

**STATE OF ILLINOIS  
DEPARTMENT OF JUVENILE JUSTICE**

**COMPLIANCE EXAMINATION**

**For the Two Years Ended June 30, 2016**

STATE OF ILLINOIS  
DEPARTMENT OF JUVENILE JUSTICE  
COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2016

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**AGENCY OFFICIALS**

Director	Heidi Mueller (12/19/16 to present) Jesse Montgomery, Acting (06/01/16 to 12/18/16) Candice Jones (02/10/15 to 05/31/16) Candice Jones, Acting (07/01/14 to 02/10/15)
Deputy Director of Operations	Vacant (04/01/17 to present) Jesse Montgomery (07/01/14 to 03/31/17)
Deputy Director of Program Services	Robert Vickery (04/16/17 to present) Vacant (12/20/16 to 04/15/17) Heidi Mueller (07/01/14 to 12/19/16)
Deputy Director of Aftercare	Eva Moore
Chief of Staff	Mike Taylor (07/16/16 to present) Jessica McMiller-Baptiste (11/01/14 to 07/15/16) Era Laudermilk (07/01/14 to 10/31/14)
Superintendent of School District #428	Gloria Davis (8/18/14 to present) Vacant (07/01/14 to 08/17/14)
Chief of Training & Staff Development	Marna Goodman (08/01/14 to present) Vacant (07/01/14 to 07/31/14)
Administrator of Affirmative Action and Minority Recruitment	James Crowley (10/16/16 to present) Vacant (07/01/14 to 10/15/16)
Chief Financial Officer	Vacant (06/11/16 to present) Kiersten Neswick (07/01/14 to 06/10/16)
Chief Legal Counsel	Marron Mahoney (07/16/16 to present) Vacant (06/11/16 to 07/15/16) Beth Compton (07/1/14 to 06/10/16)
Intergovernmental Relations	Aaron Harris (06/16/16 to present) Vacant (06/11/16 to 06/15/16) Saran Myerscough-Mueller (01/16/16 to 06/10/16) Vacant (12/05/15 to 01/15/16) Mary Reynolds (07/01/14 to 12/04/15)

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**AGENCY OFFICIALS (Continued)**

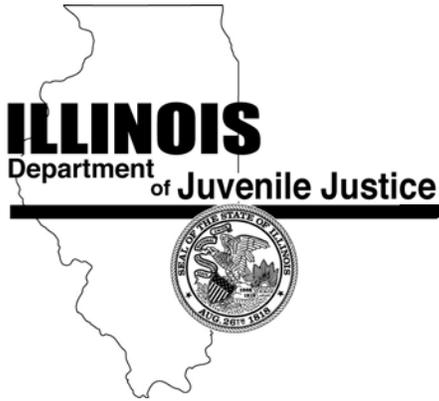
Pursuant to Enabling Legislation:

Department of Correction's Employees

Chief of Investigations and Intelligence	Mark Delia (12/16/15 to present) Vacant (09/01/15 to 12/15/15) Darryl Johnson (07/01/14 to 08/31/15)
Administrator of Affirmative Action and Minority Recruitment	Fernando Chavarria
Chief Fiscal Officer	Jared Brunk
Chief Internal Auditor	Vacant (01/01/17 to present) Ron Faith (12/16/14 to 12/31/16) Ron Faith, Acting (07/01/14 to 12/15/14)

The Department's General Office is located at:

2715 West Monroe Street  
Springfield, Illinois 62704



**Bruce Rauner**  
Governor

**Heidi Mueller**  
Director

**1112 South Wabash Avenue, 2<sup>nd</sup> Floor, Chicago, Illinois 60605**  
**Telephone: (312) 814-3848 / TDD: (800) 526-0844**

MANAGEMENT ASSERTION LETTER

April 24, 2017

Honorable Frank J. Mautino  
Auditor General  
State of Illinois  
Iles Park Plaza  
740 East Ash Street  
Springfield, IL 62703

Auditor General Mautino:

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 State of Illinois, Department of Juvenile Justice. 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 State of Illinois, Department of Juvenile Justice's compliance with the following assertions during the two-year period ended June 30, 2016. Based on this evaluation, we assert that during the years ended June 30, 2015 and June 30, 2016, the State of Illinois, Department of Juvenile Justice has materially complied with the assertions below.

- A. The State of Illinois, Department of Juvenile Justice 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 Juvenile Justice 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 Juvenile Justice 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 State of Illinois, Department of Juvenile Justice 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 Juvenile Justice on behalf of the State or held in trust by the State of Illinois, Department of

Juvenile Justice have been properly and legally administered, and the accounting and record keeping relating thereto is proper, accurate and in accordance with law.

Yours truly,

State of Illinois, Department of Juvenile Justice

**SIGNED ORIGINAL ON FILE**

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Heidi Mueller, Director

**SIGNED ORIGINAL ON FILE**

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Jared Brunk, Chief Fiscal Officer

**SIGNED ORIGINAL ON FILE**

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Marron Mahoney, Chief Legal Counsel

STATE OF ILLINOIS  
DEPARTMENT OF JUVENILE JUSTICE  
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**COMPLIANCE REPORT**

**SUMMARY**

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

**ACCOUNTANT'S REPORT**

The Independent Accountant's Report on State Compliance, on Internal Control Over Compliance, and on Supplementary Information for State Compliance Purposes does not contain scope limitations, disclaimers, or other significant non-standard language.

