

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

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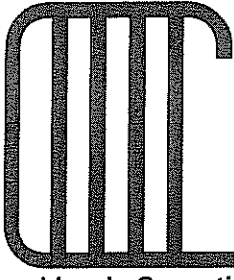
STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
LINCOLN CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2008

CENTER OFFICIALS

Acting Warden (1/1/09 to present)	Ms. Melody Hulett
Warden (7/1/04 to 12/31/08)	Ms. Carolyn (Robertson) Trancoso
Assistant Warden - Programs	Ms. Shannis Stock
Assistant Warden - Operations	Ms. Dawn Golden
Business Office Administrator (12/22/08 to present)	Vacant
Business Office Administrator (2/16/07 to 12/21/08)	Ms. Jo Shoemaker
Business Office Administrator (10/1/05 to 2/15/07)	Vacant

The Center is located at:

1098 1350th Street
Lincoln, Illinois 62656



Illinois
Department of
Corrections

Pat Quinn
Governor

Roger E. Walker Jr.
Director

Lincoln Correctional Center / 1098 1350th Street / Lincoln, IL 62656 / Telephone: (217)735-5411 / TDD: (800)526-0844

April 9, 2009

E. C. Ortiz & Co., LLP
Certified Public Accountants
333 S. Des Plaines St., Suite 2-N
Chicago, Illinois 60661

Ladies and Gentlemen:

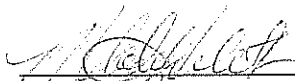
We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of Lincoln Correctional Center (Center). We are responsible for and we have established and maintained an effective system 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.
- 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.

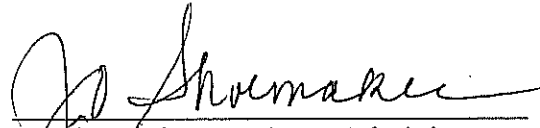
E. Money or negotiable securities or similar assets handled by the Center on behalf of the State or held in trust by the Center have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate and in accordance with law.

Yours very truly,

Lincoln Correctional Center



Melody Hulett, Acting Warden



Jo Shoemaker, Business Administrator

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
LINCOLN CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
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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.

SUMMARY OF FINDINGS

<u>Number of</u>	<u>This Report</u>	<u>Prior Report</u>
Findings	3	3
Repeated findings	1	-
Prior recommendations implemented or not repeated	2	1

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>
08-1	11	Lack of proper segregation of duties over locally held funds	Significant deficiency and noncompliance
08-2	13	Inadequate controls over voucher processing	Significant deficiency and noncompliance
08-3	14	Failure to properly transfer unclaimed inmate cash account balances	Significant deficiency and noncompliance

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DEPARTMENT OF CORRECTIONS
LINCOLN CORRECTIONAL CENTER
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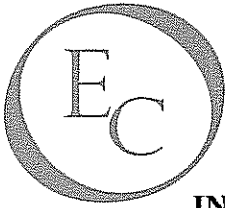
PRIOR FINDINGS NOT REPEATED

<u>Item No.</u>	<u>Page</u>	<u>Description</u>
A	16	Noncompliance with statutory mandate
B	16	Inadequate contract monitoring of medical service providers

EXIT CONFERENCE

Center management waived having an exit conference per email from Mary Ann Bohlen, Assistant Deputy Director – Fiscal Accounting Compliance, dated February 11, 2009.

Responses to the recommendations were provided by Mary Ann Bohlen per correspondence dated February 11, 2009.



E.C. ORTIZ & CO., LLP
CERTIFIED PUBLIC ACCOUNTANTS

**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 - Lincoln 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 - Lincoln Correctional Center is responsible for compliance with these requirements. Our responsibility is to express an opinion on the State of Illinois Department of Corrections - Lincoln Correctional Center's compliance based on our examination.

- A. The State of Illinois Department of Corrections - Lincoln 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 - Lincoln 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 - Lincoln 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 - Lincoln 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 - Lincoln Correctional Center on behalf of the State or held in trust by the State of Illinois Department of Corrections - Lincoln 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 Corrections - 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 - Lincoln 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 - Lincoln Correctional Center's compliance with specified requirements.

In our opinion, the State of Illinois Department of Corrections - Lincoln 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 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. 08-1, 08-2 and 08-3.

Internal Control

The management of the State of Illinois Department of Corrections - Lincoln 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 Department of Corrections - Lincoln 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 - Lincoln Correctional Center's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the State of Illinois Department of Corrections -

Lincoln 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.

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. 08-1, 08-2 and 08-3 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. We did not consider the deficiency described in the accompanying Schedule of Findings to be material weakness.

Our consideration of internal control over compliance with the requirements listed in the first paragraph of this report was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or 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 - Lincoln 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 - Lincoln 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 Schedule of Locally Held Funds - Cash Basis, Schedule of Changes in State Property, Comparative Schedule of Cash Receipts and Deposits, Schedule of Changes in Inventories, 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.

E. C. Gligo & Co. LLP

April 9, 2009

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

Current Findings

08-1 Finding (Lack of proper segregation of duties over locally held funds)

The Center continued to allow employees to perform functions that do not provide an adequate segregation of duties.

