

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS

SHAWNEE CORRECTIONAL CENTER

LIMITED SCOPE COMPLIANCE EXAMINATION

For the Two Years Ended June 30, 2006

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

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
SHAWNEE CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2006

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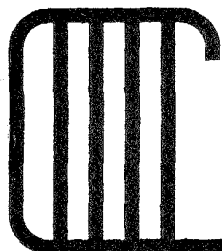
STATE OF ILLINOIS
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SHAWNEE CORRECTIONAL CENTER
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CENTER OFFICIALS

Warden (4/1/06 to 8/14/06)	Mr. Jay Merchant
Warden (10/1/03 to 3/31/06)	Mr. Terry McCann
Assistant Warden - Programs	Mr. Allan Martin
Assistant Warden - Operations	Mr. Shelton Frey
Business Office Administrator (9/1/05 to current)	Mr. Sean Goins
Acting Business Office Administrator (3/1/04 to 9/1/05)	Mr. David Cheek

The Center is located at:

6665 State Route 146E
Vienna, Illinois 62995



Illinois
Department of
Corrections

Rod R. Blagojevich
Governor

Roger E. Walker, Jr.
Director

Shawnee Correctional Center / 6665 State Route 146 East / Vienna, IL 62995 / Telephone: (618) 658-8331 / TDD: (800) 526-0844

September 13, 2006

Doehring Winders & Co. LLP
Certified Public Accountants
1601 Lafayette Avenue
Mattoon, Illinois 61938

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 the Agency. 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 Agency's compliance with the following assertions during the two-year period ended June 30, 2006. Based on this evaluation, we assert that during the year(s) ended June 30, 2005 and June 30, 2006, the Agency has materially complied with the assertions below.

- A. The agency 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 agency 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 obligations, expenditure, receipt or use.
- C. The agency has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. The State revenues and receipts collected by the agency 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. The money or negotiable securities or similar assets handled by the agency on behalf of the State or held in trust by the agency have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate and in accordance with law.

Yours very truly,

Handwritten signature of Shelton Fley.

Shelton Fley, Assistant Warden Operations

Handwritten signature of Sean Goins.
Sean Goins, Business Administrator

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
SHAWNEE 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 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 compliance testing performed.

SUMMARY OF FINDINGS

<u>Number of</u>	<u>This Report</u>	<u>Prior Report</u>
Findings	6	5
Repeated findings	1	0
Prior recommendations implemented or not repeated	4	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>
06-1	9	Inaccurate Reporting of Accounts Payable
06-2	10	Lack of Independent Review of Payroll Documentation
06-3	11	Inadequate Segregation of Duties Over Property Control
06-4	12	Inadequate Controls Over Locally Held Fund Cash Disbursements
06-5	13	Inadequate Controls Over Vending Machines
06-6	14	Inadequate Controls Over Inventory

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
SHAWNEE CORRECTIONAL CENTER
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For the Two Years Ended June 30, 2006

SCHEDULE OF FINDINGS (Continued)

PRIOR FINDINGS NOT REPEATED

<u>Item No.</u>	<u>Page</u>	<u>Description</u>
06-7	15	Physical Counts on Inventory Not Conducted
06-8	15	Incorrect Inventory Reported
06-9	15	Vouchers Not Timely Submitted for Expenditure
06-10	15	Contract was Not Timely Approved

EXIT CONFERENCE

Center management waived having an exit conference by an e-mail dated March 20, 2007.

Responses to the recommendations were provided by Mary Ann Bohlen, Illinois Department of Corrections Accounting Manager. This communication was in an e-mail dated March 20, 2007.

DOEHRING, WINDERS & CO. LLP
Certified Public Accountants
& Business Advisers
1601 LAFAYETTE AVENUE
MATTOON, ILLINOIS 61938

**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 – Shawnee 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, 2006. The management of the State of Illinois Department of Corrections – Shawnee Correctional Center is responsible for compliance with these requirements. Our responsibility is to express an opinion on the State of Illinois Department of Corrections – Shawnee Correctional Center's compliance based on our examination.

- A. The State of Illinois Department of Corrections – Shawnee 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 – Shawnee 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 – Shawnee 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. The State revenues and receipts collected by the State of Illinois Department of Corrections – Shawnee 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 – Shawnee Correctional Center on behalf of the State or held in trust by the State of Illinois Department of Corrections – Shawnee 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 Department's General Office, and accordingly, any findings from the results of those procedures have been included in the Department of Corrections – General Office compliance report. We have also performed certain procedures with respect to the accounting records of the Center to assist in the performance of the Auditor General's financial statement audit of the entire Department of Corrections for the year ended June 30, 2006. The results of these additional procedures have been communicated to the Department of Corrections – General Office auditors.

Our examination was conducted 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 - Shawnee Correctional Center's compliance with those requirements 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 – Shawnee Correctional Center's compliance with specified requirements.

In our opinion, the State of Illinois Department of Corrections – Shawnee Correctional Center complied, in all material respects, with the aforementioned requirements during the two years ended June 30, 2006. 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 findings 06-1, 06-2, 06-3, 06-4, 06-5, and 06-6.

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

Internal Control

The management of the State of Illinois Department of Corrections – Shawnee Correctional Center is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws and regulations. In planning and performing our limited scope compliance examination, we considered the State of Illinois Department of Corrections – Shawnee Correctional Center's internal control over compliance with the aforementioned requirements 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. We have also performed certain procedures with respect to the accounting records of the Center to assist in the performance of the Auditor General's financial statement audit of the entire Department of Corrections for the year ended June 30, 2006. The results of these additional procedures have been communicated to the Department of Corrections – General Office auditors.

