

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
DIXON CORRECTIONAL CENTER

LIMITED SCOPE COMPLIANCE EXAMINATION

For the Two Years Ended June 30, 2008

Performed as Special Assistant Auditors
For the Auditor General, State of Illinois

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
DIXON CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2008

TABLE OF CONTENTS

	<u>Page</u>
Center Officials	1
Management Assertion Letter	2
Compliance Report	
Summary	3
Accountants' Report	
Independent Accountants' Report on State Compliance, on Internal Control Over Compliance, and on Supplementary Information for State Compliance Purposes	5
Schedule of Findings	
Current Findings	9
Prior Findings Not Repeated	13
Supplementary Information for State Compliance Purposes	
Summary	14
Fiscal Schedules and Analysis	
Schedule of Appropriations, Expenditures and Lapsed Balances	15
Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances	17
Description of Locally Held Funds	18
Schedule of Locally Held Funds	20
Schedule of Changes in State Property	23
Comparative Schedule of Cash Receipts and Deposits (not examined)	24
Analysis of Significant Variations in Expenditures	25
Analysis of Significant Lapse Period Spending	28
Schedule of Changes in Inventories	30
Analysis of Operations	
Center Functions and Planning Program	31
Average Number of Employees	34
Employee Overtime (not examined)	35
Inmate Commissary Operation	36
Shared Resources (not examined)	36
Annual Cost Statistics	
Center Inmate Statistics (not examined)	37
Center Employee Statistics (not examined)	38
Cell Square Feet Per Inmate (not examined)	39
Food Services (not examined)	39
Medical and Clergy Service Contracts (not examined)	40
Service Efforts and Accomplishments (not examined)	41

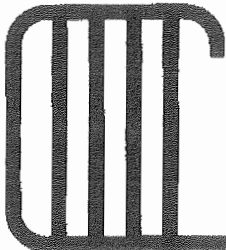
STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
DIXON CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2008

CENTER OFFICIALS

Warden	Ms. Nedra Chandler
Assistant Warden - Programs (11/5/07 to Present)	Mr. Curtis O'Neal
Assistant Warden – Programs (10/2/06 to 11/4/07)	Vacant
Assistant Warden - Programs (02/16/05 to 10/1/06)	Ms. Mary Henry
Assistant Warden - Operations	Mr. Victor Trancosco
Business Office Administrator	Ms. Sonja Nicklaus

The Center is located at:

2600 North Brinton Avenue
Dixon, IL 61021



Illinois
Department of
Corrections

Pat Quinn
Governor

Roger E. Walker Jr.
Director

Dixon Correctional Center / 2600 N. Brinton Avenue / Dixon, IL 61021 / Telephone: (815) 288-5561 / TDD: (800) 526-0844

February 23, 2009

McGreal & Company, PC
5740 West 95th Street
Oak Lawn, IL 60453

Ladies and Gentleman:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the Center. We are responsible for and we have established and maintained an effective system of internal controls over compliance requirements. We have performed an evaluation of the Center's compliance with the following assertions during the two years ended June 30, 2008. Based on this evaluation, we assert that during the years ended June 30, 2008 and June 30, 2007, the Center has materially complied with the assertions below.

- A. The Center has obligated, expended, received and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The Center has obligated, expended, received and used public funds of the State in accordance with any limitations, restrictions, conditions or mandatory directions imposed by law upon such obligation, expenditure, receipt or use.
- C. The Center has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations except for the value of Center inventory for Fiscal Year 2008.
- D. State revenues and receipts collected by the Center are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate and in accordance with law.
- E. Money or negotiable securities or similar assets handled by the Center on behalf of the State or held in trust by the Center have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Yours very truly,

Dixon Correctional Center

Nedra R. Chandler, Warden
Dixon Correctional Center

Sonja S. Nicklaus, Business Administrator
Dixon Correctional Center

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
DIXON CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2008

COMPLIANCE REPORT

SUMMARY

The limited scope compliance testing performed during this examination was conducted in accordance with *Government Auditing Standards* and in accordance with the Illinois State Auditing Act.

ACCOUNTANTS' REPORT

The Independent Accountants' Report on State Compliance, on Internal Control Over Compliance and on Supplementary Information for State Compliance Purposes (Report) relates only to those chapters of the "Audit Guide for Performing Financial Audits and Compliance Attestation Engagements of Illinois State Agencies" (*Audit Guide*) which are identified in the Report as having testing performed and does not contain scope limitations, disclaimers, or other significant non-standard language, except for a material internal control weakness over compliance as reported in Finding Code 08-04.

SUMMARY OF FINDINGS

<u>Number of</u>	<u>This Report</u>	<u>Prior Report</u>
Findings	4	2
Repeated findings	0	0
Prior recommendations implemented or not repeated	2	0

Details of findings are presented in a separately tabbed report section.

SCHEDULE OF FINDINGS

CURRENT FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
08-01	9	Lack of Segregation of Duties	Significant Deficiency Non-compliance
08-02	10	Inadequate Contract Monitoring	Significant Deficiency Non-compliance
08-03	11	Commissary Inventory Not Recorded	Significant Deficiency Non-compliance

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
DIXON CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2008

SCHEDULE OF FINDINGS

CURRENT FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
08-04	12	Lack of Supporting Documentation For Center Inventory	Material Weakness

PRIOR FINDINGS NOT REPEATED

<u>Item No.</u>	<u>Page</u>	<u>Description</u>
A	13	Improper Authorization on Locally-Held Fund Payments
B	13	Inmate Record File

EXIT CONFERENCE

Center management waived having an exit conference per correspondence dated February 23, 2009.

Responses to the recommendations were provided by Mary Ann Bohlen, Department of Corrections Supervisor of Central Accounting per correspondence dated February 23, 2009.

INDEPENDENT ACCOUNTANTS' REPORT ON STATE COMPLIANCE,
ON INTERNAL CONTROL OVER COMPLIANCE, AND ON
SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES

Honorable William G. Holland
Auditor General
State of Illinois

Compliance

As Special Assistant Auditors for the Auditor General, we performed a limited scope compliance examination of the State of Illinois Department of Corrections - Dixon Correctional Center's compliance with the requirements listed below, as more fully described in the Audit Guide for Performing Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (*Audit Guide*) as adopted by the Auditor General, during the two years ended June 30, 2008. The management of the State of Illinois Department of Corrections - Dixon Correctional Center is responsible for compliance with these requirements. Our responsibility is to express an opinion on the State of Illinois Department of Corrections - Dixon Correctional Center's compliance based on our examination.

- A. The State of Illinois Department of Corrections - Dixon Correctional Center has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The State of Illinois Department of Corrections - Dixon Correctional Center has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions or mandatory directions imposed by law upon such obligation, expenditure, receipt or use.
- C. The State of Illinois Department of Corrections - Dixon Correctional Center has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. For the locally held funds examined the State revenues and receipts collected by the State of Illinois Department of Corrections - Dixon Correctional Center are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate and in accordance with law.
- E. Money or negotiable securities or similar assets handled by the State of Illinois Department of Corrections - Dixon Correctional Center on behalf of the State or held in trust by the State of Illinois Department of Corrections - Dixon Correctional Center have been properly and legally administered and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Our limited scope compliance examination of the Center was limited to the following areas of the *Audit Guide*:

- Chapter 8 – Personal Services Expenditures
- Chapter 9 – Contractual Services Expenditures
- Chapter 11 – Commodities Expenditures
- Chapter 18 – Appropriations, Transfers and Expenditures
- Chapter 22 – Review of Agency Functions and Planning Program
- Chapter 30 – Auditing Compliance with Agency Specific Statutory Mandates

The areas of the *Audit Guide* not examined at the Center have had procedures performed on a Department-wide basis through the compliance examination of the State of Illinois Department of Correction's - General Office, and accordingly, any findings from the results of those procedures have been included in the State of Illinois Department of Corrections - General Office compliance report.

