



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

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

REGIONAL OFFICE OF EDUCATION #12
CLAY, CRAWFORD, JASPER, LAWRENCE AND RICHLAND COUNTIES

FINANCIAL AUDIT
 For the Year Ended: June 30, 2018

Release Date: May 9, 2019

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

SYNOPSIS

- (18-1) The Regional Office of Education #12 did not provide completed financial statements in the appropriate format by the August 31 deadline.

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 #12
CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES

FINANCIAL AUDIT
For The Year Ended June 30, 2018

	FY 2018	FY 2017
TOTAL REVENUES	\$2,689,215	\$2,689,094
Local Sources	\$345,233	\$311,158
% of Total Revenues	12.84%	11.57%
State Sources	\$2,220,282	\$2,261,258
% of Total Revenues	82.56%	84.09%
Federal Sources	\$123,700	\$116,678
% of Total Revenues	4.60%	4.34%
TOTAL EXPENDITURES	\$2,526,455	\$2,590,512
Salaries and Benefits	\$1,940,345	\$1,968,300
% of Total Expenditures	76.80%	75.98%
Purchased Services	\$282,740	\$243,110
% of Total Expenditures	11.19%	9.38%
All Other Expenditures	\$303,370	\$379,102
% of Total Expenditures	12.01%	14.63%
TOTAL NET POSITION	\$1,524,014 ¹	\$2,052,325
INVESTMENT IN CAPITAL ASSETS	\$88,998	\$92,160
¹ The FY 2018 beginning net position was restated by (\$691,071) due to a prior period adjustment for new reporting requirements for other postemployment benefits. Percentages may not add due to rounding.		

REGIONAL SUPERINTENDENT
During Audit Period: Honorable Monte Newlin Currently: Honorable Monte Newlin

FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

DELAY OF AUDIT

The Regional Office of Education #12 did not provide completed financial statements in the appropriate format by the August 31 deadline.

The Regional Office of Education #12 (ROE) did not provide completed financial statements in the appropriate format by the August 31 deadline.

ROE #12 is subject to 105 ILCS 5/2-3.17a which requires the Auditor General's office to cause an audit to be made, as of June 30th of each year, of the financial statements of all accounts, funds, and other moneys in the care, custody or control of the regional superintendent of schools of each educational service region in the State and of each educational service center established in the School Code. The audit is to be conducted in accordance with Generally Accepted Governmental Auditing Standards (GAGAS).

In accordance with 105 ILCS 5/2-3.17a, the Auditor General has promulgated administrative rules and regulations to govern this process. Those rules, 74 Ill. Adm. Code 420.320 (c) (2), state that for audit purposes, each regional office of education and educational service center shall make available to the Auditor General or his designee all books and records deemed necessary to make and complete the required audits. The records shall be in auditable form by August 15 of the succeeding fiscal year. Financial reports are to be available no later than August 31 in order for the annual audit to be completed by an independent auditor selected by the Auditor General. Annual financial statements are to be prepared on an accrual basis of accounting in accordance with generally accepted accounting principles (GAAP).

In addition, prudent business practices and transparency require timely preparation and completion of financial statements.

According to Regional Office management, they were not aware of the August 31 deadline (Finding 18-001, pages 10-11).

The auditors recommended the ROE should implement procedures to ensure compliance with 105 ILCS 5/2-3.17a and 74 Ill. Adm. Code 420.320 (c) (2). Annual financial statements should be compiled on an accrual basis of accounting in accordance with GAAP. These financial statements need to be presented to the Auditor General's independent auditors for audit by the August 31 deadline.

ROE Response: *The Regional Office was not aware of the August 31 deadline to provide financial statements to the auditors.*

AUDITORS' OPINION

Our auditors state the Regional Office of Education #12's financial statements as of June 30, 2018 are fairly presented in all material respects.

This financial audit was conducted by the firm of West & Company, LLC.

SIGNED ORIGINAL ON FILE

KELLY MITTELSTAEDT
Audit Manager

This report is transmitted in accordance with Section 3-14 of the Illinois State Auditing Act.

SIGNED ORIGINAL ON FILE

FRANK J. MAUTINO
Auditor General

FJM:JMM