Our consideration of internal control over compliance with the aforementioned requirements would not necessarily disclose all matters in internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws and regulations that would be material in relation to one or more of the aforementioned requirements being examined may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over compliance that we consider to be material weaknesses. However, the results of our procedures disclosed other matters involving internal control 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 findings 06-1, 06-2, 06-3, 06-4, 06-5, and 06-6.

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

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 2006 and 2005 Supplementary Information for State Compliance Purposes, except for information on the Schedule of Locally Held Funds - Special Revenue Funds - Residents' Benefit Fund for the year ended June 30, 2006, 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 2004 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.

September 13, 2006

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
SHAWNEE CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2006

Current Findings

06-1 Inaccurate Reporting of Accounts Payable

Shawnee Correctional Center (Center) did not accurately report Accounts Payable for fiscal years 2005 and 2006.

During our testing of locally held funds, we noted eight expenditures were not properly recorded as accounts payable, resulting in an understatement of \$12,282 for fiscal year 2005.

Generally Accepted Accounting Principles dictate goods received before year-end, but not paid for, be accounted for as Accounts Payable.

Center personnel stated lack of resources led to the inaccurate reporting for locally held funds.

Failure to accurately record liabilities and expenses could result in errors being reported in the Departmental financial information. (Finding Code No. 06-1)

RECOMMENDATION

We recommend the Center properly record the receipt of goods and/or services and the associated Accounts Payable.

CENTER RESPONSE

Recommendation accepted. The facility will make every effort to record accounts payable transactions for open orders at the end of the fiscal year. The errors noted were due to oversights.

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
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LIMITED SCOPE COMPLIANCE EXAMINATION
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2006

Current Findings - Continued

06-2 Lack of Independent Review of Payroll Documentation

The Shawnee Correctional Center (Center) payroll vouchers were not independently verified to agree to the approved timesheets.

During our testing of 10 payroll periods during fiscal years 2005 and 2006, it was determined that the payroll clerk inputs approved timesheet data into the computer payroll system, which generates the payroll voucher and the paycheck. After processing, warrants are returned to the payroll clerk. The Business Administrator does not review the payroll information after input to determine if the information agreed to the original input approved.

Good internal control procedures require verification that payroll vouchers are in agreement with the payroll timesheets approved.

Center personnel stated the lack of staff resulted in the poor segregation of duties.

Failure to review payroll vouchers by an independent person increases the likelihood a loss from errors or irregularities could occur and would not be detected in a timely manner. (Finding Code No. 06-2)

RECOMMENDATION

We recommend a person independent of the payroll voucher input verify its accuracy.

CENTER RESPONSE

Recommendation implemented. The business administrator will perform a review of the voucher/report prior to signing as valid.

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
SHAWNEE CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2006

Current Findings - Continued

06-3 Inadequate Segregation of Duties Over Property Control

The Shawnee Correctional Center (Center) did not maintain adequate segregation of duties over property control.

An employee responsible for performing physical inventory counts of equipment also had the ability to add, change, and delete transactions in the Property Control System.

Center personnel stated the employee had changed job responsibilities, but their Property Control System access had not been updated.

Effective internal controls dictate the same person not be allowed access to the Property Control System and perform physical inventory of equipment .

Failure to segregate physical inventory counts and access to the Property Control System could result in inaccurate inventory information. Property was valued at \$46,995,748 and \$46,671,156 for FY 2005 and FY 2006, respectively . (Finding Code No. 06-3)

RECOMMENDATION

We recommend an employee who performs physical inventory counts of equipment not have access to the Property Control System.

CENTER RESPONSE

Recommendation implemented. During the audit fieldwork, the access for the employee noted was deleted.

STATE OF ILLINOIS
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SHAWNEE CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2006

Current Findings - Continued

06-4 Inadequate Controls over Locally Held Fund Cash Disbursements

The Shawnee Correctional Center (Center) did not maintain adequate controls over locally held fund cash disbursements .

From March 1, 2004 through August 2005, the Center did not have a Business Administrator. During this period, our testing noted 15 instances where the two signatures required to process disbursements were provided by the Warden and his designee, which was not in accordance with Institutional Directive 02.40.901.

Institutional Directive 02.40.901 states signature authority shall be given to the Chief Administrative Officer and to the Business Administrator. Two signatures are required on each disbursement check. One signature should be the Chief Administrative Officer or his designee and the other signature should be the Business Administrator or his designee.

The Center personnel believed two authorized signatures, designated by the Center and regardless of the office they originate from, was in compliance .

Failure to comply with Institutional Directive 02.40.901 circumvents the designation of authorized signers by the Chief Administrative Officer and Business Administrator. (Finding Code No. 06-4)

RECOMMENDATION

We recommend the Center comply with Institutional Directive 02.40.901.

CENTER RESPONSE

Recommendation implemented. The facility has revised the institutional directive to more closely align with the Agency Administrative Directive. The facility will require signatures in compliance with the Administrative Directive.

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
SHAWNEE CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2006

Current Findings - Continued

06-5 Inadequate Controls over Vending Machines

Documentation was not available to provide evidence that Shawnee Correctional Center (Center) was collecting Employee Commissary fund vending machine cash under dual control.

Center personnel indicated vending machine cash was being collected and counted by two employees who returned the cash to the business office and prepared a count sheet initialed by both employees. A deposit slip would be prepared by business office personnel. However, the Center did not retain the count sheets.

The Center could not provide documentation indicating two individuals collected cash from the Employee Commissary vending machines. Collections were \$14,812 and \$13,924 for fiscal years 2005 and 2006, respectively.

Good internal controls dictate assets susceptible to theft, such as cash, should be placed under dual control in order to protect the asset from theft and the responsible employee from unfounded accusation.

Failure to control cash puts the Center at risk that cash may be misappropriated. (Finding Code No. 06-5, 04-3)

RECOMMENDATION

We recommend dual control over vending machine cash collections be implemented and documented.