We conducted our examination in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the Illinois State Auditing Act (Act); and the *Audit Guide* as adopted by the Auditor General pursuant to the Act; and, accordingly, included examining, on a test basis, evidence about the State of Illinois Department of Corrections - Dixon Correctional Center's compliance with those requirements listed in the first paragraph of this report and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the State of Illinois Department of Corrections - Dixon Correctional Center's compliance with specified requirements.

As described in finding 08-04 in the accompanying Schedule of Findings, the State of Illinois Department of Corrections - Dixon Correctional Center did not materially comply with requirements regarding applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations. Compliance with such requirements is necessary, in our opinion, for the State of Illinois Department of Corrections - Dixon Correctional Center to comply with the requirements listed in the first paragraph of this report.

In our opinion, "except for the noncompliance described in the preceding paragraph," the State of Illinois Department of Corrections - Dixon Correctional Center complied, in all material respects, with the requirements listed in the first paragraph of this report during the two years ended June 30, 2008. However, the results of our procedures disclosed other instances of noncompliance with those requirements, which are required to be reported in accordance with criteria established by the *Audit Guide*, issued by the Illinois Office of the Auditor General and which are described in the accompanying Schedule of Findings as Finding Code No. 08-01, 08-02 and 08-03.

Internal Control

The management of the State of Illinois Department of Corrections – Dixon Correctional Center is responsible for establishing and maintaining effective internal control over compliance with the requirements listed in the first paragraph of this report. In planning and performing our limited scope compliance examination, we considered the State of Illinois Department of Corrections – Dixon Correctional Center’s internal control over compliance with the requirements listed in the first paragraph of this report in order to determine our examination procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the *Audit Guide*, issued by the Illinois Office of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of the State of Illinois Department of Corrections - Dixon Correctional Center’s internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the State of Illinois Department of Correction Dixon Correctional Center’s internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies and other deficiencies we consider to be material weaknesses).

A *control deficiency* in an entity’s internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with the requirements listed in the first paragraph of this report on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity’s ability to comply with the requirements listed in the first paragraph of this report such that there is more than a remote likelihood that noncompliance with a requirement that is more than inconsequential will not be prevented or detected by the entity’s internal control. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings as Finding Code No. 08-01, 08-02 and 08-03 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a requirement listed in the first paragraph of this report will not be prevented or detected by the entity’s internal control. Of the significant deficiencies in internal control over compliance described in the accompanying Schedule of Findings, we consider Finding Code No. 08-04 to be material weaknesses

As required by the *Audit Guide*, immaterial findings excluded from this report have been reported in a separate letter to your office.

The State of Illinois Department of Corrections –Dixon Correctional Center’s response to the findings identified in our examination are described in the accompanying Schedule of Findings. We did not examine the State of Illinois Department of Corrections – Dixon Correctional Center’s responses and, accordingly, we express no opinion on it.

Supplementary Information for State Compliance Purposes

Our examination was conducted for the purpose of forming an opinion on compliance with the requirements listed in the first paragraph of this report. The accompanying supplementary information as listed in the table of contents as Supplementary Information for State Compliance Purposes is presented for purposes of additional analysis. We have applied certain limited procedures as prescribed by the *Audit Guide*, as adopted by the Auditor General to the 2008 and 2007 Supplementary Information for State Compliance Purposes, except for information on the Comparative Schedule of Cash Receipts and Deposits, Employee Overtime, Shared Resources, Annual Cost Statistics and Service Efforts and Accomplishments on which we did not perform any procedures. However, we do not express an opinion on the supplementary information.

We have not applied procedures to the 2006 Supplementary Information for State Compliance Purposes, and accordingly, we do not express an opinion thereon.

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, Center and Department management, and is not intended to be and should not be used by anyone other than these specified parties.

McKreal + Company P.C.

February 23, 2009

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
DIXON CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2008

Current Findings

08-01 LACK OF SEGREGATION OF DUTIES

Finding: There is a lack of segregation of duties in the General Stores and the Inmate Commissary.

The Supply Supervisor, who works at the General Stores and the Inmate Commissary orders, receives, and also sells the goods. There are eight Supply Supervisor positions approved, of which four positions are vacant. The four staff members working are responsible for all the ordering, receiving, and maintaining the operations at the General Store, Clothing Store, Inmate Commissary in the General Population, the Inmate Commissary in the Special Treatment Center (STC), and the Employee Commissary. When inmates shop at the commissaries, the General Stores and Clothing Stores have to shut down operations in order to properly man the two Inmate Commissaries.

The Central Office System Description states that the purchase function should be separate from the receiving function. Good business practices and sound internal controls dictate a proper segregation of duties.

Center management stated that due to budget constraints the Center has been unable to fill the vacant positions.

Lack of segregation of duties in the General Stores and the Inmate Commissaries may lead to improper or unauthorized expenditures. (Finding Code 08-01).

Recommendation: We recommend the Center take steps to ensure proper segregation of duties in the General Stores and the Commissary operations.

Department Response: Recommendation accepted. The Center is making every effort to ensure separation of duties.

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
DIXON CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2008

08-02 INADEQUATE CONTRACT MONITORING

Finding: The Center does not have a Health Care Administrator to monitor the medical service contract at the Center.

The Center has a contractual agreement to provide health care services to the inmates. The total expenditures for this medical service contract were \$8,034,487 and \$7,458,232 in fiscal year 2008 and 2007, respectively. The medical services provided to the inmates, include but are not limited to: certified nurses; physicians; lab technicians; medical director; optometry; pharmacy; physical therapy; psychiatrist, psychologists and radiology.

The Center has been operating without a Health Care Administrator and Nursing Supervisors since August 2007. The Health Care Administrator position is responsible for supervising the operation and activities of the health care unit at the Center, which would include providing oversight of the contractual employees.

Administrative Directive 02.20.182 over Contract Monitoring states that the Center will monitor contracts to ensure services rendered meet specifications and in the manner specified by the terms of the contract. It is recommended in the Administrative Directive that the Health Care Administrator be assigned to monitor medical related services.

Center management stated that due to budget constraints the Center has been unable to fill the vacant positions. Contract monitoring reports were completed.

Failure to adequately supervise the medical service contract may lead to improper medical care for inmates and State payment of services that many not be rendered. (Finding Code 08-02).

Recommendation: We recommend the Department follow the Administrative Directive over contract monitoring to ensure that the medical service contract rendered meet specifications in the manner specified in the contract.

Department Response: Recommendation implemented. The facility has added compensating controls to ensure monitoring of the contract.

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
DIXON CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2008

08-03 COMMISSARY INVENTORY NOT RECORDED

Finding: The Center did not record commissary goods received by the end of the year in inventory or accounts payable as of June 30, 2008.