During our review of the policies and procedures on locally held funds, we noted that an employee responsible for recording transactions for these funds continues to be responsible for performing reconciliations as well as performing the disbursement functions of invoice processing, check preparation and custodian of blank checks. This employee also receives or opens mail receipts and records cash receipts. In addition, in the absence of the imprest fund custodian, the same employee acts as the custodian of the fund.

The Department of Corrections Administrative Directive 02.40.101 states that the Business Administrator shall reconcile locally held funds or may delegate this responsibility to an individual who has no related record keeping functions. Also, the Business Administrator shall designate an individual to write checks and ensure that the individual does not receive or deposit cash, mail prepared checks or sign checks. Any exception to the separation of duties as outlined in this Directive shall be stated in writing by the Chief Administrative Officer and approved by the Deputy Director of the Division of Finance. In addition, good internal control requires adequate segregation of duties to ensure that effective checks and balances are in place to minimize the risk of loss.

Center personnel stated that the Central Office was informed about this issue but due to limited budget, some vacant positions were not filled to provide for an adequate segregation of duties. During the year, another staff person left the Center but the position was not filled.

Inadequate segregation of duties increases the risk that errors or irregularities may occur and not be detected promptly. Existence of incompatible duties and failure to obtain approval for exceptions are also violation of the Administrative Directive. (Finding Code No. 08-1, 06-1)

Recommendation

We recommend the Center review Business Office staff workload and assign the more critical functions to different individuals to achieve an adequate segregation of duties.

STATE OF ILLINOIS
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SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2008

08-1 Finding (Lack of proper segregation of duties over locally held funds) (Continued)

Center Response

Recommendation implemented. The Center has reassigned the mailing of the checks out to an employee separate from the Locally Held Fund process.

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LIMITED SCOPE COMPLIANCE EXAMINATION
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2008

08-2 Finding (Inadequate controls over voucher processing)

The Center did not exercise adequate controls over voucher processing. We noted the following:

- Six of 65 (9%) vouchers tested totaling \$991,325 were approved for payment 2 to 110 days late. The Illinois Administrative Code (74 Ill. Adm. Code 900.70), State Prompt Payment Act (30 ILCS 540/3-2), and Administrative Directive 02.35.120 require the Department to review each vendor's invoice and either deny the voucher in whole or in part; ask for more information necessary to review the bill; or approve the voucher in whole or in part, within 30 days after the receipt of the bill.
- The Center did not pay a vendor interest charges totaling \$479 for 1 of 65 (2%) vouchers tested. The State Prompt Payment Act (30 ILCS 540/3-2) requires State agencies to determine whether interest is due and automatically pay interest penalties amounting to \$50 or more to the appropriate vendor when payment is not issued within 60 days after receipt of a proper bill.

Center personnel stated that the untimely processing of vouchers was due mainly to funds not being available at the time of receipt of the bills and they were waiting for approval from Central Office Budget Department to process the bills. Center personnel also stated that the required interest was not paid since they did not receive instruction from Central Office to pay for interest. According to the Central Office personnel, no interest was paid due to the reconciliation clause in the contract with vendor.

Late approval results in noncompliance with the Illinois Administrative Code, State Prompt Payment Act and Administrative Directive. Untimely processing and approval of vouchers may result in the Center incurring unnecessary interest and fees. Failure to pay required interest on vouchers is noncompliance with the State Prompt Payment Act. (Finding Code No. 08-2)

Recommendation

We recommend the Center strengthen its controls over voucher processing to ensure timely approval and payment of vouchers.

Center Response

Recommendation accepted. The facility will make every effort to ensure vouchers are approved in accordance with the Prompt Payment Act.

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SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2008

08-3 Finding (Failure to properly transfer unclaimed inmate cash account balances)

The Center did not take appropriate action to ensure that dormant account balances were properly transferred to the General Revenue Fund (GRF).

We noted the Center improperly offset Inmate Trust Fund accounts with positive cash balances against accounts with negative balances prior to transfer of unclaimed cash balances to the GRF. The Center's inmate dormant trust fund accounts noted had positive balances totaling \$363 and \$189 and negative balances totaling \$2,466 and \$201 as of June 30, 2008 and 2007, respectively. Since the net balances of the two fiscal years were negative, the Center did not transfer funds to the GRF. The last transfers were made on November 13, 2007 for fiscal year 2008 and on April 23, 2007 for fiscal year 2007.

The Unified Code of Corrections (Code) requires the Department of Corrections (Department) to establish accounting records with individual accounts for each inmate (730 ILCS 5/3-4-3(a)). In addition, the Code (730 ILCS 5/3-4-3(b)) requires any money held in accounts of a committed person, upon release from the Department by death, discharge, or unauthorized absence and unclaimed for a period of one year thereafter by the person or his legal representative to be transmitted to the State Treasurer who shall deposit it into the GRF. Further, the Illinois Department of Corrections Administrative Directive 02.42.106 requires, upon determination of dormant accounts, the Business Administrator to prepare a list, which includes the account numbers, inmates' names, identification numbers, account balances and a memorandum requesting permission to transfer the balances to the GRF.