CENTER RESPONSE

Recommendation implemented. The facility has assigned two employees to collect the cash from the vending machines. Additionally, the facility is in the process of changing vending machines to debit card technology, eliminating cash from the vending machines.

STATE OF ILLINOIS
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SHAWNEE CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2006

Current Findings - Continued

06-6 Inadequate Controls over Inventory

Shawnee Correctional Center (Center) did not maintain adequate controls over resident commissary inventory.

During our testing of the resident commissary inventory we noted 4,646 items had to be adjusted during June 30, 2005. The net adjustment was \$111. Additionally, for June 30, 2006, we noted 1,572 items had to be adjusted, resulting in an adjustment of (\$346).

Center personnel stated the adjustments were due to inventoried items being included in the system, but not physically being part of the inventory count, inventoried items being included in the physical count, but not in the system, inmate theft, possible miscounts between months, and items with damaged barcodes.

Good business practices dictate internal controls be in place to maintain effective controls over assets and to ensure assets are properly safeguarded.

Inadequate controls over inventory could result in the risk of asset loss. Inventory values at June 30, 2005 and 2006 were \$64,300 and \$87,787, respectively. (Finding Code 06-6)

RECOMMENDATION

We recommend the Center maintain effective control over and properly safeguard assets to eliminate the need for numerous monthly adjustments.

CENTER RESPONSE

Recommendation accepted. The facility will make every effort to ensure adequate controls over the inventory. The errors noted were due to oversights and errors.

STATE OF ILLINOIS
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SHAWNEE CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2006

Prior Year Findings Not Repeated

06-7 Physical Counts on Inventory Not Conducted

The Center did not conduct an independent inventory test count on the Employee Commissary physical inventory. (Finding Code No. 04-1)

Disposition

Recommendation not repeated. Independent test counts were performed on the Employee Commissary inventory after the physical inventory.

06-8 Incorrect Inventory Reported

The Center failed to record the pre-stamped envelope inventory on the Resident Benefit Fund. (Finding Code No. 04-2)

Disposition

Recommendation not repeated. The Center, in line with Departmental policies and procedures, appropriately recorded pre-stamped envelope purchases.

06-9 Vouchers Not Timely Submitted for Expenditure

The Center did not exercise adequate control over voucher processing. (Finding Code No. 04-4)

Disposition

Recommendation not repeated. Our test results indicated the Center obtained approval within the 30-day timeframe.

06-10 Contract was Not Timely Approved

The Center did not approve the contractual agreement for waste removal prior to the start date of the contract. (Finding Code No. 04-5)

Disposition

Recommendation not repeated. According to our test results, the Center complied with contracting requirements and obtained affidavits as needed.

STATE OF ILLINOIS
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SHAWNEE CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES
For the Two Years Ended June 30, 2006

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
- 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
 - Costs Per Year Per Inmate (not examined)
 - Ratio of Employees to Inmates (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 on 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 to the 2006 and 2005 Supplementary Information for State Compliance Purposes, except for information on the Schedule of Locally Held Funds - Special Revenue Funds - Residents' Benefit Fund for the year ended June 30, 2006, Comparative Schedule of Cash Receipts and Deposits, Employee Overtime, Shared Resources, Annual Cost Statistics and Service Efforts and Accomplishments on which they did not perform any procedures. However, the auditors do not express an opinion on the supplementary information. The auditors have not applied procedures to the 2004 Supplementary Information for State Compliance Purposes, and accordingly, do not express an opinion thereon.

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
SHAWNEE CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Year Ended June 30, 2006

	<u>APPROPRIATIONS NET OF TRANSFERS</u>	<u>EXPENDITURES THROUGH JUNE 30, 2006</u>	<u>LAPSE PERIOD EXPENDITURES JULY 1 TO AUGUST 31, 2006</u>	<u>TOTAL EXPENDITURES 14 MONTHS ENDED AUGUST 31, 2006</u>	<u>BALANCES LAPSED AUGUST 31, 2006</u>
PUBLIC ACT 94-0015					
GENERAL REVENUE FUND - 001					
Personal services	\$ 18,754,200	\$ 17,792,934	\$ 957,400	\$ 18,750,334	\$ 3,866
Employee retirement contributions paid by employer	240,700	240,698	-	240,698	2
Student, member and inmate compensation	361,600	330,552	31,040	361,592	8
State contributions to State Employees' Retirement System	1,461,600	1,386,554	74,648	1,461,202	398
State contributions to Social Security	1,385,600	1,314,306	71,260	1,385,566	34
Contractual services	5,517,900	4,873,685	546,686	5,420,371	97,529
Travel	15,800	12,828	2,905	15,733	67
Travel and allowances for committed, paroled and discharged prisoners	93,900	87,637	6,214	93,851	49
Commodities	2,356,100	2,236,880	118,146	2,355,026	1,074
Printing	18,400	14,788	3,564	18,352	48
Equipment	13,500	9,402	4,000	13,402	98
Telecommunications services	48,300	47,946	318	48,264	36
Operation of automotive equipment	90,800	76,654	14,065	90,719	81
Total - Fiscal Year 2006	<u>\$ 30,358,400</u>	<u>\$ 28,424,864</u>	<u>\$ 1,830,246</u>	<u>\$ 30,255,110</u>	<u>\$ 103,290</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
DEPARTMENT OF CORRECTIONS
SHAWNEE CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Year Ended June 30, 2005