During inventory observation on June 26, 2008, \$122,450 in commissary goods received were not included in the final inventory and accounts payable as of June 30, 2008. The Center orders commissary goods ahead of time before the next inmate shopping day. There are only four staff working in the General Stores and two Inmate Commissaries. The four staff are responsible for receiving all commissary and general stores items as well as servicing the commissary operation. Commissary goods ordered are received at the General Stores. The commissary goods are then physically transferred to the two different inmate commissary locations. With only four staff, the commissaries shut down in order to check in and receive the goods. Commissary goods are ordered well-ahead of the next inmate shopping day in order to have enough time to receive and stock the commissaries.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires State agencies to maintain a system of internal fiscal and administrative controls so expenditures are properly recorded and accounted for. Sound business and accounting practices require that goods received should be recorded as inventory and a corresponding liability to ensure proper reporting of assets and liabilities.

Management stated that due to operational needs they are unable to receive and record inventory immediately upon receipt of the commissary goods.

Failure to record inventory and accounts payable when received causes inventory and accounts payable to be understated. In addition, the wrong fiscal year may be charged for this expenditure. (Finding Code 08-03).

Recommendation: We recommend that the Center record inventory when received.

Department Response: Recommendation accepted. The facility will make every effort to ensure compliance. The exception noted was due to end of year inventory.

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
DIXON CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2008

08-04 LACK OF SUPPORTING DOCUMENTATION FOR CENTER INVENTORY

Finding: The Center did not maintain supporting documentation to support the value of the Center inventory for Fiscal Year 2008 which is a material internal control weakness over compliance.

The Center was unable to provide the final inventory report, physical count adjustment report and explanation for inventory variances for Fiscal Year 2008.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires State agencies to maintain a system of internal fiscal and administrative controls so that expenditures are properly recorded and accounted for to permit the preparation of reliable financial reports and to maintain accountability over State resources. Sound business practices require that supporting documentation be maintained for year end inventory balances and the physical adjustments resulting in the annual year end physical count of inventory.

Center management stated that due to the Business Administrator working between two correctional centers, there was not enough time to recreate the inventory reports off the TIMS inventory system. In addition, the physical inventory adjustment report was misplaced and could not be found.

Failure to properly maintain supporting documentation for Center inventory leads to lack of accountability for State assets. In addition, final inventory numbers are not able to be verified by outside personnel. (Finding Code 08-04)

Recommendation: We recommend that the Center establish procedures to ensure that all inventory reports are properly maintained to support the final State inventory.

Department Response: Recommendation implemented. The facility has controls in place to ensure documentation is retained. The exceptions noted were directly due to staff retirements and vacancies.

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
DIXON CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2008

Prior Findings Not Repeated

- A. Finding: Improper Authorization on Locally-Held Fund – locally held funds’ checks were released without the proper authorizations. Twenty-four checks totaling \$51,459 were disbursed with only one signature. (Finding Code 06-01).

Not Repeated: All locally-held payments tested during the current period had the required two signatures and were properly approved.

- B. Finding: The Center did not maintain a record of outside personnel who accessed the Master Record File of inmates. (Finding Code 06-02).

Not Repeated: The Center now maintains an Inmate Master Record File that documents all outside personnel that accessed inmate files.

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
DIXON CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2008

SUMMARY

Supplementary Information for State Compliance Purposes presented in this section of the report includes the following:

Fiscal Schedules and Analysis:

- Schedule of Appropriations, Expenditures and Lapsed Balances
- Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances
- Description of Locally Held Funds
- Schedule of Locally Held Funds
- Schedule of Changes in State Property
- Comparative Schedule of Cash Receipts and Deposits (not examined)
- Analysis of Significant Variations in Expenditures
- Analysis of Significant Lapse Period Spending
- Schedule of Changes in Inventories

Analysis of Operations

- Center Functions and Planning Program
- Average Number of Employees
- Employee Overtime (not examined)
- Inmate Commissary Operation
- Shared Resources (not examined)
- Annual Cost Statistics
 - Center Inmate Statistics (not examined)
 - Center Employee Statistics (not examined)
 - Cell Square Feet per Inmate (not examined)
 - Food Services (not examined)
 - Medical and Clergy Service Contracts (not examined)
- Service Efforts and Accomplishments (not examined)

The accountants' report that covers the Supplementary Information for State Compliance Purposes presented in the Compliance Report Section states the auditors have applied certain limited procedures as prescribed by the *Audit Guide*, as adopted by the Auditor General, except for information on the Comparative Schedule of Cash Receipts and Deposits, Employee Overtime, Shared Resources, Annual Cost Statistics and Service Efforts and on which they did not perform any procedures. However, the accountants do not express an opinion on the supplementary information.

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
DIXON CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For The Year Ended June 30, 2008

	APPROPRIATIONS NET OF TRANSFERS	EXPENDITURES THROUGH JUNE 30, 2008	LAPSE PERIOD EXPENDITURES JULY 1 TO AUGUST 31, 2008	TOTAL EXPENDITURES 14 MONTHS ENDED AUGUST 31, 2008	BALANCES LAPSED AUGUST 31, 2008
PUBLIC ACT 95-0348					
<u>GENERAL REVENUE FUND - 001</u>					
Personal services	\$ 31,504,200	\$ 29,781,503	\$ 1,722,664	\$ 31,504,167	\$ 33
Student, member and inmate compensation	332,500	305,049	27,371	332,420	80
State contributions to State Employees' Retirement System	5,217,700	4,932,294	285,401	5,217,695	5
State contributions to Social Security	2,334,900	2,205,993	128,848	2,334,841	59
Contractual services	10,773,200	10,658,616	112,071	10,770,687	2,513
Travel	24,400	17,905	6,429	24,334	66
Travel and allowances for committed, paroled and discharged prisoners	15,000	14,376	573	14,949	51
Commodities	2,680,300	2,565,597	113,639	2,679,236	1,064
Printing	30,400	30,355	-	30,355	45
Equipment	19,900	8,135	11,752	19,887	13
Telecommunications services	108,900	105,314	3,580	108,894	6
Operation of automotive equipment	215,900	156,137	59,763	215,900	-
Total - Fiscal Year 2008	\$ 53,257,300	\$ 50,781,274	\$ 2,472,091	\$ 53,253,365	\$ 3,935

Note: The information reflected in this schedule was taken from the records of the State Comptroller.

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
DIXON CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For The Year Ended June 30, 2007

	APPROPRIATIONS NET OF TRANSFERS	EXPENDITURES THROUGH JUNE 30, 2007	LAPSE PERIOD EXPENDITURES JULY 1 TO AUGUST 31, 2007	TOTAL EXPENDITURES 14 MONTHS ENDED AUGUST 31, 2007	BALANCES LAPSED AUGUST 31, 2007
PUBLIC ACT 94-0798					
<u>GENERAL REVENUE FUND - 001</u>					
Personal services	\$ 29,060,300	\$ 27,474,071	\$ 1,586,152	\$ 29,060,223	\$ 77
Student, member and inmate compensation	360,000	332,856	27,067	359,923	77
State contributions to State Employees' Retirement System	3,350,800	3,166,130	182,816	3,348,946	1,854
State contributions to Social Security	2,148,300	2,029,865	118,298	2,148,163	137
Contractual services	10,976,364	10,891,317	83,815	10,975,132	1,232
Travel	26,024	18,116	7,907	26,023	1
Travel and allowances for committed, paroled and discharged prisoners	15,400	14,956	379	15,335	65
Commodities	2,556,584	2,394,506	161,815	2,556,321	263
Printing	32,200	32,036	-	32,036	164
Equipment	3,500	-	3,461	3,461	39
Telecommunications services	124,200	104,228	19,972	124,200	-
Operation of automotive equipment	207,600	170,947	36,653	207,600	-
Total - Fiscal Year 2007	\$ 48,861,272	\$ 46,629,028	\$ 2,228,335	\$ 48,857,363	\$ 3,909

Note: The information reflected in this schedule was taken from the records of the State Comptroller.