Center management stated their internal policy for dormant accounts is to only transfer positive balances which exceed negative balances in total for all inmate accounts.

Offsetting negative account balances against positive balances in the Inmate Trust Fund effectively requires other inmate accounts to bear the costs of deficits in violation of the Center's fiduciary responsibility and the Code. In addition, failure to notify the Department and ensure dormant account cash balances are transferred to the GRF is noncompliance with the Administrative Directive and State statute and could result in a loss of revenue to the State. (Finding Code No. 08-3)

Recommendation

We recommend the Center take appropriate action to ensure dormant cash balances are properly transferred to the GRF.

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SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2008

08-3 Finding (Failure to properly transfer unclaimed inmate cash account balances)
(Continued)

Center Response

Finding not accepted. The Department has implemented policies and procedures that it feels are appropriate to the Statute and Administrative Directives.

- The inmate trust fund maintains individual accounts by inmate.
- The accounts are reviewed when designated dormant.
- The appropriate account balances are transferred to the general revenue fund as required.
- The statute is silent on the Department's ability to offset negative account balances with positive account balances.

The end result of the policy is not a loss of revenue to the State as all funds are deposited into a legislatively appropriated fund on deposit at the Treasurer.

Auditor's Comment

The Unified Code of Corrections requires the transfer of dormant accounts to the GRF. The Center did not transfer dormant accounts totaling \$552 to the GRF. The negative balances are caused by the improper off-setting of one inmate's positive cash balance against another inmate's negative balance in the Inmate Trust Fund.

Further, the Department's administrative rules (20 Ill. Adm. Code 535.140(a)) state unclaimed money held for a period of one year may be transferred to the Inmate Benefit Fund and be expended for the special benefit of committed persons, which is inconsistent with the Unified Code of Corrections.

The Center has a fiduciary responsibility for the inmate accounts and should be evaluating each account within the Inmate Trust Fund individually for potential transfer to the GRF.

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LIMITED SCOPE COMPLIANCE EXAMINATION
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2008

Prior Findings Not Repeated

A. Finding (Noncompliance with statutory mandate)

During the prior period engagement, the Center did not display notices of State employee protection under the Whistle Blower Protection Article of the State Officials and Employees Ethics Act.

During the current period engagement, the Center had conspicuously displayed the notice in a bulletin board near the Business Office along the hallway of Administration Building. (Finding Code No. 06-2)

B. Finding (Inadequate contract monitoring of medical service providers)

During the prior period engagement, the Center had inadequate monitoring procedures for its medical services contracts. Actual hours of service for one of its contractors were not reconciled with the monthly billing. In addition, 3 of 4 quarterly monitoring reports for FY2005 were not prepared for one of its Center's major contract, while 3 of 4 quarterly monitoring reports for FY2006 were not prepared for two of its major medical contractors.

During the current period engagement, the Center established procedures to reconcile the actual hours of service with monthly billing. Also, all quarterly monitoring reports were prepared for the contract tested. (Finding Code No. 06-3)

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LIMITED SCOPE COMPLIANCE EXAMINATION
SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES
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 – Special Revenue Funds
- Schedule of Locally Held Funds – Cash Basis (not examined)
- Schedule of Changes in State Property (not examined)
- 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 (not examined)

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 Schedule of Locally Held Funds – Cash Basis, Schedule of Changes in State Property, Comparative Schedule of Receipts and Deposits, Schedule of Changes in Inventories, Employee Overtime, Shared Resources, Annual Cost Statistics and Service Efforts and Accomplishments on which they did not perform any procedures. However, the accountants do not express an opinion on the supplementary information.

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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	\$ 13,441,700	\$ 12,704,604	\$ 737,008	\$ 13,441,612	\$ 88
Student, member and inmate compensation	213,800	196,119	17,603	213,722	78
State contributions to State Employees' Retirement System	2,226,300	2,104,163	122,063	2,226,226	74
State contributions to Social Security	1,000,000	944,680	55,276	999,956	44
Contractual services	4,665,300	4,571,533	93,767	4,665,300	-
Travel	11,100	10,040	994	11,034	66
Travel and allowances for committed, paroled and discharged prisoners	9,300	7,980	1,231	9,211	89
Commodities	823,800	793,402	30,295	823,697	103
Printing	12,900	12,873	-	12,873	27
Equipment	87,900	339	87,500	87,839	61
Telecommunications services	66,400	66,103	297	66,400	-
Operation of automotive equipment	108,700	97,746	10,928	108,674	26
Total - Fiscal Year 2008	<u>\$ 22,667,200</u>	<u>\$ 21,509,582</u>	<u>\$ 1,156,962</u>	<u>\$ 22,666,544</u>	<u>\$ 656</u>

Note: The information reflected in this schedule was taken from the Center's records and reconciled to records of the State Comptroller.

