



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

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI AND UNION COUNTIES

FINANCIAL AUDIT
 For the Year Ended: June 30, 2022

Release Date: June 26, 2024

FINDINGS THIS AUDIT: 2				AGING SCHEDULE OF REPEATED FINDINGS			
				Repeated Since	Category 1	Category 2	Category 3
	<u>New</u>	<u>Repeat</u>	<u>Total</u>	2020			
Category 1:	1	1	2		22-1		
Category 2:	0	0	0				
Category 3:	0	0	0				
TOTAL	1	1	2				
FINDINGS LAST AUDIT: 2							

SYNOPSIS

- (22-1) The Regional Office of Education #30's salaries and benefits were not supported by proper time and effort documentation.
- (22-2) The Regional Office of Education #30 failed to fully insure and collateralize cash balances.

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 #30
ALEXANDER, JACKSON, PERRY, PULASKI AND UNION COUNTIES

FINANCIAL AUDIT
For The Year Ended June 30, 2022

	FY 2022	FY 2021
TOTAL REVENUES	\$1,347,920	\$1,487,358
Local Sources	\$212,270	\$204,377
% of Total Revenues	15.75%	13.74%
State Sources	\$956,437	\$966,376
% of Total Revenues	70.96%	64.97%
Federal Sources	\$179,213	\$316,605
% of Total Revenues	13.30%	21.29%
TOTAL EXPENDITURES	\$1,166,916	\$1,145,528
Salaries and Benefits	\$767,623	\$762,597
% of Total Expenditures	65.78%	66.57%
Purchased Services	\$138,683	\$259,832
% of Total Expenditures	11.88%	22.68%
All Other Expenditures	\$260,610	\$123,099
% of Total Expenditures	22.33%	10.75%
TOTAL NET POSITION	\$1,470,730	\$1,289,726
INVESTMENT IN CAPITAL ASSETS	\$58,538	\$71,991
Percentages may not add due to rounding.		

REGIONAL SUPERINTENDENT
During Audit Period: Honorable Cheryl Graff Currently: Honorable Matthew Hickam

**FINDINGS, CONCLUSIONS, AND
RECOMMENDATIONS**

**SALARIES AND BENEFITS NOT SUPPORTED BY
PROPER TIME AND EFFORT DOCUMENTATION**

The Regional Office of Education #30's salaries and benefits were not supported by proper time and effort documentation.

The Regional Office of Education #30's (ROE) salaries and benefits were not supported by proper time and effort documentation. The ROE did not have formal written policies related to proper time and effort documentation. As such, proper time and effort documentation was not always maintained or complete.

The Illinois State Board of Education (ISBE) *State and Federal Grant Administration Policy, Fiscal Requirements and Procedures*, requires that auditable "time and effort" documentation should be written, after the fact (not estimated or budgeted) documentation of how time was spent. Time and effort reports totaling 100 percent among all projects should be prepared by any staff with salary charged (1) directly to a federal award, (2) directly to multiple federal or State awards, or (3) directly to any combination of a federal award or other federal, State or local funds. Additionally, all time and effort sheets and other supporting documentation must be retained at the local level and be available for review or audit any time within three years after termination of the project or until the local entity is notified in writing from ISBE that the records are no longer needed for audit or review.

Regional Office management indicated this was an oversight. (Finding 2022-001, pages 11a) **This finding was first reported in 2020.**

The auditors recommended the ROE should implement written policies and procedures over time and effort reporting to ensure proper documentation is being obtained and/or maintained in all instances to properly distribute salary and benefit costs for employees who work in whole or in part on grant program activity in accordance with the ISBE *State and Federal Grant Administration Policy, Fiscal Requirements and Procedures*. This would include having the documentation reviewed and formally approved by a supervisor.

ROE Response: *The Regional Office agrees with the finding and corrective actions are being implemented.*

**FAILURE TO FULLY INSURE AND
COLLATERALIZE CASH BALANCES**

The Regional Office of Education #30 failed to fully insure and

The Regional Office of Education #30 (ROE) failed to fully insure and collateralize cash balances. As of June 30, 2022,

collateralize cash balances.

cash account balances with one financial institution exceeded the Federal Deposit Insurance Corporation (FDIC) coverage and pledged collateral coverage by \$450,660. The FDIC covers deposit balances up to a maximum of \$250,000 at each financial institution. Pledged securities were not sufficient for the balances exceeding FDIC coverage.

The Public Funds Deposit Act (30 ILCS 225/1) gives the authorization for deposits in excess of the federal insurance limit to be covered by pledged collateral held by the financial institutions' trust departments in the ROE's name. In addition, prudent business practice requires that all cash and investments held by financial institutions for the ROE be adequately covered by depository insurance or collateral.

Regional Office management indicated this was an oversight. (Finding 22-002, page 11b)

The auditors recommended ROE management should monitor bank balances on all accounts and work with the financial institution to provide collateral or enter into an agreement with the financial institution to have cash balances monitored for adequate collateral and periodically adjusted as necessary.

ROE Response: *The Regional Office agrees with the finding and corrective actions are being implemented.*

AUDITORS' OPINION

Our auditors state the Regional Office of Education #30's financial statements as of June 30, 2022 are fairly presented in all material respects.

This financial audit was conducted by the firm of Kemper CPA Group LLP.

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