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
DIXON CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For The Years Ended June 30,

	FISCAL YEAR		
	2008	2007	2006
	P.A.95-0348	P.A. 94-0798	P.A. 94-0015
GENERAL REVENUE FUND - 001			
Appropriations (net of transfers)	<u>\$ 53,257,300</u>	<u>\$ 48,861,272</u>	<u>\$ 48,080,100</u>
EXPENDITURES			
Personal services	31,504,167	29,060,223	28,181,721
Employee retirement contributions paid by employer	-	-	363,546
Student, member and inmate compensation	332,420	359,923	362,044
State contributions to State Employees' Retirement System	5,217,695	3,348,946	2,195,686
State contributions to Social Security	2,334,841	2,148,163	2,082,546
Contractual services	10,770,687	10,975,132	12,042,195
Travel	24,334	26,023	16,763
Travel and allowances for committed, paroled and discharged prisoners	14,949	15,335	15,020
Commodities	2,679,236	2,556,321	2,476,366
Printing	30,355	32,036	21,001
Equipment	19,887	3,461	12,455
Telecommunications services	108,894	124,200	84,512
Operation of automotive equipment	215,900	207,600	200,779
Total Expenditures	<u>53,253,365</u>	<u>48,857,363</u>	<u>48,054,634</u>
LAPSED BALANCES	<u>\$ 3,935</u>	<u>\$ 3,909</u>	<u>\$ 25,466</u>

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
DIXON CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
DESCRIPTION OF LOCALLY HELD FUNDS
For the Two Years Ended June 30, 2008

The locally held funds of the Center are grouped into two fund categories, Governmental and Fiduciary Funds. These are non-appropriated funds with the exception of the Travel and Allowance Revolving Fund, which is an appropriated fund. The funds are not held in the State Treasury and are described as follows:

1. Governmental Funds

General Revenue Fund

The Travel and Allowance Revolving Fund is a cash imprest fund located at the Center and is used to provide cash for travel and allowances for discharged inmates and to pay out inmate Trust Fund balances under \$50 upon inmates being paroled or discharged. The Travel and Allowance Revolving Fund is replenished from the Center's Inmate Benefit Fund account and the Trust Fund. The Center's Inmate Benefit Fund account is reimbursed from the General Revenue Fund appropriation on a monthly basis upon submission of a duly authorized voucher.

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The Center maintains four special revenue funds.

The Employees' Commissary Fund and Residents' Commissary Fund are used to maintain stores for selling food, candy, health and beauty aids and other personal items. The inmate commissary sells solely to inmates and the employees' commissary sells to employees. Profits derived from commissary sales are allocated 60% to pay the wages and benefits of employees who work at the commissaries and 40% to either the Residents' Benefit Fund for sales from the Inmate Commissary or the Employees' Benefit Fund for sales from the Employees' Commissary.

Residents' Benefit Fund and Employees' Benefit Fund are used to provide entertainment and recreational activities and equipment for inmates and employees. The Employees' Benefit Fund can also be used to provide travel expense reimbursement for correctional officers while travel vouchers are being processed. Beginning in Fiscal Year 2006, the locally held Residents' Benefit Fund account at each Center was closed and the balance was transferred to a single locally held Residents' Benefit Fund bank account administered by the General Office. The Center has a sub-account within the Residents' Benefit Fund account at the General Office that records their specific transactions.

Expenditures from the Residents' Benefit Fund are initiated at the Center, but all the transactions are processed through the General Office. All of the financial accounting for the Center's Residents' Benefit Fund transactions are performed and maintained at the General Office.

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
DIXON CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
DESCRIPTION OF LOCALLY HELD FUNDS
For the Two Years Ended June 30, 2008

Special Revenue Funds (continued)

Because the Center does not maintain the financial records, a summary of the Center's Residents' Benefit Fund activity for Fiscal Years 2008 and 2007 will be presented in the General Office Compliance Report for the two years ending June 30, 2008.

2. Fiduciary Fund

Agency Fund

An agency fund is used to account for assets held as the agent for others. The Center maintains one such fund, the Residents' Trust Fund. The Residents' Trust Fund is maintained as a depository for funds of inmates while incarcerated at the Center. Receipts and disbursements of the inmates are recorded in each inmate's individual account within the Residents' Trust Fund.

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
DIXON CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
SCHEDULE OF LOCALLY HELD FUNDS - SPECIAL REVENUE FUNDS
For the the Year ended June 30, 2008

	Employees' Commissary Fund	Residents' Commissary Fund	Employees' Benefit Fund
<u>REVENUES</u>			
Income from Sales	\$ 299,483	\$ 2,007,833	\$ 5,120
Interest / Investment Income	164	1,376	154
Miscellaneous:			
Other	-	-	-
Donations	-	-	-
Total Revenues	<u>299,647</u>	<u>2,009,209</u>	<u>5,274</u>
<u>EXPENDITURES</u>			
Purchases	277,187	1,652,579	1,343
Contractual	-	-	1,680
Commodities	-	-	66
Equipment	-	-	60
Awards/Grants	-	-	14,025
Other	3,178	11,181	-
Total Expenditures	<u>280,365</u>	<u>1,663,760</u>	<u>17,174</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>19,282</u>	<u>345,449</u>	<u>(11,900)</u>
<u>OTHER FINANCING SOURCES</u>			
Transfers In	-	-	7,713
Transfers (Out)	(19,282)	(345,449)	-
Total Other Financing Sources	<u>(19,282)</u>	<u>(345,449)</u>	<u>7,713</u>
Net Change in Fund Balance	-	-	(4,187)
Fund Balance July 1, 2007	-	-	13,520
Fund Balance June 30, 2008	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,333</u>

Note: Schedule is presented on the accrual basis of accounting.

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
DIXON CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
SCHEDULE OF LOCALLY HELD FUNDS - SPECIAL REVENUE FUNDS
For the the Year ended June 30, 2007

	Employees' Commissary Fund	Residents' Commissary Fund	Employees' Benefit Fund
<u>REVENUES</u>			
Income from Sales	\$ 289,710	\$ 2,073,758	\$ 7,945
Interest / Investment Income	177	1,689	136
Miscellaneous:			
Other	-	-	4,572
Donations	-	-	-
Total Revenues	<u>289,887</u>	<u>2,075,447</u>	<u>12,653</u>
<u>EXPENDITURES</u>			
Purchases	265,172	1,698,598	4,284
Contractual	-	-	900
Commodities	-	-	1,113
Equipment	-	-	-
Awards/Grants	-	-	16,274
Other	3,177	12,529	-
Total Expenditures	<u>268,349</u>	<u>1,711,127</u>	<u>22,571</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>21,538</u>	<u>364,320</u>	<u>(9,918)</u>
<u>OTHER FINANCING SOURCES</u>			
Transfers In	-	-	8,615
Transfers (Out)	(21,538)	(364,320)	-
Total Other Financing Sources	<u>(21,538)</u>	<u>(364,320)</u>	<u>8,615</u>
Net Change in Fund Balance	-	-	(1,303)
Fund Balance July 1, 2006	-	-	14,823
Fund Balance June 30, 2007	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,520</u>

Note: Schedule is presented on the accrual basis of accounting.

