



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

William G. Holland, Auditor General

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**SUMMARY REPORT DIGEST**

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**REGIONAL OFFICE OF EDUCATION #11**  
**CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND**  
**SHELBY COUNTIES**

**FINANCIAL AUDIT**  
**For the Year Ended: June 30, 2012**

**Release Date: February 21, 2013**

**Summary of Findings:**

<b>Total this audit:</b>	<b>1</b>
<b>Total last audit:</b>	<b>1</b>
<b>Repeated from last audit:</b>	<b>1</b>

**SYNOPSIS**

- The Regional Office of Education #11 did not have sufficient internal controls over the financial reporting process.

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

**REGIONAL OFFICE OF EDUCATION #11**  
**CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND**  
**SHELBY COUNTIES**

**FINANCIAL AUDIT**  
**For The Year Ended June 30, 2012**

	<b>FY 2012</b>	<b>FY 2011</b>
<b>TOTAL REVENUES</b>	\$2,110,537	\$4,135,860
Local Sources	\$500,087	\$555,712
% of Total Revenues	23.69%	13.44%
State Sources	\$1,530,372	\$3,255,845
% of Total Revenues	72.51%	78.72%
Federal Sources	\$80,078	\$324,303
% of Total Revenues	3.79%	7.84%
<b>TOTAL EXPENDITURES</b>	\$2,237,830	\$4,122,873
Salaries and Benefits	\$1,518,674	\$1,579,182
% of Total Expenditures	67.86%	38.30%
Purchased Services	\$353,172	\$418,927
% of Total Expenditures	15.78%	10.16%
All Other Expenditures	\$365,984	\$2,124,764
% of Total Expenditures	16.35%	51.54%
<b>TOTAL NET ASSETS</b>	\$725,787	\$853,080
<b>INVESTMENT IN CAPITAL ASSETS</b>	\$7,369	\$7,589
Percentages may not add due to rounding.		

<b>REGIONAL SUPERINTENDENT</b>
During Audit Period: Honorable Dr. Bobbi Mattingly Currently: Honorable Dr. Bobbi Mattingly

## FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

### **CONTROLS OVER FINANCIAL STATEMENT PREPARATION**

**The Regional Office of Education #11 did not have sufficient internal controls over the financial reporting process.**

The Regional Office of Education #11 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 #11 did not have sufficient internal controls over the financial reporting process. 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. Although management made a conscientious effort to improve the training of its accounting staff to be able to prepare the financial statements during the year, additional training and experience will be required to allow the Regional Office to fully prepare its financial statements in accordance with GAAP. Significant improvement was noted in the internal controls over the financial reporting process during the current fiscal year. (Finding 12-01, pages 9-10) **This finding was first reported in 2007.**

The auditors recommended that, as part of its internal control over the preparation of financial statements, including disclosures, the Regional Office of Education #11 should continue comprehensive preparation and/or review procedures to ensure that the financial statements, including disclosures, are complete and accurate.

The Regional Office of Education #11 responded that it understands the nature of the deficiency. The Regional Office noted that it believes that seeking additional accounting expertise in the form of another accounting firm or appropriately trained individual to prepare and/or review financial statements would reduce the funds available to provide the educational services for the schools in the region. The Regional Office also noted that it will continue to prepare the financial statements internally and continue to seek additional knowledge and training for staff members to ensure that all financial statements, including disclosures, are

complete and accurate. The Regional Office responded that it accepts the degree of risk associated with this condition. (For previous Regional Office response, see Digest Footnote #1.)

**AUDITORS' OPINION**

Our auditors state the Regional Office of Education #11's financial statements as of June 30, 2012 are fairly presented in all material respects.



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WILLIAM G. HOLLAND  
Auditor General

WGH:KJM

AUDITORS ASSIGNED: Doehring, Winders & Co. LLP were our special assistant auditors.

**DIGEST FOOTNOTE**

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

In its prior response in 2011, the Regional Office of Education #11 responded that it feels the circumstance is not unusual in an organization of this size. The Regional Office understands the nature of this finding. The Regional Office noted that at this time it cannot fund additional professional accounting costs that would reduce the funds available to provide educational services for the schools in the region. The Regional Office also noted that it is conscious of the degree of risk associated with this condition and will continue to seek ways of eliminating this finding by consulting other ROE's and searching for appropriate training for staff members to ensure that all financial statements, including disclosures, are complete and accurate.