



STATE OF ILLINOIS
OFFICE OF THE
AUDITOR GENERAL

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

REGIONAL OFFICE OF EDUCATION #47
LEE, OGLE AND WHITESIDE COUNTIES

FINANCIAL AUDIT (In Accordance with the
Uniform Guidance)
For the Year Ended: June 30, 2023

Release Date: August 27, 2025

FINDINGS THIS AUDIT: 2				AGING SCHEDULE OF REPEATED FINDINGS			
	New	Repeat	Total	Repeated Since	Category 1	Category 2	Category 3
Category 1:	0	0	0	2018			23-1
Category 2:	0	1	1	2017		23-2	
Category 3:	0	1	1				
TOTAL	0	2	2				
FINDINGS LAST AUDIT: 2							

SYNOPSIS

- (23-1) The Regional Office of Education #47 did not provide completed financial statements in an auditable form by the August 31, 2023 deadline.
- (23-2) The Regional Office of Education #47 did not have adequate subrecipient monitoring documentation.

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.

REGIONAL OFFICE OF EDUCATION #47
LEE, OGLE AND WHITESIDE COUNTIES

FINANCIAL AUDIT
(In Accordance with the Uniform Guidance)
For The Year Ended June 30, 2023

	FY 2023	FY 2022
TOTAL REVENUES	\$4,384,444	\$3,780,250
Local Sources	\$1,635,566	\$1,452,632
% of Total Revenues	37.30%	38.43%
State Sources	\$1,813,746	\$1,484,385
% of Total Revenues	41.37%	39.27%
Federal Sources	\$935,132	\$843,233
% of Total Revenues	21.33%	22.31%
TOTAL EXPENDITURES	\$3,863,447	\$4,208,708
Salaries and Benefits	\$2,369,508	\$2,331,805
% of Total Expenditures	61.33%	55.40%
Purchased Services	\$799,415	\$497,705
% of Total Expenditures	20.69%	11.83%
All Other Expenditures	\$694,524	\$1,379,198
% of Total Expenditures	17.98%	32.77%
TOTAL NET POSITION	\$2,515,773	\$1,994,776
INVESTMENT IN CAPITAL ASSETS	\$0	\$0
Percentages may not add due to rounding.		

REGIONAL SUPERINTENDENT
During Audit Period: Honorable Chris Tennyson Currently: Honorable Chris Tennyson

FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

DELAY OF AUDIT

The Regional Office of Education #47 did not provide completed financial statements in an auditable form by the August 31 deadline.

The Regional Office of Education #47 (ROE) did not provide completed financial statements in an auditable form by the August 31, 2023 deadline. Completed financial statements were received on July 23, 2024. The June 30, 2020 audit report was released on August 30, 2023. Additionally, the June 30, 2021 and June 30, 2022 audit reports were released on August 21, 2024.

The ROE 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 the 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 Government Auditing Standards. The Regional Office of Education or Educational Service Center may utilize a cash basis, modified cash basis or generally accepted accounting principles (GAAP) basis of accounting to prepare the financial statements for audit.

In accordance with 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 an 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.

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

Regional Office management indicated they did not provide their books to their outside accountant in time to fully adjust and prepare their financial statements in an auditable form. (Finding 23-001, pages 15a – 15b) **This finding was first reported in 2018.**

The auditors recommended the ROE needs to ensure compliance with 105 ILCS 5/2-3.17a and 74 Ill. Adm. Code 420.320 (c) (2) for the timely generation of financial

statements. These financial statements need to be presented to the Auditor General's independent auditors for audit by the August 31 deadline.

ROE Response: *Management agrees with the finding. ROE 47 will ensure that moving forward each fiscal year the financial statements will be prepared and available by August 31st of that year starting with the FY 24 audit.*

SUBRECIPIENT MONITORING

The Regional Office of Education #47 did not have adequate subrecipient monitoring documentation.

The Regional Office of Education #47 (ROE) did not have adequate subrecipient monitoring documentation. The ROE's internal controls over subrecipient monitoring do not include timely and adequate risk assessment procedures. Furthermore, the ROE did not properly monitor subrecipients in accordance with the Uniform Guidance standards. During audit testing procedures it was determined that the ROE:

McKinney Education for Homeless Children – for three (3) of three (3) subrecipients tested, the ROE:

- Did not evaluate the risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward.
- Did not conduct subrecipient monitoring procedures during the year ended June 30, 2023.
- Did not determine whether the subrecipient met the 2 CFR 200 Subpart F Audit requirements criteria for a single audit.

COVID-19 ARP - McKinney Education for Homeless Children – for three (3) of three (3) subrecipients tested, the ROE:

- Did not identify the subaward and applicable requirements in the agreements.
- Did not evaluate the risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward.
- Did not conduct subrecipient monitoring procedures during the year ended June 30, 2023.
- Did not determine whether the subrecipient met the 2 CFR 200 Subpart F Audit requirements criteria for a single audit.

Regional Office management indicated the ROE's internal control system does not include controls to properly detect and prevent noncompliance with subrecipient monitoring requirements in a timely manner. (Finding 23-002 pages 16a – 16c) **This finding was first reported in 2017.**

The auditors recommended the ROE establish and maintain effective internal control over federal awards to ensure subrecipients are properly monitored as required by 2 CFR 200.332. This includes:

- a. Identifying the subaward and applicable requirements in the agreements;
- b. Evaluating the risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward;
- c. Utilizing risk assessment results to develop and implement necessary subrecipient monitoring procedures for the fiscal year;
- d. Conducting subrecipient monitoring procedures; and
- e. Determining whether the subrecipient met the requirement criteria of 2 CFR 200 Subpart F Audit requirements for a single audit.

ROE Response: *Effective April 2024, the Regional Office will formally identify the subaward and the applicable requirements in our agreements. We will conduct subrecipient monitoring procedures. We will determine if the subrecipient met the requirement criteria of 2 CFR 200 Subpart F Audit requirements for a single audit.*

AUDITORS' OPINION

Our auditors state the Regional Office of Education #47's financial statements as of June 30, 2023 are fairly presented in all material respects.

This financial audit was conducted by the firm of Prado & Renteria Certified Public Accountants.

SIGNED ORIGINAL ON FILE

JOE BUTCHER
Division Director

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