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
DIXON CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
SCHEDULE OF LOCALLY HELD FUNDS - CASH BASIS
For The Years Ended June 30

	2008		2007	
	Travel and Allowance Rev. Fund	Residents' Trust Fund	Travel and Allowance Rev. Fund	Residents' Trust Fund
Balance - July 1	\$ 1,329	\$ 231,685	\$ 1,406	\$ 225,735
Receipts				
Investment Income	-	1,694	-	2,010
Inmate Account Receipts	-	2,520,248	-	2,506,685
Appropriations from General Revenue Fund	14,949	-	15,335	-
TOTAL RECEIPTS	<u>14,949</u>	<u>2,521,942</u>	<u>15,335</u>	<u>2,508,695</u>
Disbursements				
Inmate Account Disbursements	-	2,497,010	-	2,500,735
Disbursements for released inmates	14,778	-	15,412	-
TOTAL DISBURSEMENTS	<u>14,778</u>	<u>2,497,010</u>	<u>15,412</u>	<u>2,500,735</u>
Fund Transfers				
Fund Transfers In	-	-	-	-
Fund Transfers (Out)	-	(1,694)	-	(2,010)
TOTAL TRANSFERS	<u>-</u>	<u>(1,694)</u>	<u>-</u>	<u>(2,010)</u>
Balance - June 30	<u>\$ 1,500</u>	<u>\$ 254,923</u>	<u>\$ 1,329</u>	<u>\$ 231,685</u>

Note: Schedule is presented on the cash basis of accounting

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
DIXON CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
SCHEDULE OF CHANGES IN STATE PROPERTY
For The Years Ended June 30,

	2008					2007				
	Land	Buildings	Equipment	Land Improvements	Total	Land	Buildings	Equipment	Land Improvements	Total
Balance, beginning	\$ 3,979	\$ 84,093,280	\$ 3,668,796	\$ 16,765,278	\$ 104,531,333	\$ 3,979	\$ 84,010,183	\$ 3,638,369	\$ 16,765,278	\$ 104,417,809
Additions:										
Purchases	-	-	21,538	-	21,538	-	-	8,766	-	8,766
Transfers-in	-	-	1,229,725	-	1,229,725	-	-	61,194	-	61,194
Capital Development Board	-	669,090	3,967	-	673,057	-	83,097	-	-	83,097
Employees' Commissary Fund	-	-	-	-	-	-	-	-	-	-
Employees' Benefit Fund	-	-	-	-	-	-	-	-	-	-
Residents' Commissary Fund	-	-	-	-	-	-	-	-	-	-
Residents' Benefit Fund	-	-	18,860	-	18,860	-	-	19,259	-	19,259
Donations	-	-	21,410	-	21,410	-	-	-	-	-
Grants	-	-	22,901	-	22,901	-	-	-	-	-
Adjustments	-	-	1,033	-	1,033	-	-	-	-	-
Total Additions	-	669,090	1,319,434	-	1,988,524	-	83,097	89,219	-	172,316
Deductions:										
Transfers-out	-	-	7,846	-	7,846	-	-	410	-	410
Scrap property	-	-	25,344	-	25,344	-	-	58,382	-	58,382
Surplus property	-	-	9,738	-	9,738	-	-	-	-	-
Condemned and lost property	-	-	-	-	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-	-	-	-	-
Total Deductions	-	-	42,928	-	42,928	-	-	58,792	-	58,792
Balance, ending	\$ 3,979	\$ 84,762,370	\$ 4,945,302	\$ 16,765,278	\$ 106,476,929	\$ 3,979	\$ 84,093,280	\$ 3,668,796	\$ 16,765,278	\$ 104,531,333

Note: The property balances at June 30, 2008 and 2007 have been reconciled to the property reports submitted to the Office of the Comptroller.

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
DIXON CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
COMPARATIVE SCHEDULE OF CASH RECEIPTS AND DEPOSITS
(NOT EXAMINED)
For The Years Ended June 30,

	FISCAL YEAR		
	2008	2007	2006
<u>RECEIPTS</u>			
Jury Duty	\$ 250	\$ 177	\$ 464
Inmate Restitution	-	-	28,311
Dormant Inmate Accounts	2,288	3,323	595
Funeral Furlough	-	-	-
Staff Witness Fees	-	-	-
Contraband Cash	188	-	-
Copying Fees	60	-	-
Miscellaneous	32	62	5,739
TOTAL RECEIPTS	<u>\$ 2,818</u>	<u>\$ 3,562</u>	<u>\$ 35,109</u>
<u>REMITTANCES</u>			
General Revenue Fund - 001	2,818	3,562	6,798
Department of Corrections Reimbursement Fund - 523	-	-	28,311
TOTAL RECEIPTS REMITTED DIRECTLY TO STATE TREASURER	<u>\$ 2,818</u>	<u>\$ 3,562</u>	<u>\$ 35,109</u>
<u>DEPOSITS</u>			
Receipts recorded by Center	\$ 2,818	\$ 3,562	\$ 6,798
Add: Deposits in transit - Beginning of year	-	-	-
Deduct: Deposits in transit - End of year	-	-	-
DEPOSITS RECORDED BY THE STATE COMPTROLLER	<u>\$ 2,818</u>	<u>\$ 3,562</u>	<u>\$ 6,798</u>

Note: The deposits reconciliation section of this schedule is a reconciliation of the Center's General Revenue Fund receipts to the Comptroller's General Revenue Fund deposits only. The Comptroller's records do not provide a detail breakdown of deposits into the Department of Corrections Reimbursement Fund #523 by Center.

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
DIXON CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2008

Fiscal Year 2008

A comparative schedule of significant variations in expenditures (20% or more) for the fiscal years ended June 30, 2008 and June 30, 2007 are shown below:

<u>Expenditure Item</u>	<u>Fiscal Year Ended June 30,</u>		<u>Increase (Decrease)</u>	
	<u>2008</u>	<u>2007</u>	<u>Amount</u>	<u>%</u>
State contributions to Employees' Retirement System	\$5,217,695	\$3,348,946	\$1,868,749	55.80%
Equipment	19,887	3,461	16,426	474.60%

Center management provided the following explanations for the significant variations identified above.

State contributions to Employees' Retirement System

The rate for retirement contributions increased to 16.561% in Fiscal Year 2008 from 11.530% in fiscal year 2007, which accounts for the \$1,868,749 or 55.80% increase in expenditures.

Equipment

Increased equipment purchases were approved by Central Office in Fiscal Year 2008. Equipment purchases were; \$7,015 for sewage treatment plant testing equipment; dietary food cutter for \$7,578; dietary electric range for \$3,460; two dietary heavy duty paddles for \$715; and a two dietary pallet jacks for \$1,120.

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
DIXON CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2008

Fiscal Year 2007

A comparative schedule of significant variations in expenditures (20% or more) for the fiscal years ended June 30, 2007 and June 30, 2006 are shown below:

<u>Expenditure Item</u>	<u>Fiscal Year Ended June 30,</u>		<u>Increase (Decrease)</u>	
	<u>2007</u>	<u>2006</u>	<u>Amount</u>	<u>%</u>
Employee retirement contributions paid by employer	\$0	\$363,546	\$(363,546)	(100.00%)
State contributions to Employees' Retirement System	3,348,946	2,195,686	1,153,260	52.52%
Travel	26,023	16,763	9,260	55.24%
Printing	32,036	21,001	11,035	52.55%
Equipment	3,461	12,455	(8,994)	(72.21%)
Telecommunications	124,200	84,512	39,688	46.96%

Center management provided the following explanations for the significant variations identified above.