	<u>APPROPRIATIONS NET OF TRANSFERS</u>	<u>EXPENDITURES THROUGH JUNE 30, 2005</u>	<u>LAPSE PERIOD EXPENDITURES JULY 1 TO AUGUST 31, 2005</u>	<u>TOTAL EXPENDITURES 14 MONTHS ENDED AUGUST 31, 2005</u>	<u>BALANCES LAPSED AUGUST 31, 2005</u>
PUBLIC ACT 93-0842 & 93-0681					
GENERAL REVENUE FUND - 001					
Personal services	\$ 18,914,600	\$ 17,925,531	\$ 955,442	\$ 18,880,973	\$ 33,627
Employee retirement contributions paid by employer	38,587	38,586	-	38,586	1
Student, member and inmate compensation	386,100	352,559	27,472	380,031	6,069
State contributions to State Employees' Retirement System	2,938,000	2,782,627	149,945	2,932,572	5,428
State contributions to Social Security	1,350,700	1,276,623	69,261	1,345,884	4,816
Contractual services	5,620,800	5,187,762	357,121	5,544,883	75,917
Travel	18,000	12,935	1,948	14,883	3,117
Travel and allowances for committed, paroled and discharged prisoners	101,900	96,639	5,013	101,652	248
Commodities	2,531,900	2,241,080	247,289	2,488,369	43,531
Printing	19,400	14,803	2,112	16,915	2,485
Equipment	14,100	398	10,263	10,661	3,439
Telecommunications services	85,300	72,780	7,946	80,726	4,574
Operation of automotive equipment	92,800	79,323	13,477	92,800	-
Total - Fiscal Year 2005	<u>\$ 32,112,187</u>	<u>\$ 30,081,646</u>	<u>\$ 1,847,289</u>	<u>\$ 31,928,935</u>	<u>\$ 183,252</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
DEPARTMENT OF CORRECTIONS
SHAWNEE CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Years Ended June 30,

	FISCAL YEAR		
	2006	2005	2004
	P.A. 94-0015	P.A. 93-0842 & 93-0681	P.A. 93-0091
GENERAL REVENUE FUND - 001			
Appropriations (net of transfers)	<u>\$ 30,358,400</u>	<u>\$ 32,112,187</u>	<u>\$ 31,623,500</u>
EXPENDITURES			
Personal services	18,750,334	18,880,973	17,940,431
Employee retirement contributions paid by employer	240,698	38,586	917,759
Student, member and inmate compensation	361,592	380,031	402,422
State contributions to State Employees' Retirement System	1,461,202	2,932,572	1,585,523
State contributions to Social Security	1,385,566	1,345,884	1,325,543
Contractual services	5,420,371	5,544,883	5,238,617
Travel	15,733	14,883	17,309
Travel and allowances for committed, paroled and discharged prisoners	93,851	101,652	111,555
Commodities	2,355,026	2,488,369	2,943,269
Printing	18,352	16,915	19,871
Equipment	13,402	10,661	92,218
Telecommunications services	48,264	80,726	83,672
Operation of automotive equipment	90,719	92,800	95,005
Total Expenditures	<u>30,255,110</u>	<u>31,928,935</u>	<u>30,773,194</u>
LAPSED BALANCES	<u>\$ 103,290</u>	<u>\$ 183,252</u>	<u>\$ 850,306</u>

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
SHAWNEE CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
DESCRIPTION OF LOCALLY HELD FUNDS
For the Two Years Ended June 30, 2006

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 travel and allowances for discharged residents/inmates. The Travel and Allowance Revolving Fund is replenished from the Center's 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. Most Centers maintain four special revenue funds.

The Employees' Commissary Fund and Residents' Commissary Fund are used to maintain stores for selling food, candy, tobacco, health and beauty aids and other personal items. The residents' commissary sells solely to residents and the employees' commissary sells to employees. Profits derived from Commissary Funds' 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 Residents' 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 for residents and employees. The Employees' Benefit Fund is also used to provide travel expense reimbursement for correctional officers while travel vouchers are being processed. During fiscal year 2006 the accounting and expenditure processing of the Residents' Benefit Fund were transferred to the Department of Corrections General Office.

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 which is a depository for the residents' money. The Residents' Trust Fund is used to account for the receipts and disbursements of the resident's individual accounts.

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
SHAWNEE CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
SCHEDULE OF LOCALLY HELD FUNDS - SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2006

	Employees' Commissary Fund	Residents' Commissary Fund	Employees' Benefit Fund	Residents' Benefit Fund*
REVENUES				
Income from Sales	\$ 157,464	\$ 1,387,410	\$ -	\$ -
Interest / Investment Income	83	1,142	6	2,145
Miscellaneous				
Entry Fees	-	-	-	-
Postage	-	-	-	-
Other	-	-	5,243	4,550
Donations	-	-	1,691	-
Total Revenues	157,547	1,388,552	6,940	6,695
EXPENDITURES				
Purchases	140,931	1,128,213	-	-
General and Administrative	-	-	-	7,978
Contractual	-	-	-	52,181
Equipment	-	-	-	4,301
Postage	-	-	-	-
Cable Television	-	-	-	-
Donations	-	-	1,944	-
Other	4,866	2,119	9,622	-
Total Expenditures	145,797	1,130,332	11,566	64,460
Excess (Deficiency) of Revenues Over (Under) Expenditures	11,750	258,220	(4,626)	(57,765)
OTHER FINANCING SOURCES				
Transfers In	-	-	4,700	103,832
Transfers (Out)	(11,750)	(258,220)	-	-
Total Other Financing Sources	(11,750)	(258,220)	4,700	103,832
Net Change in Fund Balance	-	-	74	46,067
Fund Balance July 1, 2005	-	-	10,848	267,973
Fund Balance June 30, 2006	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,922</u>	<u>\$ 314,040</u>

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

*The Residents' Benefit Fund activity, for the period of July 1, 2005 through June 30, 2006, was provided by the Department of Corrections - Central Office. This information has not been examined by us as it was outside the scope of this engagement.