STATE OF ILLINOIS
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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 94-798					
<u>GENERAL REVENUE FUND - 001</u>					
Personal services	\$ 12,453,600	\$ 11,859,719	\$ 591,829	\$ 12,451,548	\$ 2,052
Student, member and inmate compensation	219,000	182,509	36,398	218,907	93
State contributions to State Employees' Retirement System	1,436,300	1,367,434	68,439	1,435,873	427
State contributions to Social Security	926,000	880,735	44,298	925,033	967
Contractual services	4,648,400	4,365,690	282,514	4,648,204	196
Travel	9,246	6,792	2,454	9,246	-
Travel and allowances for committed, paroled and discharged prisoners	12,200	10,590	1,547	12,137	63
Commodities	796,800	776,535	18,800	795,335	1,465
Printing	13,000	12,767	-	12,767	233
Equipment	800	248	530	778	22
Telecommunications services	73,500	62,537	10,961	73,498	2
Operation of automotive equipment	86,100	71,882	14,218	86,100	-
Total - Fiscal Year 2007	\$ 20,674,946	\$ 19,597,438	\$ 1,071,988	\$ 20,669,426	\$ 5,520

Note: The information reflected in this schedule was taken from the Center's records and reconciled to records of the State Comptroller.

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
LINCOLN 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. 94-798	P.A. 94-0015
GENERAL REVENUE FUND - 001			
Appropriations (net of transfers)	\$ 22,667,200	\$ 20,674,946	\$ 20,035,200
EXPENDITURES			
Personal services	13,441,612	12,451,548	12,097,258
Employee retirement contributions paid by employer	-	-	151,730
Student, member and inmate compensation	213,722	218,907	219,271
State contributions to State Employees' Retirement System	2,226,226	1,435,873	942,651
State contributions to Social Security	999,956	925,033	898,368
Contractual services	4,665,300	4,648,204	4,734,486
Travel	11,034	9,246	8,539
Travel and allowances for committed, paroled and discharged prisoners	9,211	12,137	11,588
Commodities	823,697	795,335	806,384
Printing	12,873	12,767	13,588
Equipment	87,839	778	19,680
Telecommunications services	66,400	73,498	61,401
Operation of automotive equipment	108,674	86,100	67,875
Total Expenditures	<u>22,666,544</u>	<u>20,669,426</u>	<u>20,032,819</u>
LAPSED BALANCES	<u>\$ 656</u>	<u>\$ 5,520</u>	<u>\$ 2,381</u>

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
LINCOLN 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 Inmates' 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 Inmates' Benefit Fund for sales from the Inmate Commissary or the Employees' Benefit Fund for sales from the Employees' Commissary.

Inmates' 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 Inmates' Benefit Fund account at each Center was closed and the balance transferred to a single locally held Inmates' Benefit Fund bank account administered by the General Office. The Center has a sub-account within the Inmates' Benefit Fund account at the General Office that records their specific transactions.

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

Expenditures from the Inmates' 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 Inmates' Benefit Fund transactions are also performed and maintained at the General Office. Because the Center does not maintain the financial records, a summary of the Center's Inmates' Benefit Fund activity for fiscal years 2008 and 2007 will be presented in the General Office Compliance Report for the two years ended 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 Inmates' Trust Fund. The Inmates' 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 Inmates' Trust Fund.

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
LINCOLN 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	Inmates' Commissary Fund	Employees' Benefit Fund
<u>REVENUES</u>			
Income from sales	\$ 43,386	\$ 1,298,759	\$ 56,781
Interest / investment income	-	473	39
Total Revenues	<u>43,386</u>	<u>1,299,232</u>	<u>56,820</u>
<u>EXPENDITURES</u>			
Purchases	41,967	1,061,907	30,017
General and administrative	-	8,806	-
Contractual	-	-	33,681
Equipment	-	-	799
Other	-	1,277	-
Total Expenditures	<u>41,967</u>	<u>1,071,990</u>	<u>64,497</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,419</u>	<u>227,242</u>	<u>(7,677)</u>
<u>OTHER FINANCING SOURCES</u>			
Transfers in	-	-	107
Transfers (out)	(1,419)	(227,242)	-
Total Other Financing Sources	<u>(1,419)</u>	<u>(227,242)</u>	<u>107</u>
Net Change in Fund Balance	-	-	(7,570)
Fund Balance July 1, 2007	-	-	24,106
Fund Balance June 30, 2008	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,536</u>

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

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
LINCOLN 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	Inmates' Commissary Fund	Employees' Benefit Fund
<u>REVENUES</u>			
Income from sales	\$ 51,742	\$ 1,243,575	\$ 34,671
Interest / investment income	15	355	25
Miscellaneous:			
Donations	-	-	2,440
Total Revenues	<u>51,757</u>	<u>1,243,930</u>	<u>37,136</u>
<u>EXPENDITURES</u>			
Purchases	47,721	1,015,448	34,608
General and administrative	2,324	6,997	-
Contractual	-	-	3,754
Equipment	397	-	-
Donations	-	-	200
Other	109	1,417	-
Total Expenditures	<u>50,551</u>	<u>1,023,862</u>	<u>38,562</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,206</u>	<u>220,068</u>	<u>(1,426)</u>
<u>OTHER FINANCING SOURCES</u>			
Transfers In	-	-	482
Transfers (Out)	(1,206)	(220,068)	-
Total Other Financing Sources	<u>(1,206)</u>	<u>(220,068)</u>	<u>482</u>
Net Change in Fund Balance	-	-	(944)
Fund Balance July 1, 2006	-	-	25,050
Fund Balance June 30, 2007	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,106</u>