Employee Retirement Contributions Paid by Employer

Employee retirement contributions paid by employer decreased \$363,546 (100%) because per the union contract, the contributions were discontinued for all employees at December 31, 2005.

State contributions to State Employees' Retirement System

The rate for retirement increased to 11.530% in Fiscal Year 2007 from 7.792% in Fiscal Year 2006, which accounts for the \$1,153,260 (52.52%) increase in expenditures.

Travel

A new mandate was approved by Labor Relations that officers will be compensated \$5.50 for their lunches while escorting inmates, which accounts for the majority increase of \$9,260 (55.24%) in travel expenditures.

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
DIXON CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2008

Fiscal Year 2007 (continued):

Printing

Printing expenditures increased \$11,035 (52.55%) due to printing new programs in the Clinical Services area and printed forms for the start up of Thomson's Correction Center.

Equipment

The only equipment purchases approved by Central Office in Fiscal Year 2007 were 25 inmate beds at a cost of \$3,461.

Telecommunications

Telecommunication bills for fiscal year 2006 were paid in Fiscal Year 2007 accounting for the \$124,200 (46.96%) increase.

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
DIXON CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2008

Fiscal Year 2008

Our testing of lapse period expenditures for fiscal year ended June 30, 2008 disclosed three appropriation line items with significant (20% or more) lapse period expenditures, as scheduled below:

<u>Expenditure Item</u>	<u>Fiscal Year Ended June 30, 2008</u>		
	<u>Total Expenditures</u>	<u>Lapse Period Expenditures</u>	<u>Percentage</u>
Travel	\$24,334	\$6,429	26.42%
Equipment	19,887	11,752	59.09%
Operation of automotive equipment	215,900	59,763	27.68%

Center management provided the following explanations for the significant lapse period expenditures identified above.

Travel

Expenditure payouts in the lapse period were to cover reimbursements to the travel cash box for employees who traveled while escorting inmates. In addition, there were five different meetings in June 2008 that required employee travel.

Equipment

After reviewing the revised equipment budget, equipment was ordered in June 2008. Equipment paid during the lapse period included a duplicator for \$4,153, a pallet truck for \$560, and equipment for the water treatment plant totaling \$5,520.

Operation of Automotive Equipment

Funding was not made available until late in the year to pay outstanding invoices.

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
DIXON CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2008

Fiscal Year 2007

Our testing of lapse period expenditures for fiscal year ended June 30, 2007 disclosed two appropriation line items with significant (20% or more) lapse period expenditures, as scheduled below:

<u>Expenditure Item</u>	<u>Fiscal Year Ended June 30, 2007</u>		
	<u>Total Expenditures</u>	<u>Lapse Period Expenditures</u>	<u>Percentage</u>
Travel	\$26,023	\$7,907	30.38%
Equipment	3,461	3,461	100.00%

Center management provided the following explanations for the significant lapse period expenditures identified above.

Travel

Expenditures during the lapse period were primarily due to reimburse employees who traveled at the end of the year while escorting inmates. In addition, two employees attended training for one week in June 2007.

Equipment

After reviewing the revised equipment budget, equipment was ordered in June 2007. Equipment purchased was 25 inmate beds.

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
DIXON CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
SCHEDULE OF CHANGES IN INVENTORIES
NOT EXAMINED
Two Years Ended June 30, 2008

	Balance July 1, 2007	Additions	Deletions	Balance June 30, 2008
GENERAL REVENUE FUND				
General Stores	\$ 177,102	\$ 2,386,452	\$ 2,362,289	\$ 201,265
Mechanical Stores	1,497	819	837	1,479
Resident Clothing	31,358	148,151	121,925	57,584
Officers' Clothing	2,046	18,438	20,444	40
Office Supplies	10,403	24,092	18,447	16,048
Tools	14,781	17,000	14,795	16,986
	<u>\$ 237,187</u>	<u>\$ 2,594,952</u>	<u>\$ 2,538,737</u>	<u>\$ 293,402</u>
LOCAL FUNDS				
Employees' Commissary Fund	\$ 4,417	\$ 275,105	\$ 275,567	\$ 3,955
Residents' Commissary Fund	102,038	1,607,853	1,644,023	65,868
	<u>\$ 106,455</u>	<u>\$ 1,882,958</u>	<u>\$ 1,919,590</u>	<u>\$ 69,823</u>
	Balance			Balance
	July 1, 2006	Additions	Deletions	June 30, 2007
GENERAL REVENUE FUND				
General Stores	\$ 208,518	\$ 2,253,452	\$ 2,284,868	\$ 177,102
Mechanical Stores	143	2,161	807	1,497
Resident Clothing	40,487	48,280	57,409	31,358
Officers' Clothing	3,582	2,137	3,673	2,046
Office Supplies	11,217	21,021	21,835	10,403
Tools	14,577	1,857	1,653	14,781
Surplus Inventory	242	-	242	-
	<u>\$ 278,766</u>	<u>\$ 2,328,908</u>	<u>\$ 2,370,487</u>	<u>\$ 237,187</u>
LOCAL FUNDS				
Employees' Commissary Fund	\$ 5,803	\$ 263,295	\$ 264,681	\$ 4,417
Residents' Commissary Fund	115,559	1,679,614	1,693,135	102,038
	<u>\$ 121,362</u>	<u>\$ 1,942,909</u>	<u>\$ 1,957,816</u>	<u>\$ 106,455</u>

Note: The inventory balances at June 30, 2008 were not reconciled to the records of the Center and is the subject of finding. Refer to Finding Code 08-04.

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
DIXON CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2008

CENTER FUNCTIONS AND PLANNING PROGRAM

FUNCTIONS

The Dixon Correctional Center (Center) is the largest medium-security facility in the State of Illinois. The Center is also the most diversified facility within the Illinois Department of Corrections. Housing and programming are provided for general population male inmates, developmentally disabled and mentally handicapped inmates, and inmates in the Dixon Psychiatric Unit (DPU). The Center also has a living unit for older male inmates. The Center also serves as a designated American Disability Act facility with a separate unit for wheelchair inmates.

The Center is located on the north edge of the City of Dixon and encompasses 462 acres of land with 125 acres inside the perimeter fence. The Center operates its own power plant, sewage treatment plant, three deep wells, and has approximately 3.5 miles of underground tunnel systems. The Center purchases natural gas and electricity. The Center prepares and serves approximately 6,800 meals per day and is responsible for monitoring special dietary needs as ordered by the Center's medical and Chaplaincy staff.