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
SHAWNEE CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
SCHEDULE OF LOCALLY HELD FUNDS - SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2005

	Employees' Commissary Fund	Residents' Commissary Fund	Employees' Benefit Fund	Residents' Benefit Fund
REVENUES				
Income from Sales	\$ 137,854	\$ 1,337,268	\$ -	\$ -
Interest / Investment Income	47	308	19	348
Miscellaneous				
Entry Fees	-	-	-	-
Postage	-	-	-	8,229
Other	-	-	4,241	43,565
Donations	-	-	9,060	-
Total Revenues	137,901	1,337,576	13,320	52,142
EXPENDITURES				
Purchases	127,707	1,067,690	-	-
General and Administrative	-	-	-	-
Contractual	-	-	-	-
Equipment	-	-	-	24,904
Postage	-	-	-	5,270
Cable Television	-	-	-	29,141
Donations	-	-	9,049	-
Other	1,532	6,784	12,746	88,463
Total Expenditures	129,239	1,074,474	21,795	147,778
Excess (Deficiency) of Revenues Over (Under) Expenditures	8,662	263,102	(8,475)	(95,636)
OTHER FINANCING SOURCES				
Transfers In	-	-	3,465	105,626
Transfers (Out)	(8,662)	(263,102)	-	-
Total Other Financing Sources	(8,662)	(263,102)	3,465	105,626
Net Change in Fund Balance	-	-	(5,010)	9,990
Fund Balance July 1, 2004	-	-	15,858	257,983
Fund Balance June 30, 2005	\$ -	\$ -	\$ 10,848	\$ 267,973

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

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

	<u>2005</u>		<u>2006</u>	
	<u>Travel and Allowance Rev. Fund</u>	<u>Residents' Trust Fund</u>	<u>Travel and Allowance Rev. Fund</u>	<u>Residents' Trust Fund</u>
Balance - July 1	\$ 12,080	\$ 114,129	\$ 7,000	\$ 56,172
Receipts				
Investment Income	-	385	-	543
Inmate Account Receipts	-	1,740,013	-	1,835,798
Appropriations from General Revenue Fund	<u>101,652</u>	<u>-</u>	<u>93,851</u>	<u>-</u>
TOTAL RECEIPTS	<u>101,652</u>	<u>1,740,398</u>	<u>93,851</u>	<u>1,836,341</u>
Disbursements				
Inmate Account Disbursements	-	1,797,970	-	1,836,738
Disbursements for released inmates	<u>106,732</u>	<u>-</u>	<u>93,851</u>	<u>-</u>
TOTAL DISBURSEMENTS	<u>106,732</u>	<u>1,797,970</u>	<u>93,851</u>	<u>1,836,738</u>
Fund Transfers				
Fund Transfers In	-	-	-	7,000
Fund Transfers (Out)	<u>-</u>	<u>(385)</u>	<u>(7,000)</u>	<u>(543)</u>
TOTAL TRANSFERS	<u>-</u>	<u>(385)</u>	<u>(7,000)</u>	<u>6,457</u>
Balance - June 30	<u>\$ 7,000</u>	<u>\$ 56,172</u>	<u>\$ -</u>	<u>\$ 62,232</u>

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

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

	2006					2005				
	Land	Buildings	Equipment	Land Improvements	Total	Land	Buildings	Equipment	Land Improvements	Total
Balance, beginning	\$ 158,396	\$ 42,696,765	\$ 3,893,144	\$ 247,443	\$ 46,995,748	\$ 158,396	\$ 42,626,996	\$ 4,186,992	\$ 247,443	\$ 47,219,827
Additions:										
Purchases	-	-	9,007	-	9,007	-	-	54,867	-	54,867
Transfers-in:										
Intra-agency	-	-	45,065	-	45,065	-	-	7,637	-	7,637
Inter-agency	-	-	2,118	-	2,118	-	-	-	-	-
Capital Development Board	-	127,529	500	-	128,029	-	69,769	-	-	69,769
Employees' Commissary Fund	-	-	724	-	724	-	-	-	-	-
Employees' Benefit Fund	-	-	-	-	-	-	-	-	-	-
Residents' Commissary Fund	-	-	-	-	-	-	-	-	-	-
Residents' Benefit Fund	-	-	5,112	-	5,112	-	-	18,356	-	18,356
Donations	-	-	2,990	-	2,990	-	-	4,535	-	4,535
Grants	-	-	-	-	-	-	-	-	-	-
Adjustments	-	-	385	-	385	-	-	17,854	-	17,854
Total Additions	-	127,529	65,901	-	193,430	-	69,769	103,249	-	173,018
Deductions:										
Transfers-out:										
Intra-agency	-	-	379,623	-	379,623	-	-	4,644	-	4,644
Inter-agency	-	-	-	-	-	-	-	-	-	-
Scrap property	-	-	48,477	-	48,477	-	-	-	-	-
Surplus property	-	-	87,644	-	87,644	-	-	392,453	-	392,453
Condemned and lost property	-	-	-	-	-	-	-	-	-	-
Adjustment	-	-	2,278	-	2,278	-	-	-	-	-
Total Deductions	-	-	518,022	-	518,022	-	-	397,097	-	397,097
Balance, ending	\$ 158,396	\$ 42,824,294	\$ 3,441,023	\$ 247,443	\$ 46,671,156	\$ 158,396	\$ 42,696,765	\$ 3,893,144	\$ 247,443	\$ 46,995,748

Note: Center management indicated the balances at June 30, 2006 and 2005 have been reconciled to the property reports submitted to the Office of the Comptroller.