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

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
LINCOLN CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
SCHEDULE OF LOCALLY HELD FUNDS - CASH BASIS
(NOT EXAMINED)
For The Years Ended June 30

	2008		2007	
	Travel and Allowance Rev. Fund	Inmates' Trust Fund	Travel and Allowance Rev. Fund	Inmates' Trust Fund
Balance - July 1	\$ 1,500	\$ 28,583	\$ 1,500	\$ 18,899
Receipts				
Investment Income	-	232	-	196
Inmate Account Receipts	-	1,493,000	-	1,409,164
Appropriations from General Revenue Fund	9,211	-	12,136	-
TOTAL RECEIPTS	<u>9,211</u>	<u>1,493,232</u>	<u>12,136</u>	<u>1,409,360</u>
Disbursements				
Inmate Account Disbursements	-	1,484,375	-	1,399,480
Disbursements for released inmates	9,211	-	12,136	-
TOTAL DISBURSEMENTS	<u>9,211</u>	<u>1,484,375</u>	<u>12,136</u>	<u>1,399,480</u>
Fund Transfers				
Fund Transfers In	-	-	-	-
Fund Transfers (Out)	-	(232)	-	(196)
TOTAL TRANSFERS	<u>-</u>	<u>(232)</u>	<u>-</u>	<u>(196)</u>
Balance - June 30	<u>\$ 1,500</u>	<u>\$ 37,208</u>	<u>\$ 1,500</u>	<u>\$ 28,583</u>

Note: Schedule is presented on the cash basis of accounting

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
LINCOLN CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
SCHEDULE OF CHANGES IN STATE PROPERTY
(NOT EXAMINED)
For The Years Ended June 30,

	2008					2007				
	Land	Buildings	Equipment	Land Improvements	Total	Land	Buildings	Equipment	Land Improvements	Total
Balance, beginning	\$ -	\$15,953,948	\$ 2,010,284	\$ -	\$ 17,964,232	\$ -	\$15,944,452	\$ 2,089,114	\$ -	\$ 18,033,566
Additions:										
Purchases	-	-	20,390	-	20,390	-	-	11,240	-	11,240
Transfers-in	-	-	1,033,311	-	1,033,311	-	-	32,171	-	32,171
Capital Development Board	-	-	-	-	-	-	9,496	-	-	9,496
Employees' Commissary Fund	-	-	-	-	-	-	-	-	-	-
Employees' Benefit Fund	-	-	-	-	-	-	-	-	-	-
Inmates' Commissary Fund	-	-	-	-	-	-	-	-	-	-
Inmates' Benefit Fund	-	-	4,214	-	4,214	-	-	20,928	-	20,928
Donations	-	-	2,743	-	2,743	-	-	-	-	-
Grants	-	-	-	-	-	-	-	4,269	-	4,269
Adjustments	-	-	-	-	-	-	-	-	-	-
Total Additions	-	-	1,060,658	-	1,060,658	-	9,496	68,608	-	78,104
Deductions:										
Transfers-out	-	-	17,519	-	17,519	-	-	75,685	-	75,685
Scrap property	-	-	-	-	-	-	-	-	-	-
Surplus property	-	-	-	-	-	-	-	-	-	-
Condemned and lost property	-	-	10,876	-	10,876	-	-	71,753	-	71,753
Adjustment	-	-	-	-	-	-	-	-	-	-
Total Deductions	-	-	28,395	-	28,395	-	-	147,438	-	147,438
Balance, ending	\$ -	\$15,953,948	\$ 3,042,547	\$ -	\$ 18,996,495	\$ -	\$15,953,948	\$ 2,010,284	\$ -	\$ 17,964,232

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Note: Center management indicated the 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
LINCOLN 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	\$ 66	\$ 40	\$ 11
Inmate Restitution, Postage, Funeral Furlough, Medical Services	-	-	18,350
Dormant Inmate Accounts	149	690	-
Funeral Furlough	-	-	-
Staff Witness Fees	-	-	-
Contraband Cash	22	18	-
Copying Fees	-	-	-
Miscellaneous	1,064	209	20
TOTAL RECEIPTS	<u>\$ 1,301</u>	<u>\$ 957</u>	<u>\$ 18,381</u>
<u>REMITTANCES</u>			
General Revenue Fund - 001	\$ 1,301	\$ 957	\$ 31
Department of Corrections Reimbursement Fund - 523	-	-	18,350
TOTAL RECEIPTS REMITTED DIRECTLY TO STATE TREASURER	<u>\$ 1,301</u>	<u>\$ 957</u>	<u>\$ 18,381</u>
<u>DEPOSITS</u>			
Receipts recorded by Center	\$ 1,301	\$ 957	\$ 31
Add: Deposits in transit - Beginning of year	-	166	1,588
Deduct: Deposits in transit - End of year	(107)	-	(166)
DEPOSITS RECORDED BY THE STATE COMPTROLLER	<u>\$ 1,194</u>	<u>\$ 1,123</u>	<u>\$ 1,453</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
LINCOLN CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
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:

EXPENDITURE ITEM	FISCAL YEAR ENDED JUNE 30		INCREASE (DECREASE)	
	2008	2007	AMOUNT	%
State contributions to State Employees' Retirement System	\$2,226,226	\$1,435,873	\$790,353	55%
Travel and allowances for committed, paroled, and discharged prisoners	\$9,211	\$12,137	(\$2,926)	(24%)
Equipment	\$87,839	\$778	\$87,061	11,190%
Operation of automotive equipment	\$108,674	\$86,100	\$22,574	26%

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

State contributions to State Employees' Retirement System

The increase was due to the increase in the contribution rate from 11.525% in fiscal year 2007 to 16.561% in fiscal year 2008.