Program and operation functions of the Center are as follows:

- Bureau of Identification – obtains, verifies and maintains the positive identification of all inmates, employees, contractual workers, and volunteers.
- Business Office – responsible for the operation of the General Stores, Inmate and Employee Commissaries, Clothing Room, Payroll and Timekeeping, Personnel, and all accounting, fiscal and budgetary functions for the Center.
- Chaplaincy – provides varied and quality pastoral care, counseling and religious services to the inmate population.
- Clinical Services – provides a range of counseling and case management services to all inmates. Support and services are provided to offenders to assist them in their adjustment to incarceration, review offender's program needs and prepare them for reintegration to the community.
- Dietary – responsible for feeding the Center that includes the General Population, Special Treatment Center, and Psychiatric Unit for the inmates, and staff.
- Education – encompasses all phases of an academic environment. Student-inmates are educated for GED instruction, vocational classes, and academic courses leading toward an Associate's Degree. A comprehensive range of library services is also provided.
- Health Care Unit – provides out-patient services including a 16-bed infirmary service. Physician and dental services are provided on-site. Nursing services are provided, which include 24-hour per day coverage. The Center also houses an 84-bed housing unit for older inmates with special medical needs and a 24-bed unit for wheel chair bound inmates.

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
DIXON CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2008

CENTER FUNCTIONS AND PLANNING PROGRAM (continued)

FUNCTIONS

- Industries – provides prescription eyewear to the Illinois Department of Health and Family Services, Department of Corrections, and various Lion's Clubs throughout the State.
- Internal Audit Control – conducts audits utilizing the Internal Audit Control process as directed by the Monitoring and Analysis Unit.
- LAN Administrator – manages all aspects of technology at the Center.
- Leisure Time Services – offers a wide variety of structured and self-directed programs and activities.
- Maintenance – responsible for the repair and maintenance of 462 acres with 125 acres inside the perimeter fence and 89 buildings, totaling over 855,000 square feet. The Center also has its own Power Plant that generates steam for cooking, heating, cooling and domestic hot water. The Sewage Treatment Plant maintains all of the Center's sewage and three deep wells for domestic water supply. The Center also maintains 3 ½ miles of an underground tunnel system that houses various utilities.
- Records – maintains comprehensive master file screening and processing of all inmates; coordinates inmate transfers; processes court writs and medical furloughs; provides Offender Tracking System (OTS) user support and report distribution; and maintains facility count.
- Safety and Sanitation – ensures a safe and sanitary environment at the Center which includes a fire plan; sufficient supply of self-contained breathing apparatuses; and monitoring the handling and security of toxic substances.
- Security – responsible for the secure and safe management of all inmates at the Center through control of inmate movement; security inspections of all areas of the Center; searches of persons, vehicles, and property brought onto Center ground; patrolling of all Center areas; response to disturbances; and the monitoring of all movement into and out of the facility.
- Special Treatment Center (STC) and Dixon Psychiatric Unit (DPU) - the STC and DPU are self-contained units within the Center. STC has housing for 560 inmates and DPU provides housing for 220 inmates. The STC and DPU serve the needs of mentally handicapped and developmentally disabled offenders by offering programs directed toward a special need population in a therapeutic environment. Programs include intensive substance abuse awareness groups, individual and group psychotherapy, and continuing psychiatric and psychological services.
- Training – responsible for the scheduling, instructing and tracking of Institutional Training.

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
DIXON CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2008

CENTER FUNCTIONS AND PLANNING PROGRAM (continued)

PLANNING PROGRAM

The Center has developed goals and objectives, coordinated by the Department of Corrections, as to its functions and programs. These goals and objectives include administrative, program and operation services for inmates, research and development, developing and monitoring policies and procedures, expanding programs, developing cost efficient strategies, and enhancing operations. The Center also implements policies and procedures designed to achieve the goals and objectives that have been established for the entire Department.

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
DIXON CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2008

AVERAGE NUMBER OF EMPLOYEES

The following table, prepared from Center records, presents the average number of employees, by function, for the past three years.

	Fiscal Year Ending June 30,		
	2008	2007	2006
Administrative	14	12	14
Business office and stores	14	15	15
Clinical services	29	29	35
Recreation	6	6	7
Maintenance	23	22	23
Correctional Officers	372	398	415
Dietary	16	17	17
Medical / Psychiatric	17	18	19
Religion	2	2	2
Total	<u>493</u>	<u>519</u>	<u>547</u>

An analysis of the activity regarding the changes in staffing of correctional officers, prepared from Center records, is presented in the table below for the fiscal years ending June 30.

	Fiscal Year	
	2008	2007
Correctional Officers, beginning of the year	394	412
New Correctional Officers hired	0	3
Correctional Officers transferred-in	0	1
Correctional Officers transferred-out	3	13
Correctional Officers separated from Department	39	14
Correctional Officers, end of the year	<u>352</u>	<u>389</u>

Correctional Officers for the above schedule is defined as all employees with security related responsibilities.

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
DIXON CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2008

EMPLOYEE OVERTIME (not examined)

Certain employees are eligible for overtime if the hours worked during a day exceed the employees standard work hours. Correctional Officers receive a ¼-hour of overtime for each day they stand for roll call. The roll call overtime is paid at straight time for all but Correctional Lieutenants who receive 1 ½ times normal pay.

Overtime is to be distributed as equally as possible among employees who normally perform the work in the position in which the overtime is needed. An employees' supervisor must approve any overtime. In most cases, except for roll call, employees are compensated at 1 ½ times their normal hourly rate for overtime hours worked. Employees have the opportunity to be compensated either in pay for the overtime or receive compensatory time off.

The following table, prepared from Department records, presents the paid overtime and earned compensatory time incurred for the last three fiscal years, ended June 30:

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Paid overtime hours worked during fiscal year	<u>57,720</u>	<u>23,151</u>	<u>9,081</u>
Value of overtime hours worked during fiscal year	<u>\$2,368,291</u>	<u>\$888,051</u>	<u>\$346,627</u>
Compensatory hours earned during fiscal year	<u>26,517</u>	<u>21,860</u>	<u>16,873</u>
Value of compensatory hours earned during fiscal year	<u>\$752,534</u>	<u>\$575,556</u>	<u>\$398,603</u>
Total paid overtime hours and earned compensatory hours during fiscal year	<u>84,237</u>	<u>45,011</u>	<u>25,954</u>
Total value of paid overtime hours and earned Compensatory hours during fiscal year	<u>\$3,120,825</u>	<u>\$1,463,607</u>	<u>\$745,230</u>

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
DIXON CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2008

INMATE COMMISSARY OPERATION

The Center operates a commissary for the benefit of the inmates. The commissary purchases goods from outside vendors and then retails the items to the inmates. The commissary purchases goods at wholesale prices where possible.

Effective January 1, 2004, the Unified Code of Corrections, 730 ILCS 5/3-7-2a, was amended to change the mark-up of cost on the goods purchased for resale in the commissary. Effective January 1, 2004, the selling price for all goods shall be sufficient to cover the cost of the goods and an additional charge of up to 35% for tobacco products and up to 25% for non-tobacco products. Effective January 1, 2008, the inmate commissaries at all Centers discontinued selling tobacco products.

The financial transactions of the Inmate Commissary are recorded in the Residents' Commissary Fund. A summary of the financial activity of the Residents' Commissary Fund for the years ended June 30, 2008 and 2007 are presented on pages 20 and 21 of this report.

As part of our testing, 25 inmate commissary products were selected and their sale price recomputed to determine compliance with the Unified Code of Corrections regarding the statutorily required mark-up. As a result of our testing, we noted all twenty-five commissary products were marked up 25% for non-tobacco, 35% for tobacco and an initial 7% for operating costs.

SHARED RESOURCES (not examined)

The Center provided Thomson Correctional Center with start up inventory for its Inmate Commissary Fund. The balance due the Center from Thomson Correctional Center is \$6,679 as of June 30, 2008.