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
SHAWNEE CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
COMPARATIVE SCHEDULE OF CASH RECEIPTS AND DEPOSITS (not examined)
FOR THE YEARS ENDED JUNE 30,

	FISCAL YEAR		
	2006	2005	2004
RECEIPTS			
Jury Duty	\$ 203	\$ 343	\$ 115
Inmate Restitution	13,900	35,764	31,637
Miscellaneous	<u>1,449</u>	<u>12,614</u>	<u>7,967</u>
TOTAL RECEIPTS	<u>\$ 15,552</u>	<u>\$ 48,721</u>	<u>\$ 39,719</u>
REMITTANCES			
General Revenue Fund - 001	\$ 1,652	\$ 12,957	\$ 8,082
Department of Corrections Reimbursement Fund - 523	<u>13,900</u>	<u>35,764</u>	<u>31,637</u>
TOTAL RECEIPTS REMITTED DIRECTLY TO STATE TREASURER	<u>\$ 15,552</u>	<u>\$ 48,721</u>	<u>\$ 39,719</u>
DEPOSITS			
Receipts recorded by Center	\$ 1,652	\$ 12,957	\$ 8,082
Add: Deposits in transit - Beginning of year	100	-	23
Deduct: Deposits in transit - End of year	<u>(30)</u>	<u>(100)</u>	<u>-</u>
DEPOSITS RECORDED BY THE STATE COMPTROLLER	<u>\$ 1,722</u>	<u>\$ 12,857</u>	<u>\$ 8,105</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
SHAWNEE CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2006

Fiscal Year 2006

A comparative schedule of significant variations in expenditures (20% or more) for the fiscal years ended June 30, 2006 and June 30, 2005 are shown below:

<u>EXPENDITURE ITEM</u>	<u>FISCAL YEAR ENDED JUNE 30</u>		<u>INCREASE (DECREASE)</u>	
	<u>2006</u>	<u>2005</u>	<u>AMOUNT</u>	<u>%</u>
Employee retirement contributions paid by employer	\$ 240,698	\$ 38,586	\$ 202,112	523.8%
State contributions to State Employees' Retirement System	\$ 1,461,202	\$ 2,932,572	\$ (1,471,370)	(50.2)%
Equipment	\$ 13,402	\$ 10,661	\$ 2,741	25.7%
Telecommunications	\$ 48,264	\$ 80,726	\$ (32,462)	(40.2)%

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

Employee retirement contributions paid by employer

The large increase in employee retirement contributions paid by employer was due to the State resuming contributions to the employee's portion of the State Employee Retirement Contribution during fiscal year 2006. The State had ceased paying the employee portion during fiscal year 2005.

State contributions to State Employees' Retirement System

The decrease in state contributions to state employees' retirement system was due to the overall decrease of the State employee retirement rate from 16.1% in fiscal year 2005 to 7.8% in fiscal year 2006.

Equipment

Equipment expenditures were based specifically on the budgeted amount approved by Central Office. During fiscal year 2006, two large purchases make up the difference between the two fiscal years. Five garbage dumpsters and one SCBA tank were purchased for a total of \$6,700.

Telecommunications

Approximately 93% (\$30,045) of the decrease is attributable to FY06 Revolving Fund invoices being paid in fiscal year 2007 as catch-up billings.

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
SHAWNEE CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2006

Fiscal Year 2005

A comparative schedule of significant variations in expenditures (20% or more) for the fiscal years ended June 30, 2005 and June 30, 2004 are shown below:

<u>EXPENDITURE ITEM</u>	<u>FISCAL YEAR ENDED JUNE 30</u>		<u>INCREASE (DECREASE)</u>	
	<u>2005</u>	<u>2004</u>	<u>AMOUNT</u>	<u>%</u>
Employee retirement contributions paid by employer	\$ 38,586	\$ 917,759	\$ (879,173)	(95.8)%
State contributions to State Employees' Retirement System	\$ 2,932,572	\$ 1,585,523	\$ 1,347,049	85.0%
Equipment	\$ 10,661	\$ 92,218	\$ (81,557)	(88.4)%

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

Employee retirement contributions paid by employer

The decrease in employee retirement contributions paid by employer was due to the the State ceasing to pay the employee's portion of the State Employee Retirement Contribution during fiscal year 2005.

State contributions to State Employees' Retirement System

Due to Public Act 93-0665, effective in March 2004, the State temporarily discontinued payments into the State Employees' Retirement System during fiscal year 2004. However, contributions resumed in fiscal year 2005. Also, the overall State employee retirement rate increased from 13.4% in fiscal year 2004 to 16.1% in fiscal year 2005. These factors led to the increased expenditures for State contributions to State Employees' Retirement System.

Equipment

Equipment expenditures were based specifically on the budgeted amount approved by Central Office. Fewer equipment purchases were approved for fiscal year 2005.

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
SHAWNEE CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Two Years Ended June 30, 2006

Our testing of lapse period expenditures for fiscal year ended June 30, 2006 disclosed (1) appropriation line items with significant (20% or more) lapse period expenditures, as scheduled below:

Fiscal Year Ended June 30, 2006			
<u>EXPENDITURE ITEM</u>	<u>TOTAL EXPENDITURES</u>	<u>LAPSE PERIOD EXPENDITURES</u>	<u>PERCENTAGE</u>
Equipment	\$ 13,402	\$ 4,000	29.8%

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

Equipment

Items were ordered prior to end of fiscal year 2006. However, vendor could not provide item until lapse period. These items are the cause of the significant lapse period expenditures.

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
SHAWNEE CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Two Years Ended June 30, 2006

Our testing of lapse period expenditures for fiscal year ended June 30, 2005 disclosed (1) appropriation line items with significant (20% or more) lapse period expenditures, as scheduled below:

Fiscal Year Ended June 30, 2005					
<u>EXPENDITURE ITEM</u>	<u>TOTAL EXPENDITURES</u>	<u>LAPSE PERIOD EXPENDITURES</u>	<u>PERCENTAGE</u>		
Equipment	\$ 10,661	\$ 10,263	96.3%		

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

Equipment

The lapse period spending increase was a direct result of one voucher for the mandated Procurement Efficiency Initiative.

