



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

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

REGIONAL OFFICE OF EDUCATION #30
JACKSON AND PERRY COUNTIES

FINANCIAL AUDIT
For the Year Ended: June 30, 2015

Release Date: July 14, 2016

FINDINGS THIS AUDIT: 1	AGING SCHEDULE OF REPEATED FINDINGS			
	Repeated Since	Category 1	Category 2	Category 3
Category 1:	<u>New</u> 1	<u>Repeat</u> 0	<u>Total</u> 1	No Repeat Findings
Category 2:	0	0	0	
Category 3:	0	0	0	
TOTAL	1	0	1	
FINDINGS LAST AUDIT: 0				

SYNOPSIS

- **(15-1)** The Regional Office of Education #30 did not have sufficient internal controls over the financial reporting process.

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/or **noncompliance** with State laws and regulations.

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

{Revenues and expenditures are summarized on the reverse page.}

REGIONAL OFFICE OF EDUCATION #30
JACKSON AND PERRY COUNTIES

FINANCIAL AUDIT
For The Year Ended June 30, 2015

	FY 2015	FY 2014
TOTAL REVENUES	\$1,535,256	\$1,322,664
Local Sources	\$351,688	\$357,388
% of Total Revenues	22.91%	27.02%
State Sources	\$890,599	\$726,723
% of Total Revenues	58.01%	54.94%
Federal Sources	\$292,969	\$238,553
% of Total Revenues	19.08%	18.04%
TOTAL EXPENDITURES	\$1,443,091	\$1,388,143
Salaries and Benefits	\$881,519	\$911,507
% of Total Expenditures	61.09%	65.66%
Purchased Services	\$342,553	\$363,105
% of Total Expenditures	23.74%	26.16%
All Other Expenditures	\$219,019	\$113,531
% of Total Expenditures	15.18%	8.18%
TOTAL NET POSITION	(\$307,014) ¹	\$419,533
INVESTMENT IN CAPITAL ASSETS	\$52,302	\$53,753
¹ The FY 2015 beginning net position was restated by (\$818,712) due to a prior period adjustment for new reporting requirements for pensions. Percentages may not add due to rounding.		

REGIONAL SUPERINTENDENT
During Audit Period: Honorable Donna Boros Currently: Honorable Donna Boros

FINDINGS, CONCLUSIONS, AND
RECOMMENDATIONS

**CONTROLS OVER FINANCIAL STATEMENT
PREPARATION**

The Regional Office of Education #30 did not have sufficient internal controls over the financial reporting process.

The Regional Office of Education #30 is required to maintain a system of controls over the preparation of financial statements in accordance with generally accepted accounting principles (GAAP). Regional Office of Education #30's internal controls over GAAP financial reporting should include adequately trained personnel with the knowledge, skills, and experience to prepare GAAP based financial statements and include all disclosures as required by the Governmental Accounting Standards Board (GASB).

The Regional Office of Education #30 did not have sufficient internal controls over the financial reporting process in order to record and present the pension information in accordance with these standards. The Regional Office maintains its accounting records on the cash basis of accounting during the fiscal year and posts year-end accrual and other applicable entries for financial statement purposes. While the Regional Office of Education #30 maintains controls over the processing of most accounting transactions and prepares its financial statements, there were not sufficient controls over the preparation of the GAAP basis financial statements for management or employees in the normal course of performing their assigned functions to prevent or detect financial statement misstatements and disclosure omissions in a timely manner.

Through inquiries and discussions with the ROE's accounting personnel and Regional Superintendent, auditors noted the ROE did not have adequate controls to record and report the ROE's net accrued pension liabilities/assets, deferred outflows of resources, deferred inflows of resources and pension expenses in accordance with GAAP. (Finding 2015-001, pages 10-11)

According to the Regional Office management, the complex requirements of GASB Statements No. 68 and No. 71 were new for fiscal year 2015 and will require additional time and training before the ROE can fully implement the requirements on its own.

The auditors recommended that as part of its internal control over the preparation of financial statements, the Regional Office should implement comprehensive preparation procedures to ensure that the financial statements are complete and accurate. These procedures should be performed by a properly trained individual possessing a thorough understanding of the applicable GAAP, GASB pronouncements, and knowledge of the ROE's activities and

operations.

The Regional Office of Education #30 responded that it does not possess the necessary funds to obtain additional training or to hire an external individual to aid in the preparation of financial statements in accordance with GASB No. 68 and 71 reporting requirements.

AUDITORS' OPINION

Our auditors state the Regional Office of Education #30's financial statements as of June 30, 2015 are fairly presented in all material respects.

SIGNED ORIGINAL ON FILE

FRANK J. MAUTINO
Auditor General

FJM:KJM

AUDITORS ASSIGNED: West & Company, LLC were our special assistant auditors.