



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, 2024

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	2017		24-2	
Category 2:	1	1	2				
Category 3:	0	0	0				
TOTAL	1	1	2				
FINDINGS LAST AUDIT: 2							

SYNOPSIS

- (24-1) The Regional Office of Education #47 did not have sufficient internal controls over financial statement reporting.
- (24-2) The Regional Office of Education #47 did not have adequate subrecipient monitoring.

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, 2024

	FY 2024	FY 2023
TOTAL REVENUES	\$4,702,247	\$4,384,444
Local Sources	\$1,694,627	\$1,635,566
% of Total Revenues	36.04%	37.30%
State Sources	\$2,065,753	\$1,813,746
% of Total Revenues	43.93%	41.37%
Federal Sources	\$941,867	\$935,132
% of Total Revenues	20.03%	21.33%
TOTAL EXPENDITURES	\$4,077,983	\$3,863,447
Salaries and Benefits	\$2,476,418	\$2,369,508
% of Total Expenditures	60.73%	61.33%
Purchased Services	\$876,259	\$799,415
% of Total Expenditures	21.49%	20.69%
All Other Expenditures	\$725,306	\$694,524
% of Total Expenditures	17.79%	17.98%
TOTAL NET POSITION	\$3,140,037	\$2,515,773
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

INTERNAL CONTROLS OVER FINANCIAL STATEMENT REPORTING

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

The Regional Office of Education #47 (ROE) does not have sufficient internal controls to ensure accuracy in grant accounting and reporting. During the audit of the financial information prepared by the ROE, the following was noted. The ROE posted expenditures to the incorrect grant ledger. Management discovered the error in grant reporting and cost reimbursement vouchers after the year-end closing cycle had been completed and informed the grantor accordingly.

105 ILCS 5/2-3.17a allows a Regional Office of Education or Educational Service Center to utilize a cash basis, modified cash basis, or generally accepted accounting principles (GAAP) basis of accounting system to prepare the financial statements for audit. The ROE has chosen the cash basis of accounting for financial statement reporting. The ROE is required to maintain a system of controls over the preparation of financial statements, in accordance with its selected basis of accounting. In addition, a strong system of internal controls includes reconciliation of grant financial reports with supporting accounting records, review of and approval by a responsible official before filing.

Regional Office Management indicated the accounting process did not include timely procedures to verify the accuracy of grant accounting records and cost reimbursement vouchers. (Finding 24-001, pages 15a-15b)

The auditors recommended that the ROE needs to implement comprehensive procedures as part of their internal control over grant accounting and reporting to ensure accuracy.

ROE Response: *There was a miscommunication between our office and the new accountant that was hired by one of our subrecipients. That miscommunication led to a reimbursement voucher not being filed with the state on time. We made the state aware of the miscommunication and worked with the state to get our subrecipient the reimbursement that they were entitled to receive. Starting with the FY 25 school year, our office will implement procedures to ensure that every subrecipient is able to submit all reimbursement vouchers prior to the year-end closing cycle.*

SUBRECIPIENT MONITORING

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

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

did not perform subrecipient monitoring procedures including the preparation and retention of monitoring documentation.

During audit testing procedures it was determined that for one (1) of two (2) subrecipients tested, the ROE :

- Did not identify the subaward and applicable requirements in the agreements.
- Did not conduct subrecipient monitoring procedures during the year ended June 30, 2024.

For two (2) of two (2) 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 determine whether the subrecipient met the 2 CFR 200 Subpart F Audit requirements criteria for a single audit.

Regional Office Management indicated the ROE is not adhering to established subrecipient monitoring policies and procedures to properly detect and prevent noncompliance with subrecipient monitoring requirements. (Finding 24-002 pages 16a – 16b) **This finding was first reported in 2017.**

The auditors recommended that the ROE adhere to set subrecipient monitoring policies and procedures 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;
- e. Determining whether the subrecipient met the requirement criteria of 2 CFR 200 Subpart F Audit requirements for a single audit; and
- f. Retaining supporting monitoring documentation.

ROE Response: *Effective with the FY 25 School Year, the Regional Office will formally identify the subaward and the applicable requirements in our agreements. We will conduct and document subrecipient monitoring procedures. We will determine if the subrecipient met the requirement criteria of 2 CFR 22 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, 2024 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