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
SHAWNEE CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
SCHEDULE OF CHANGES IN INVENTORIES
For the Two Years Ended June 30, 2006

	Balance July 1, 2005	Additions	Deletions	Balance June 30, 2006
GENERAL REVENUE FUND				
General Stores	\$ 225,530	\$ 2,147,939	\$ 2,180,987	\$ 192,482
Mechanical Stores	42,303	77,493	85,405	34,391
Resident Clothing	47,450	225,212	233,573	39,089
Officers' Clothing	-	35,320	35,320	-
Office Supplies	10,537	44,189	45,420	9,306
Postage	19,834	18,995	22,106	16,723
Surplus Inventory	1,777	-	-	1,777
	<u>\$ 347,431</u>	<u>\$ 2,549,148</u>	<u>\$ 2,602,811</u>	<u>\$ 293,768</u>
LOCAL FUNDS				
Employees' Commissary Fund	\$ 5,477	\$ 141,517	\$ 140,558	\$ 6,436
Residents' Commissary Fund	77,819	1,149,443	1,123,402	103,860
	<u>\$ 83,296</u>	<u>\$ 1,290,960</u>	<u>\$ 1,263,960</u>	<u>\$ 110,296</u>

	Balance July 1, 2004	Additions	Deletions	Balance June 30, 2005
GENERAL REVENUE FUND				
General Stores	\$ 289,528	\$ 2,144,774	\$ 2,208,772	\$ 225,530
Mechanical Stores	66,946	102,556	127,199	42,303
Resident Clothing	70,310	322,418	345,278	47,450
Officers' Clothing	99	29,724	29,823	-
Office Supplies	10,182	66,219	65,864	10,537
Postage	22,742	25,270	28,178	19,834
Surplus Inventory	-	1,777	-	1,777
	<u>\$ 459,807</u>	<u>\$ 2,692,738</u>	<u>\$ 2,805,114</u>	<u>\$ 347,431</u>
LOCAL FUNDS				
Employees' Commissary Fund	\$ 4,625	\$ 128,337	\$ 127,485	\$ 5,477
Residents' Commissary Fund	100,069	1,040,801	1,063,051	77,819
	<u>\$ 104,694</u>	<u>\$ 1,169,138</u>	<u>\$ 1,190,536</u>	<u>\$ 83,296</u>

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

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
SHAWNEE CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
ANALYSIS OF OPERATIONS
FOR THE TWO YEARS ENDED JUNE 30, 2006

CENTER FUNCTIONS AND PLANNING PROGRAM

Introduction

The Shawnee Correctional Center (Center) receives General Revenue Fund appropriations for the ordinary and necessary expenditures of both the Center and Hardin County Work Camp (Work Camp).

Center Function

The Center is a Level 3 (high medium) security institution located in Johnson County, seven miles east of Vienna, Illinois and is adjacent to the Vienna Correctional Center. The Center, which opened July 1, 1984, assumed fiscal responsibility for the Hardin County Work Camp on March 1, 1991. The official rated capacity of the Center and Work Camp is 1,046 adult male residents.

The mission of the Center is to provide for the protection of society through the humane and secure incarceration of adult male offenders, based upon the foundation of legislative and judicial decisions. The Center's administration is committed toward instilling responsibility and mature decision-making in its inmates. By providing extensive and high quality educational programs, work assignment opportunities, public service, leisure time activities and religious avenues, the Center is expected to go far beyond the provision of the minimum necessities of food, sanitation, clothing, housing and medical services to the inmates of the facility.

The Center is accredited by the American Correctional Association.

The Acting Warden of the Center from October 1, 2003 to March 31, 2006 was Terry McCann. The Warden from April 1, 2006 to August 14, 2006 was Jay Merchant. The current Acting Warden is Daniel Austin. The Center's address is Shawnee Correctional Center, 6665 State Route 146 East, Vienna, Illinois 62995.

Center Planning Program

Goals and objectives for the Center are developed at the Central Office of the Illinois Department of Corrections.

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
SHAWNEE CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
ANALYSIS OF OPERATIONS
FOR THE TWO YEARS ENDED JUNE 30, 2006

AVERAGE NUMBER OF EMPLOYEES

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

	2006	Fiscal Year 2005	2004
Administrative	11	8	11
Business office and stores	18	17	14
Clinical services	13	13	13
Work Camp	54	55	57
Recreation	1	1	1
Maintenance	9	10	9
Laundry	1	1	-
Correctional Officers	218	214	225
Dietary	13	15	15
Medical/Psychiatric	1	1	1
Records	10	10	10
Secretary/Clerical Misc.	8	7	4
Total	<u>357</u>	<u>352</u>	<u>360</u>

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 during fiscal year 2006 and 2005.

	2006	2005
Paid overtime hours worked during fiscal year	7,955	10,945
Value of overtime hours worked during fiscal year	<u>\$ 318,948</u>	<u>\$ 394,433</u>
Compensatory hours earned during fiscal year	14,172	16,826

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
SHAWNEE CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
ANALYSIS OF OPERATIONS
FOR THE TWO YEARS ENDED JUNE 30, 2006

EMPLOYEE OVERTIME (Continued)

Value of compensatory hours earned during fiscal year	<u>\$ 348,354</u>	<u>\$ 389,315</u>
Total paid overtime hours and earned compensatory hours during fiscal year	<u>22,127</u>	<u>27,771</u>
Total value of paid overtime hours and earned compensatory hours during fiscal year	<u>\$ 667,302</u>	<u>\$ 783,748</u>

INMATE COMMISSARY OPERATION

The Center operates a commissary for the benefit of the inmates. The commissary purchases goods from outside vendors and then sells the items to the inmates at retail. 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.

