions of its criteria for evaluating overall institutional performance, which includes collection of various statistical data. Monitoring and review procedures include ongoing periodic evaluations and program reviews relative to compliance with rules and directives applicable to the Center. In addition, periodic safety and health inspections are conducted by independent qualified sources.

STATE OF ILLINOIS  
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For the Two Years Ended June 30, 2006

AVERAGE NUMBER OF EMPLOYEES

The following table, prepared from Center records, presents the average number of employees, by function, for the past three years.

	Fiscal Year		
	2006	2005	2004
Administrative	8	7	7
Business office and stores	8	9	11
Clinical services	17	19	7
Recreation	3	3	4
Maintenance	7	7	7
Correctional officers	177	188	188
Dietary	9	7	3
Medical/Psychiatric	1	1	1
Religion	-	-	1
Records	-	-	5
Total	<u>230</u>	<u>241</u>	<u>234</u>

EMPLOYEE OVERTIME (Not Examined)

Certain employees are eligible for overtime if the hours worked during a day exceed the employees standard work hours. Correctional Officers receive a ¼-hour of overtime for each day they stand for roll call. The roll call overtime is paid at straight time for all but Correctional Lieutenants who receive 1½ times normal pay.

Overtime is to be distributed as equally as possible among employees who normally perform the work in the position in which the overtime is needed. An employees' supervisor must approve any overtime. In most cases, except for roll call, employees are compensated at 1½ times their normal hourly rate for overtime hours worked. Employees have the opportunity to be compensated either in pay for the overtime or receive compensatory time off.

The following table, prepared from Department records presents the paid overtime and earned compensatory time incurred during fiscal year 2006 and 2005.

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EMPLOYEE OVERTIME (Not Examined) (Continued)

	<u>2006</u>	<u>2005</u>
Paid overtime hours worked during fiscal year	8,981	9,292
Value of overtime hours worked during fiscal year	\$ 332,640	\$ 331,691
Compensatory hours earned during fiscal year	5,255	5,123
Value of compensatory hours earned during fiscal year	\$ 128,582	\$ 116,374
Total paid overtime hours and earned compensatory hours during fiscal year	14,236	14,415
Total value of paid overtime hours and earned compensatory hours during fiscal year	\$ 461,222	\$ 448,065

INMATE COMMISSARY OPERATION

The Center operates a commissary for the benefit of the inmates. The commissary purchases goods from outside vendors and then retails the items to the inmates. The commissary purchases goods at wholesale prices where possible. Effective January 1, 2004 the Unified Code of Corrections, 730 ILCS 5/3-7-2a, was amended to change the mark-up of cost on the goods purchased for resale in the commissary. Effective January 1, 2004 the selling price for all goods shall be sufficient to cover the cost of the goods and an additional charge of up to 35% for tobacco products and up to 25% for non-tobacco products.

The financial transactions of the Inmate commissary are recorded in the Inmates' Commissary Fund. A summary of the financial activity of the Inmates' Commissary Fund for the years ended June 30, 2006 and 2005 are presented on pages 19 and 20 of this report.

As part of our testing, 5 inmate commissary products were selected and their sale price recomputed to determine compliance with the Unified Code of Corrections regarding the statutorily required mark-up. Based on results of testing, we noted an overhead charge of 7% was added to invoiced product cost prior to the application of the 25% (35% for tobacco products) markup. As a result of the overhead charge, final selling prices averaged 34% (non-tobacco products) and 44% (tobacco products) above invoiced product costs.

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SHARED RESOURCES (Not Examined)

Shared services between Logan Correctional Center and Lincoln Correctional Center are generally equitable but not practically quantifiable.

Lincoln Correctional Center provides warehouse space and electrical power for Logan's cold storage, maintains garbage compactors for shared waste disposal contract, conducts daily bank runs for both Centers, provides sewerage screen maintenance and occasionally provides maintenance staff.

Logan Correctional Center maintains the water delivery system (tower and pumps) for both Centers, provides laundry service, conducts daily mail runs for both Centers, occasionally provides maintenance staff and provides staff, fuel and vehicle(s) for weekly transfer runs to Dwight and Decatur Correctional Centers.

COSTS PER YEAR PER INMATE (Not Examined)

Comparative costs of inmate care, prepared from Center records for the fiscal year ended June 30, are shown below:

	Fiscal Year		
	2006	2005	2004
Rated population	500	500	500
Inmate population (as of May 31)	977	965	944
Average number of inmates	961	956	952
Expenditures from appropriations	\$ 20,032,819	\$ 20,308,079	\$ 19,797,289
Less: equipment and capital improvements	(19,680)	(3,462)	(76,979)
Add (Less): personal service related costs provided to/from other facilities	-	-	12,994
Net expenditures	<u>\$ 20,013,139</u>	<u>\$ 20,304,617</u>	<u>\$ 19,733,304</u>
Net inmate cost per year	<u>\$ 20,825</u>	<u>\$ 21,239</u>	<u>\$ 20,728</u>

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COSTS PER YEAR PER INMATE (Not Examined) (Continued)

Net expenditures for computing net inmate cost per year represent total expenditures from appropriations less equipment expenditures, add or less net personal service related costs provided to/from other facilities and divided by average number of inmates.

