



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

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

REGIONAL OFFICE OF EDUCATION #3
BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY
COUNTIES

FINANCIAL AUDIT (In Accordance with the
 Uniform Guidance)
 For the Year Ended: June 30, 2024

Release Date: January 22, 2025

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

SYNOPSIS

- (24-1) The Regional Office of Education #3 had inadequate controls over Grant Compliance.

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.

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For The Year Ended June 30, 2024

	FY 2024	FY 2023
TOTAL REVENUES	\$4,388,492	\$4,098,371
Local Sources	\$862,068	\$715,128
% of Total Revenues	19.64%	17.45%
State Sources	\$2,812,244	\$2,547,352
% of Total Revenues	64.08%	62.16%
Federal Sources	\$714,180	\$835,891
% of Total Revenues	16.27%	20.40%
TOTAL EXPENDITURES	\$3,911,936	\$3,822,250
Salaries and Benefits	\$2,483,614	\$2,339,041
% of Total Expenditures	63.49%	61.20%
Purchased Services	\$675,089	\$815,432
% of Total Expenditures	17.26%	21.33%
All Other Expenditures	\$753,233	\$667,777
% of Total Expenditures	19.25%	17.47%
TOTAL NET POSITION	\$2,998,057	\$2,521,501
INVESTMENT IN CAPITAL ASSETS	\$0	\$0
Percentages may not add due to rounding.		

REGIONAL SUPERINTENDENT
During Audit Period: Honorable Julie Wollerman
Currently: Honorable Julie Wollerman

FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

CONTROLS OVER GRANT COMPLIANCE

The Regional Office of Education #3 had inadequate controls over Grant Compliance

The Regional Office of Education #3 (ROE) had inadequate controls over grant compliance.

During the course of the audit, auditors noted 10 of the 25 (40%) quarterly expenditure reports required by the Illinois State Board of Education (ISBE) were not submitted timely. Seven of the quarterly expenditure reports were submitted between 2 and 4 days late, one quarterly expenditure reports was submitted between 10 and 20 days late, and two quarterly expenditure report were submitted between 80 and 100 days late.

For the federal program, auditors noted 3 of the 4 (75%) quarterly expenditure reports required by ISBE were not submitted timely. One of the quarterly expenditure reports was submitted 2 days late, one of the quarterly expenditure reports was submitted 4 days late, and one of the quarterly expenditure reports was submitted 89 days late.

As a recipient of federal, State, and local funds from various grantor agencies, the ROE must incorporate certain procedures into its operations in order to comply with the grant agreements with these entities. Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) requires that a recipient submit performance reports as required by the federal award. Specifically, these expenditure reports should be submitted to the granting agency in a timely manner.

The ROE is responsible for establishing and maintaining an internal control system over the completion of timely quarterly expenditure reports required for grants administered by ISBE. ISBE requires expenditure reports to be filed within 20 days of the applicable end of each quarter.

Regional Office management indicated the ROE submitted multiple grant expenditure reports late. The bookkeeper did not have a schedule in place for completing expenditure reports in a timely manner. Management did not monitor the deadline for reports. (Finding 2024-001, page 13-14)

The auditors recommended the ROE should implement adequate internal controls to ensure that expenditure reports are filed timely.

ROE Response: *The ROE will submit timely expenditure reports. The bookkeeper has implemented a timed calendar system for reminders as well as written procedures to help ensure timely submissions. In addition, Regional Office of Education #3 has employed an additional bookkeeper to help spread the work load more evenly.*

AUDITORS' OPINION

Our auditors state the Regional Office of Education #3's financial statements as of June 30, 2024 are fairly presented in all material respects.

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

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:JRB