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, 2006 and 2005 are presented on pages 21 and 22 of this report.

As part of our testing, 20 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 that, during FY05 and through December 2005, the Center was automatically marking up tobacco products by 35% and non-tobacco products by 25%. Beginning January 2006, the Center began first marking items up 7% per a Department of Corrections Central Office policy to use full absorption costing. The Center was directed to mark items up by the 7% overhead rate and then to mark the items up by the statutorily mandated 25% or 35%.

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SHARED RESOURCES (not examined)

The Center loaned one employee to the Tamms Correctional Center and one employee to Vienna Correctional Center during fiscal year 2006. While on loan for the following number of days during the following time period, employees spent all of their time working there but were paid from Shawnee Correctional Center's appropriation.

Job Title	On Loan To	Time Period of Loan	Number of Days on Loan	Cost
Executive Secretary III	Tamms Correctional Center	May 1, 2006 to July 7, 2006	20	\$ 3,702
Account Technician I	Vienna Correctional Center	May 30, 2006 to July 7, 2006	16	2,580
				<u>\$ 6,282</u>

COSTS PER YEAR PER INMATE (not examined)

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

	2006	Fiscal Year 2005	2004
Rated population	<u>1,046</u>	<u>1,046</u>	<u>1,046</u>
Inmate population (as of May 31)	<u>2,003</u>	<u>1,991</u>	<u>2,000</u>
Average number of inmates	<u>1,998</u>	<u>1,996</u>	<u>2,016</u>
Expenditures from appropriations	\$ 30,255,110	\$ 31,928,935	\$ 30,773,194
Less-equipment and capital improvements	<u>13,402</u>	<u>10,661</u>	<u>92,218</u>
Net expenditures	<u>\$ 30,241,708</u>	<u>\$ 31,918,274</u>	<u>\$ 30,680,976</u>
Net inmate cost per year	<u>\$ 15,136</u>	<u>\$ 15,991</u>	<u>\$ 15,219</u>

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RATIO OF EMPLOYEES TO INMATES (not examined)

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 Illinois Department of Corrections' quarterly reports to the State legislature.

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

	<u>2006</u>	<u>2005</u>	<u>2004</u>
Average number of employees	<u>357</u>	<u>352</u>	<u>360</u>
Average number of correctional officers	<u>286</u>	<u>288</u>	<u>280</u>
Average number of inmates	<u>1,998</u>	<u>1,996</u>	<u>2,016</u>
Ratio of employees to inmates	<u>1 to 5.6</u>	<u>1 to 5.7</u>	<u>1 to 5.6</u>
Ratio of correctional officers to inmates	<u>1 to 7.0</u>	<u>1 to 6.9</u>	<u>1 to 7.2</u>

CELL SQUARE FEET PER INMATE (not examined)

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

	<u>2006</u>	<u>2005</u>	<u>2004</u>
Approximate Square Feet Per Inmate	<u>32</u>	<u>33</u>	<u>32</u>

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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.

	2006	Fiscal Year 2005	2004
Breakfast	488,097	456,694	454,525
Lunch	689,848	698,699	694,231
Dinner	702,172	708,966	709,736
Staff meals	40,771	54,527	57,016
Total Meals Served	1,920,888	1,918,886	1,915,508
Food Cost	<u>\$ 1,921,479</u>	<u>\$ 1,933,708</u>	<u>\$ 2,368,958</u>
Cost Per Meal	<u>\$ 1.00</u>	<u>\$ 1.01</u>	<u>\$ 1.24</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 2006, 2005 and 2004.

	2006	Fiscal Year 2005	2004
Medical Services:			
HPL	\$ 2,051,856	\$ -	\$ -
Wexford Health	2,220,325	3,948,064	4,066,565
Levaughn, Mark M., M.D.	1,375	-	-
Brain and Neurospine	1,000	-	-
Employee Benefit Fund	-	-	1,000
KPS Kamath M.D.	400	-	-
Williamson County Coroner	300	-	-
Lake Shore Medical	-	-	200
Forest Park Medical	175	-	-
American Institute of Toxicology	165	-	-
	<u>\$ 4,275,596</u>	<u>\$ 3,948,064</u>	<u>\$ 4,067,765</u>
Clergy Services:			
Chabad Lubavitch	<u>\$ -</u>	<u>\$ 1,299</u>	<u>\$ 1,194</u>

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SERVICE EFFORTS AND ACCOMPLISHMENTS (not examined)

Noteworthy accomplishments occurring during fiscal year 2005 at Shawnee Correctional Center and Hardin County Work Camp are detailed as follows:

- D All employees tested for drugs had negative results.
- D Two serious assaults on staff were reported.
- D Hardin County Work Camp offenders provided 57,406 hours of community service.
- D Twenty-two cases were referred to the County State's Attorney for possible prosecution.
- D Seventy formal employee grievances were processed.
- D During the period, 105 offenders received an ABE certificate, 40 offenders received a GED degree, and 90 offenders received an associate's degree.

Noteworthy accomplishments occurring during fiscal year 2006 at Shawnee Correctional Center and Hardin County Work Camp are detailed as follows:

- D All employees tested for drugs had negative results.
- D One serious assault of a staff member was reported.
- D Hardin County Work Camp offenders provided 47,656 hours of community service.
- D Eleven cases were referred to the County State's Attorney for possible prosecution.
- D Seventy-four formal employee grievances were processed.
- D During the period, 95 offenders received an ABE certificate, 33 offenders received a GED degree, and 48 offenders received an associate's degree.
- D An employee commissary was opened at Hardin County Work Camp.