The rated population and inmate population noted above was taken from the Illinois Department of Corrections' quarterly reports to the State legislature.

RATIO OF EMPLOYEES TO INMATES (Not Examined)

The following comparisons are prepared from Center records for the fiscal year ended June 30:

	Fiscal Year		
	2006	2005	2004
Average number of employees	230	241	234
Average number of correctional officers	177	188	188
Average number of inmates	961	956	952
Ratio of employees to inmates	1 to 4.18	1 to 3.97	1 to 4.07
Ratio of correctional officers to inmates	1 to 5.43	1 to 5.09	1 to 5.06

CELL SQUARE FEET PER INMATE (Not Examined)

The following comparisons are from a report issued by the Department of Corrections to the State legislature:

	Fiscal Year		
	2006	2005	2004
Approximate Square Foot Per Inmate	27	27	28

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FOOD SERVICES (Not Examined)

The following table, prepared from the Center records, summarizes the number of meals served and the average cost per meal.

	Fiscal Year		
	2006	2005	2004
Breakfast	658,600	658,600	666,733
Staff meals	65,860	65,860	53,000
Total Meals Served	<u>724,460</u>	<u>724,460</u>	<u>719,733</u>
Food Cost	<u>\$ 538,683</u>	<u>\$ 682,738</u>	<u>\$ 878,212</u>
Cost Per Meal	<u>\$ 0.74</u>	<u>\$ 0.94</u>	<u>\$ 1.22</u>

MEDICAL AND CLERGY SERVICE CONTRACTS (Not Examined)

The following table, prepared from Center records, summarizes what was paid to vendors for medical and clergy contractual services for fiscal years 2006, 2005 and 2004.

	Fiscal Year		
	2006	2005	2004
<b>Medical Services:</b>			
Wexford Health Sources, Inc.	\$ 1,630,446	\$ 2,761,346	\$ 3,095,752
Health Professionals, Ltd.	1,817,487	-	-
Total Medical Services	<u>\$ 3,447,933</u>	<u>\$ 2,761,346</u>	<u>\$ 3,095,752</u>
<b>Clergy Services:</b>			
Lubavitch Chabad of Illinois	\$ -	\$ 355	\$ 7,496
Catholic Diocese Peoria Assn.	-	885	-
Masjid Wali Hasan	-	1,639	-
Total Clergy Services	<u>\$ -</u>	<u>\$ 2,879</u>	<u>\$ 7,496</u>

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SERVICE EFFORTS AND ACCOMPLISHMENTS (Not Examined)

During the period of review, Lincoln Correctional Center has undergone a change in the inmate population. The efforts and accomplishments include:

1. Reduce paper needs by placing the Segregation Daily Charts on the computer system in August 2004.
2. In January 2006, all offender living units became smoke-free environments.
3. In February 2005, the Center received a construction trailer to eventually provide more office and programming space.
4. In October 2004, constructed guard shack for security staff and placed such on inner core to provide staff escort officers an area out of the inclement weather.
5. Mom & Me Christmas Day Camp started in December of 2004.
6. "Crowns" play presented at the Center in February of 2006.
7. Mom & Me Mother's Day Camp started in May of 2005.
8. In April 2006, initiated new razor policy for inmate purchase of disposable razors, which reduced the number of razors offenders can be in possession of at any time.
9. Updated Kids Corner in the visiting room with carpet, TV/VCR combination and children's videos, games and puzzles.
10. Plumbing/faucet project completed in various areas in July 2004.
11. New Radio Building constructed in August 2004.
12. Replaced all Tower Chairs in September 2004.
13. LAN Ethernet conversion completed in August 2004.
14. Moved the institutional Beauty Shop and renovated the area with modern equipment and expanded services in September of 2005.

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SERVICE EFFORTS AND ACCOMPLISHMENTS (Not Examined) (Continued)

15. Vocational contract changed from MacMurray to Richland Community College in July of 2005.
16. Expanded the facility gardens from 10 beds to 27 beds to provide produce for offender population and community kitchens.
17. Removed unused salad bar area in dietary to expand the number of seats available in the dining area.
18. Medical contract with Wexford was terminated in July of 2005 and entered into a contract with HPL Health Services. Contract changed again in January of 2006 and returned to Wexford.