

REPORT DIGEST

**DEPARTMENT OF CORRECTIONS
CORRECTIONAL INDUSTRIES
COMPLIANCE AUDIT
FOR THE TWO YEARS ENDED JUNE 30, 1992
FINANCIAL AUDIT
FOR THE YEAR ENDED JUNE 30, 1992**

INTRODUCTION

Correctional Industries is a component of the Adult Division of the Illinois Department of Corrections. It operates manufacturing, service, and agricultural industries within the adult correctional centers. Its purpose is to duplicate a free world environment which maximizes the number of inmate assignments, and provides customers with quality goods and services at a competitive price while operating within a budget that does not exceed income.

FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

UNTIMELY FINANCIAL REPORTING

The Department's financial activity is not summarized in its general ledger on a timely basis.

The general ledger, used to summarize financial activity for its \$30 million dollar operation, has not been kept up to date. At the first of September 1992, the Department had approximately nine months of unrecorded activity from December 1991 to August 1992.

Corrections officials attribute this problem to a lack of staff allocated to this area. As a result of early retirement, three of Correctional Industries' ten accounting positions were open at June 30, 1992. At October 15, 1992, two of the three positions remained unfilled.

We recommended that the Department allocate sufficient resources to ensure the timely posting and reporting of all financial activity. (Finding # 1, page 8)

Correctional officials accepted the recommendation and stated that they are in the process of filling vacant positions.

NEED TO PROMULGATE RULES AND REGULATIONS FOR THE RECYCLING AND REFUSE SORTING PROGRAM AND MAKE A REPORT TO THE GENERAL ASSEMBLY

The Department has not promulgated rules and regulations for its recycling and refuse- sorting program nor reported its progress to the General Assembly as required by statute.

The Unified Code of Corrections 730 ILCS 5/3-12-14 (1992) states, "The Department shall establish and operate a recycling and refuse sorting program in which committed persons shall be employed. The Department shall promulgate rules and regulations to establish guidelines for the program. The Department shall report to the General Assembly as to the progress of this Recycling and Refuse Sorting Program."

We recommended that the Department promulgate rules and regulations and report to the General Assembly on the recycling and refuse sorting program as required by statute. (Finding # 4, page 11)

Corrections officials accepted the recommendation and stated that the appropriate rules, regulations and report to the General Assembly will be developed.

OTHER FINDINGS

The remaining findings are less significant, and the Department is addressing them. We will review the Department's progress in implementing our recommendations in our next audit.

Mr. Mark Krell, Chief Auditor for the Department responded to our recommendations.

AUDITORS' OPINION

Our auditors state that Correctional Industries' June 30, 1992 financial statements are fairly presented.

WILLIAM G. HOLLAND, Auditor General

WGH:BLB:pp

SUMMARY OF AUDIT FINDINGS

Number of This Audit Prior Audit

Audit findings 41

Repeated audit findings 01

Prior Recommendations implemented or
not repeated 10

SPECIAL ASSISTANT AUDITORS

Sikich, Gardner & Co. were our special assistant auditors for these audits.