Travel and allowances for committed, paroled, and discharged prisoners

The decrease was due to increase in offenders providing their own transportation when discharged from the Center.

Equipment

The increase was due to the purchase of a new dish washing machine in fiscal year 2008 to replace the old washing machine.

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
LINCOLN CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2008

Fiscal Year 2008 (Continued)

Operation of automotive equipment

The increase was due to the increase in gas prices and payment of some Department of Central Management Services (DCMS) state garages invoices carried over from the prior fiscal year.

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
LINCOLN CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
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:

EXPENDITURE ITEM	FISCAL YEAR ENDED JUNE 30		INCREASE (DECREASE)	
	2007	2006	AMOUNT	%
Employee retirement contributions paid by employer	\$-	\$151,730	(\$151,730)	(100%)
State contributions to State Employees' Retirement System	\$1,435,873	\$942,651	\$493,222	52%
Equipment	\$778	\$19,680	(\$18,902)	(96%)
Telecommunications services	\$73,498	\$61,401	\$12,097	20%
Operation of automotive equipment	\$86,100	\$67,875	\$18,225	27%

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

Employee retirement contributions paid by employer

The decrease was due to the revision in the union contract whereby the Center no longer pays the employee retirement contribution.

State contributions to State Employees' Retirement System

The increase was due to the increase in the contribution rate from 7.792% in fiscal year 2006 to 11.525% in fiscal year 2007.

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
LINCOLN CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2008

Fiscal Year 2007 (Continued)

Equipment

The decrease was due to reduction in budget for equipment in fiscal year 2007 compared to higher amount approved in fiscal year 2006. The Center had purchased necessary equipment for operations in fiscal year 2006 to replace older items. Thus, no major equipment purchases were made in fiscal year 2007.

Telecommunications services

The increase in fiscal year 2007 was due to budget shortage in fiscal year 2006. Department of Central Management (DCMS) invoices from prior fiscal year were carried over to fiscal year 2007.

Operation of automotive equipment

The increase was due to DCMS invoices from the prior fiscal year being carried over to fiscal year 2007.

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
LINCOLN CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
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 one appropriation line item 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>
Equipment	\$87,839	\$87,500	100%

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

Equipment

Significant lapse period expenditures for equipment line item was due to the purchase of a dish washing machine that was awarded on 5/28/08 and was delivered and paid during the lapse period.

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
LINCOLN CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
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	\$9,246	\$2,454	27%
Equipment	\$778	\$530	68%

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

Travel

Travel vouchers were paid late due to lack of funds to pay employees on writs for refused sack lunches. The Center was waiting on Central Office Budget Department to transfer funds to travel budget line.

Equipment

The Center placed an order to purchase an air conditioning unit for school district on June 2007. The item was received and paid during the lapse period.

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
LINCOLN 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	\$ 13,882	\$ 158,300	\$ 155,499	\$ 16,683
Mechanical stores	8,722	32,816	33,882	7,656
Inmate clothing	783	70,282	70,675	390
Officers' clothing	-	14,597	14,597	-
Office supplies	7,666	23,151	25,106	5,711
Surplus inventory	722	-	722	-
Kitchen	80,983	542,776	562,074	61,685
	<u>\$ 112,758</u>	<u>\$ 841,922</u>	<u>\$ 862,555</u>	<u>\$ 92,125</u>
LOCAL FUNDS				
Employees' commissary fund	\$ 4,063	\$ 40,054	\$ 40,795	\$ 3,322
Inmates' commissary fund	78,567	975,818	980,453	73,932
	<u>\$ 82,630</u>	<u>\$ 1,015,872</u>	<u>\$ 1,021,248</u>	<u>\$ 77,254</u>
	Balance July 1, 2006	Additions	Deletions	Balance June 30, 2007
GENERAL REVENUE FUND				
General stores	\$ 15,465	\$ 165,473	\$ 167,056	\$ 13,882
Mechanical stores	7,931	75,179	74,388	8,722
Inmate clothing	6,253	73,065	78,535	783
Officers' clothing	-	10,246	10,246	-
Office supplies	8,591	27,396	28,321	7,666
Surplus inventory	722	454	454	722
Kitchen	99,807	530,754	549,578	80,983
	<u>\$ 138,769</u>	<u>\$ 882,567</u>	<u>\$ 908,578</u>	<u>\$ 112,758</u>
LOCAL FUNDS				
Employees' commissary fund	\$ 4,750	\$ 47,893	\$ 48,580	\$ 4,063
Inmates' commissary fund	97,051	917,469	935,953	78,567
	<u>\$ 101,801</u>	<u>\$ 965,362</u>	<u>\$ 984,533</u>	<u>\$ 82,630</u>

Note: The inventory balances at June 30 were reconciled to the records of the Center.