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
DIXON CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2008

CENTER INMATE STATISTICS (not examined)

Comparative costs of inmate care, prepared from Center records, for the fiscal year ended June 30, are shown below:

	Fiscal Year		
	2008	2007	2006
Rated population	<u>1,430</u>	<u>1,430</u>	<u>1,430</u>
Inmate population (as of May 31)	<u>2,103</u>	<u>2,174</u>	<u>2,222</u>
Average number of inmates	<u>2,108</u>	<u>2,189</u>	<u>2,186</u>
Expenditures from appropriations	\$ 53,253,365	\$ 48,857,363	\$ 48,054,634
Less: Equipment and capital improvements	<u>19,887</u>	<u>3,461</u>	<u>12,455</u>
Net expenditures	<u>\$ 53,233,478</u>	<u>\$ 48,853,902</u>	<u>\$ 48,042,179</u>
Net inmate cost per year	<u>\$ 25,253</u>	<u>\$ 22,318</u>	<u>\$ 21,977</u>

Net expenditures for computing net inmate cost per year represent total expenditures from appropriations less equipment expenditures divided by average number of inmates.

The rated population and inmate population noted above was taken from the Department of Corrections quarterly reports to the State legislature.

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
DIXON CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2008

CENTER EMPLOYEE STATISTICS (not examined)

The following comparisons are prepared from Center records for the fiscal years ended June 30:

	Fiscal Year		
	<u>2008</u>	<u>2007</u>	<u>2006</u>
Average number of employees	<u>493</u>	<u>519</u>	<u>547</u>
Average number of correctional officers	<u>372</u>	<u>398</u>	<u>415</u>
Average number of inmates	<u>2,108</u>	<u>2,189</u>	<u>2,186</u>
Ratio of employees to inmates	<u>1 to 4.3</u>	<u>1 to 4.2</u>	<u>1 to 4.0</u>
Ratio of correctional officers to inmates	<u>1 to 5.7</u>	<u>1 to 5.5</u>	<u>1 to 5.3</u>

The following comparison of reported inmate assaults on staff is prepared from Department of Corrections records for the fiscal years ending June 30:

	Fiscal Year	
	<u>2008</u>	<u>2007</u>
Number of assaults on staff	<u>23</u>	<u>29</u>

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
DIXON CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2008

CELL SQUARE FEET PER INMATE (not examined)

The following comparisons are from a report issued by the Department of Corrections to the State legislature:

	Fiscal Year		
	2008	2007	2006
Approximate Square Foot Per Inmate	<u>24</u>	<u>23</u>	<u>23</u>

FOOD SERVICES (not examined)

The following table, prepared from the Center records, summarizes the number of meals served and the average cost per meal.

	Fiscal Year		
	2008	2007	2006
Breakfast	657,000	730,000	657,000
Lunch	766,500	766,500	803,000
Dinner	803,000	803,000	803,000
1:00 a.m. meal	23,000	23,000	21,900
Staff meals	182,500	182,500	182,500
Total Meals Served	<u>2,432,000</u>	<u>2,505,000</u>	<u>2,467,400</u>
Food Cost	<u>\$ 1,915,069</u>	<u>\$ 2,045,765</u>	<u>\$ 1,964,528</u>
Cost Per Meal	<u>\$ 0.79</u>	<u>\$ 0.82</u>	<u>\$ 0.80</u>

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
DIXON CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2008

MEDICAL AND CLERGY SERVICE CONTRACTS (not examined)

The following table, prepared from Center records, summarizes what was paid to vendors for medical and clergy contractual services for fiscal years 2008, 2007 and 2006.

	Fiscal Year		
	2008	2007	2006
Medical Services:			
Health Professionals	\$ 8,034,487	\$ 7,458,232	\$ 3,342,725
Wexford Medical	0	0	4,363,656
Argosy Educational Group	337,987	293,643	307,648
Larry Blum M.D.	1,512	3,000	0
Lee County	1,460	1,514	448
Mark Peters	3,000	2,250	1,450
Total Medical Services	<u>\$ 8,378,446</u>	<u>\$ 7,758,639</u>	<u>\$ 8,015,927</u>

Clergy service contracts were transferred to Central Office during the engagement period.

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
DIXON CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2008

SERVICE EFFORTS AND ACCOMPLISHMENTS (not examined)

The Dixon Correctional Center implemented the following programs in Fiscal Years 2007 and 2008 as part of a statewide initiative for Illinois Department of Corrections (DOC). These programs are re-entry programs for the offender population and the program's mission is to address the offenders post incarceration needs.

TRAC - Fiscal Year 2008

TRAC I is a 15 hour program that offenders participate in immediately following orientation. The program runs Monday - Friday for three hours each day. Offenders only attend TRAC I one time and receive information in the areas of Criminality & Addiction, Rational Thinking, Personal Transitions, Family Reunification, Education, Employability, Wellness and Goal Setting.

Lifestyle Redirection - Fiscal Year 2007

The Lifestyle Redirection Program consists of twelve weeks of groups held 4 days a week, 2 hours a day, for a total of 96 group hours. The program is designed with twelve topics which cover Self-Esteem, Boundaries, Men's Roles, Victims, Anger Symptoms, Dealing with Anger, Violence Triggers, Trauma, Domestic Violence, Healthy Relationships I, Healthy Relationships II, and Wellness. The program is available to any offender wishing to participate.

Job Preparedness - Fiscal Year 2008

The Job Preparedness Course is a two-week / 10 class program sponsored by the safer Foundation and facilitated by the Vocational School. This course is designated to help address the challenges facing offenders in finding and holding a job upon release, by providing information and practice needed to search, obtain and retain employment. The first half of the class emphasizes job applications, resume building, interview preparation and practice, as well as basic job and social skills for the workplace. The second half of the course includes basic keyboarding/computer skills, job evaluation and education addressing the best way to handle workplace issues. Participants are ideally within 3-6 months from release and are scheduled for class by the Clinical Services Department. Dixon Correctional Center has two Job Preparedness Courses that generally run simultaneously. One for General Populations offenders and located in the Vocational School, Bldg. 25 and one for the Special Treatment Center offenders located in the STC Vocational School, Bldg. 32. The General Population Job Prep Lab capacity is 16 and the capacity for the Special Treatment Center Job Prep Lab is 11.

Tele-Psychiatry

Tele-psychiatry services, a form of tele-medicine, have been provided to Dixon General Population since May 10, 2006. Inmates receive a full range of psychiatric services utilizing a secured video conference modality. Inmates meet privately with the psychiatrist. The psychiatrist records his dictations and distributes orders over the IDOC LAN system. Clerical

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
DIXON CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2008

SERVICE EFFORTS AND ACCOMPLISHMENTS (not examined) (continued)

staff downloads the information and distributes the documentation and scripts to medical records and nursing staff.

In addition to the above, staff continue to address service program needs through education, recreational and work assignments.

Additionally, on April 23, 2008, a Water Treatment Plant Operator was recognized as the Waste Water Treatment Plant Operator of the Year for Class 3 Waste Water Treatment Operation in the State of Illinois by the Illinois association of Water Pollution Control Operators.

Significant decreases in staffing, facility wide, has had a direct impact on our abilities to expand existing or offer new programs and services to the offender population. Despite the decrease in staffing, the staff continues to strive to maintain a level of programming and services that best meet the offender population in relationship to the resources available at the facility.