



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, 2011  
Release Date: May 1, 2012**

**Summary of Findings:**  
**Total this audit: 1**  
**Total last audit: 1**  
**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, 2011**

	<b>FY 2011</b>	<b>FY 2010</b>
<b>TOTAL REVENUES</b>	\$3,030,509	\$3,239,730
Local Sources	\$505,009	\$545,472
% of Total Revenues	16.66%	16.84%
State Sources	\$1,543,839	\$1,487,807
% of Total Revenues	50.94%	45.92%
Federal Sources	\$981,661	\$1,206,451
% of Total Revenues	32.39%	37.24%
<b>TOTAL EXPENDITURES</b>	\$2,994,901	\$3,060,149
Salaries and Benefits	\$1,603,059	\$1,444,927
% of Total Expenditures	53.53%	47.22%
Purchased Services	\$619,523	\$727,585
% of Total Expenditures	20.69%	23.78%
All Other Expenditures	\$772,319	\$887,637
% of Total Expenditures	25.79%	29.01%
<b>TOTAL NET ASSETS</b>	\$696,327	\$660,719
<b>INVESTMENT IN CAPITAL ASSETS</b>	\$96,018	\$128,360
Percentages may not add due to rounding.		

<b>REGIONAL SUPERINTENDENT</b>
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 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 11-1, pages 12-13) **This finding was first reported in 2009.**

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. (For previous Regional Office response, see Digest Footnote #1.)

**AUDITORS' OPINION**

Our auditors state the Regional Office of Education #47's financial statements as of June 30, 2011 are fairly presented in all material respects.



---

WILLIAM G. HOLLAND  
Auditor General

WGH:JRB

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

**DIGEST FOOTNOTES**

**#1: Controls Over Financial Statement Preparation - Previous Regional Office Response**

In its prior response in 2010, the Regional Office of Education #27 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.