



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

William G. Holland, Auditor General

SUMMARY REPORT DIGEST

REGIONAL OFFICE OF EDUCATION #47
LEE AND OGLE COUNTIES

**FINANCIAL AUDIT (In Accordance with the Single
Audit Act and OMB Circular A-133)
For the Year Ended: June 30, 2010
Release Date: July 14, 2011**

Summary of Findings:
Total this audit: 1
Total last audit: 2
Repeated from last audit: 1

SYNOPSIS

- The Regional Office of Education #47 did not have sufficient internal controls over the financial reporting process.

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

REGIONAL OFFICE OF EDUCATION #47
LEE AND OGLE COUNTIES

FINANCIAL AUDIT
(In Accordance with the Single Audit Act and OMB Circular A-133)
For The Year Ended June 30, 2010

	FY 2010	FY 2009
TOTAL REVENUES	\$3,239,730	\$2,583,441
Local Sources	\$545,472	\$492,971
% of Total Revenues	16.84%	19.08%
State Sources	\$1,487,807	\$1,367,800
% of Total Revenues	45.92%	52.94%
Federal Sources	\$1,206,451	\$722,670
% of Total Revenues	37.24%	27.97%
TOTAL EXPENDITURES		
Salaries and Benefits	\$1,444,927	\$1,247,713
% of Total Expenditures	47.22%	48.00%
Purchased Services	\$727,585	\$686,935
% of Total Expenditures	23.78%	26.43%
All Other Expenditures	\$887,637	\$664,825
% of Total Expenditures	29.01%	25.58%
TOTAL NET ASSETS		
	\$660,719	\$481,138
INVESTMENT IN CAPITAL ASSETS		
	\$128,360	\$41,659
Percentages may not add due to rounding.		

REGIONAL SUPERINTENDENT
During Audit Period: Honorable Amy Jo Clemens
Currently: Honorable Amy Jo Clemens

FINDINGS, CONCLUSIONS, AND
RECOMMENDATIONS

**CONTROLS OVER FINANCIAL STATEMENT
PREPARATION**

The Regional Office of Education #47 did not have sufficient internal controls over the financial reporting process.

The Regional Office of Education #47 is required to maintain a system of controls over the preparation of financial statements in accordance with generally accepted accounting principles (GAAP). Regional Office internal controls over GAAP financial reporting should include adequately trained personnel with the knowledge and expertise to prepare and/or thoroughly review GAAP based financial statements to ensure that they are free of material misstatements and include all disclosures as required by the Governmental Accounting Standards Board (GASB).

The Regional Office of Education #47 did not have sufficient internal controls over the financial reporting process. The Regional Office maintains their accounting records on the cash basis of accounting. While the Regional Office maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation of the GAAP based 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.

Auditors, in their review of the Regional Office's accounting records, noted that adjustments were required to present financial statements in accordance with generally accepted accounting principles.

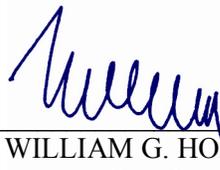
Management prepared a listing of adjustments needed to present the financial statements in accordance with generally accepted accounting principles. Management's review process of this listing, however, did not effectively detect all of the adjustments needed. (Finding 10-1, pages 12-13)

The auditors recommended that, as part of its internal control over the preparation of its financial statements, including disclosures, the Regional Office of Education #47 should implement a comprehensive preparation and/or review procedure to ensure that the financial statements, including disclosures, are complete and accurate. Such procedures should be performed by a properly trained individual(s) possessing a thorough understanding of applicable generally accepted accounting principles, GASB pronouncements, and knowledge of the Regional Office of Education's activities and operations.

The Regional Office of Education #47 responded that as part of its internal control over the preparation of its financial statements, the Regional Office has implemented a comprehensive preparation and/or review procedure to ensure that the financial statements, including disclosures, are complete and accurate on a monthly basis. The Regional Superintendent will continue to review all financial statements (including accruals) striving to be as accurate as possible, hoping to eliminate this finding in the future.

AUDITORS' OPINION

Our auditors state the Regional Office of Education #47's financial statements as of June 30, 2010 are fairly presented in all material respects.

A handwritten signature in blue ink, appearing to read 'William G. Holland', is written over a horizontal line. The signature is stylized and cursive.

WILLIAM G. HOLLAND
Auditor General

WGH:JRB

AUDITORS ASSIGNED: Winkel, Parker & Foster, CPA PC were our special assistant auditors.