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

CENTER FUNCTIONS AND PLANNING PROGRAM

Lincoln Correctional Center, located in Lincoln, Illinois, was opened in 1984 as a minimum-security facility of the Illinois Department of Corrections (Department). The Facility initially served male inmates. In addition, the Center also held fiscal and administrative responsibility for the Springfield Work Camp.

Effective October 7, 2000, the Department converted the Center to a Level 4 (medium security) institution for female inmates. At that time, administrative responsibility of the Springfield Work Camp was transferred to Logan Correctional Center. Lincoln Correctional Center continued to hold fiscal responsibility for the Springfield Work Camp until that duty was transferred to Logan Correctional Center during FY 2002.

The Unified Code of Corrections (730 ILCS 5/3-2-2) mandates the Department to “accept persons committed to it by the courts of this State for care, custody, treatment and rehabilitation.” Within this framework, the Department offers the inmates a variety of programs designed to return them to the community with skills to make them useful and productive citizens. These programs include adult basic education and GED classes provided by Correctional School District No. 428 as well as vocational training and college level academic courses offered through a contract with Richland Community College. In addition, the Department strives to create a healthful environment by providing a variety of services such as medical, dental, religious, counseling and library services as well as recreational programs.

The Center was accredited in January 1998 by the American Correctional Association. This Association is not governed by any federal or state statutory authority. To receive the accreditation the Center must comply with a significant number of approximately 500 various standards.

Effective July 1, 2004, Carolyn (Robertson) Trancoso became the Center’s warden. The Department maintains its general office in Springfield.

AGENCY PLANNING PROGRAM

The Department’s Bureau of Administration and Planning is primarily responsible for coordination of the Department’s planning program. The Center has prepared a mission statement for the facility. The Center has also prepared an institutional directive to document its policies and procedures for establishing, implementing, monitoring and evaluating its goals and objectives. Specific goals and objectives are developed and incorporated into annual job performance evaluations of top management staff. Goals and objectives for the Center are also developed through the preparation of annual budget requests.

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

CENTER FUNCTIONS AND PLANNING PROGRAM (Continued)

EVALUATION

Since long-range planning activities are primarily carried out at the Department level, the Center's planning program focuses on the development of goals and objectives on an annual basis. Taking into consideration this management structure, the Center's goals and objective, as incorporated into annual job performance evaluations, appear to represent adequate goals and objectives for carrying out the Center's functions.

Evaluation of progress is achieved through quarterly reviews conducted with Center personnel and Department officials. The Center has specific written definitions of its criteria for evaluating overall institutional performance, which includes collection of various statistical data. Monitoring and review procedures include ongoing periodic evaluations and program reviews relative to compliance with rules and directives applicable to the Center. In addition, periodic safety and health inspections are conducted by independent qualified sources.

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
LINCOLN 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	7	7	8
Business office and stores	9	9	8
Clinical services	17	17	17
Recreation	2	2	3
Maintenance	8	7	7
Correctional Officers	146	172	177
Dietary	8	7	9
Medical/Psychiatric	-	-	1
Religion	1	1	-
Secretary/Records/Clerical	2	1	-
Total	<u>200</u>	<u>223</u>	<u>230</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	171	177
New Correctional Officers hired	-	1
Correctional Officers transferred-in	2	3
Correctional Officers transferred-out	7	5
Correctional Officers separated from Department	20	5
Correctional Officers, end of the year	<u>146</u>	<u>171</u>

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

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
LINCOLN CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
ANALYSIS OF OPERATIONS
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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>32,697</u>	<u>11,259</u>	<u>8,981</u>
Value of overtime hours worked during fiscal year	<u>\$1,355,992</u>	<u>\$439,406</u>	<u>\$332,640</u>
Compensatory hours earned during fiscal year	<u>7,835</u>	<u>5,249</u>	<u>5,255</u>
Value of compensatory hours earned during fiscal year	<u>\$218,494</u>	<u>\$133,505</u>	<u>\$128,582</u>
Total paid overtime hours and earned compensatory hours during fiscal year	<u>40,532</u>	<u>16,508</u>	<u>14,236</u>
Total value of paid overtime hours and earned compensatory hours during fiscal year	<u>\$1,574,486</u>	<u>\$572,911</u>	<u>\$461,222</u>

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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 Inmates' Commissary Fund. A summary of the financial activity of the Inmates' Commissary Fund for the years ended June 30, 2008 and 2007 are presented on pages 19 and 20 of this report.

As part of our testing, 5 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. Based on our testing, we noted an overhead charge of 7% was added to invoiced product cost prior to the application of the 25% (35% for tobacco products) markup. As a result of the overhead charge, final selling prices averaged 34% (non-tobacco products) and 44% (tobacco products) above invoiced product costs.

SHARED RESOURCES (not examined)

Shared services between Logan Correctional Center and Lincoln Correctional Center are generally equitable but not practically quantifiable.

Lincoln Correctional Center provides warehouse space and electrical power for Logan's cold storage, maintains garbage compactors for a shared waste disposal contract, conducts daily bank runs for both Centers, provides sewerage screen maintenance and occasionally provides maintenance staff.

Logan Correctional Center maintains the water delivery system (tower and pumps) for both Centers, provides laundry service, conducts daily mail runs for both Centers, occasionally provides maintenance staff and provides staff, fuel and vehicles for weekly transfer runs to Dwight and Decatur Correctional Centers.

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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	500	500	500
Inmate population (as of May 31)	975	978	977
Average number of inmates	972	972	961
Expenditures from appropriations	\$22,666,544	\$20,669,426	\$ 20,032,819
Less: equipment and capital improvements	(87,839)	(778)	(19,680)
Net expenditures	<u>\$22,578,705</u>	<u>\$20,668,648</u>	<u>\$ 20,013,139</u>
Net inmate cost per year	<u>\$ 23,229</u>	<u>\$ 21,264</u>	<u>\$ 20,825</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.

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CENTER EMPLOYEE STATISTICS (not examined)

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

	Fiscal Year		
	2008	2007	2006
Average number of employees	200	223	230
Average number of correctional officers	146	172	177
Average number of inmates	972	972	961
Ratio of employees to inmates	1 to 4.86	1 to 4.36	1 to 4.18
Ratio of correctional officers to inmates	1 to 6.66	1 to 5.65	1 to 5.43

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	
	2008	2007
Number of assaults on staff	7	3

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	27	27	27

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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	109,500	109,500	658,600
Lunch	273,750	273,750	-
Dinner	273,750	273,750	-
1:00 a.m. meal	12,775	12,775	-
Staff meals	41,975	41,975	65,860
Total Meals Served	<u>711,750</u>	<u>711,750</u>	<u>724,460</u>
Food Cost	<u>\$ 547,624</u>	<u>\$ 521,878</u>	<u>\$ 538,683</u>
Cost Per Meal	<u>\$ 0.77</u>	<u>\$ 0.73</u>	<u>\$ 0.74</u>

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:			
Wexford Health Sources, Inc.	\$ 3,457,431	\$ 3,559,324	\$ 1,630,446
Health Professionals, Ltd.	-	-	1,817,487
Total Medical Services	<u>\$ 3,457,431</u>	<u>\$ 3,559,324</u>	<u>\$ 3,447,933</u>

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SERVICE EFFORTS AND ACCOMPLISHMENTS (not examined)

During the examination period, Lincoln Correctional Center's service efforts and accomplishments included the following:

- In October 2007, the theater group performed a play entitled "Madea."
- Colonel Jill Morgenthaler, Deputy Chief of Staff for Public Safety, spoke at Women's History Month Program. The Center for Prevention of Abuse also gave a presentation.
- In May, 2007, a Mother's Day Program was held for thirty offenders' children ages 5-16.
- In July 2007, the theater group and Deb Wilson, an English professor from Illinois State University, began working on a performance which is scheduled for 2008.
- Book club started during 2006 and has continued through 2007 with great success.
- Domestic Violence Awareness Month Program – Food drive, display in the library, guest speaker, and special movies held at the facility (offenders & staff) to support the Sojourn House in Springfield.
- Phoenix Rising – Inmates helped wrap and label over 400 Christmas presents given in the visiting room and during the Mom & Me Christmas Camp held on December 21, 2007.
- Center's Chaplain Frontone developed a new choir and pantomime group for facility offenders to be utilized at Sunday services and special events throughout the year.
- Cake decorating program was developed to assist offenders with an additional re-entry skill. The women are able to receive a decorating start-up kit upon their release.
- Re-Entry Summit – For offenders with less than 18 months of time until parole, this program is a two-day summit that will take place annually and address the unique needs of offenders who are being released into the community. The summit addresses services that are available and learn how to apply and receive the resources needed to successfully reintegrate themselves into the community.
- Job Preparedness Program – For offenders with less than 6 months to complete on their sentence, this 12-week program gives offenders the opportunity to practice filling out job applications, writing resumes, utilizing computer skills, and learning how to conduct themselves in the workplace. The first class recently graduated 22 successful candidates.

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SERVICE EFFORTS AND ACCOMPLISHMENTS (not examined) (Continued)

- Changes were made in conducting orientation. Women and Family Services now address goals with the women during orientation. Offenders list or write out their goals in the following four areas: Vocational, Family/Social, Personal, and Life Needs. In addition, in 2007, orientation became a 2-day program to ensure offenders are given ample opportunity to access the resources at Lincoln Correctional Center.
- Facility is working on a reunification building where offender mothers and their children can enjoy quality visits while enhancing their parenting skills and establishing the mother/child bond. In 2007, the facility completed the electrical and plumbing work to the building and most recently completed the American Disabilities Act (ADA) decking and ramp leading into the building.
- Chaplain Frontone and security staff developed the creation of “Courage Cancer Support Group”. The group meets weekly and provides an open forum for offenders fighting cancer. Guest speakers are invited and information is readily made available.
- Loren Wilson, Correctional Counselor, facilitated a new program entitled “Child Communication Seminar” which was attended by 32 offenders.