**SUMMARY OF FINDINGS**

<u>Number of</u>	<u>Current</u> <u>Report</u>	<u>Prior</u> <u>Report</u>
Findings	17	16
Repeated findings	10	10
Prior recommendations implemented or not repeated	6	8

**SCHEDULE OF FINDINGS**

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (STATE COMPLIANCE)			
2016-001	11	Administrative Process Not Fully Segregated	Significant Deficiency and Noncompliance
2016-002	14	Inaccurate and Inadequate Equipment and Capital Asset Record Keeping	Significant Deficiency and Noncompliance
2016-003	19	Lack of Due Diligence over Inventory Conversion	Significant Deficiency and Noncompliance
2016-004	21	Lack of Project Management over Youth 360 Project	Significant Deficiency and Noncompliance
2016-005	24	Inadequate Controls over Youth 360 System	Significant Deficiency and Noncompliance
2016-006	26	Inadequate Administration of Locally Held Funds at Youth Centers	Significant Deficiency and Noncompliance

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2016-007	30	Weaknesses Regarding the Security and Control of Confidential Information	Significant Deficiency and Noncompliance
2016-008	33	Inadequate Controls over Performance Evaluations	Significant Deficiency and Noncompliance
2016-009	35	Lack of Segregation of Duties	Significant Deficiency and Noncompliance
2016-010	37	Inadequate Administration of Confinement, Grievance, and Discipline Policies	Significant Deficiency and Noncompliance
2016-011	39	Policies and Procedures Regarding Operation of State Vehicles Not Followed	Significant Deficiency and Noncompliance
2016-012	42	Lack of Fraud Risk Assessment Program	Significant Deficiency and Noncompliance
2016-013	44	Lack of Disaster Contingency Planning	Significant Deficiency and Noncompliance
2016-014	46	Noncompliance with the Unified Code of Corrections Regarding Inspections of Juvenile Detention Facilities	Significant Deficiency and Noncompliance
2016-015	48	Inadequate Controls over the Administration of Interagency Agreements	Significant Deficiency and Noncompliance
2016-016	50	Noncompliance with the Custody Relinquishment Prevention Act	Significant Deficiency and Noncompliance
2016-017	52	Failure to Maintain Required Levels of Bilingual Frontline Staff	Significant Deficiency and Noncompliance

PRIOR FINDINGS NOT REPEATED (STATE COMPLIANCE)

A	53	Failure to Properly Transfer Unclaimed Inmate Cash Account Balances
B	53	Noncompliance with the Fiscal Control and Internal Auditing Act

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C	53	Payroll Timekeeping System not Automated
D	54	Weaknesses in Emergency Purchases Administration
E	54	Inadequate Documentation of Employee Training
F	54	Failure to Designate Person to the Illinois Human Services Commission

**EXIT CONFERENCE**

The findings and recommendations appearing in this report were discussed with Department personnel at an exit conference on April 17, 2017. Attending were:

**Department of Juvenile Justice**

Heidi Mueller, Director  
Marron Mahoney, Chief Legal Counsel  
Patrick Keane, Compliance Officer  
Diana Shanks, Budget Manager  
Rob Vickery, Deputy Director of Program Services  
Mike Taylor, Chief of Staff

**Office of the Auditor General**

Sara Metzger, Audit Manager  
Kathy Lovejoy, IS Audit Manager  
Stephanie Wildhaber, Audit Supervisor  
Brian Metzger, IS Audit Supervisor

**Shared Services**

Emily Glynn, Fiscal  
Christa Bull, Fiscal

**Department of Corrections**

Satu Allen, Internal Auditor  
Jonathan Swager, Internal Auditor  
Jared Brunk, Chief Fiscal Officer

The responses to the recommendations were provided by Ms. Satu Allen in correspondence dated April 24, 2017.

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OFFICE OF THE AUDITOR GENERAL  
FRANK J. MAUTINO

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

Honorable Frank J. Mautino  
Auditor General  
State of Illinois

Compliance

We have examined the State of Illinois, Department of Juvenile Justice's compliance with the requirements listed below, as more fully described in the Audit Guide for 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, 2016. The management of the State of Illinois, Department of Juvenile Justice is responsible for compliance with these requirements. Our responsibility is to express an opinion on the State of Illinois, Department of Juvenile Justice's compliance based on our examination.

- A. The State of Illinois, Department of Juvenile Justice 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 Juvenile Justice 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 Juvenile Justice 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 State of Illinois, Department of Juvenile Justice 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 Juvenile Justice on behalf of the State or held in trust by the State of Illinois, Department of Juvenile Justice have been properly and legally administered and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

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 Juvenile Justice'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 Juvenile Justice's compliance with specified requirements.

In our opinion, the State of Illinois, Department of Juvenile Justice complied, in all material respects, with the compliance requirements listed in the first paragraph of this report during the two years ended June 30, 2016. However, the results of our procedures disclosed instances of noncompliance with the 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 items 2016-001 through 2016-017.

### **Internal Control**

Management of the State of Illinois, Department of Juvenile Justice 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 examination, we considered the State of Illinois, Department of Juvenile Justice's internal control over compliance with the requirements listed in the first paragraph of this report to determine the examination procedures that are appropriate in the circumstances 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 Juvenile Justice's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the State of Illinois, Department of Juvenile Justice's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with the requirements listed in the first paragraph of this report on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a requirement listed in the first paragraph of this report will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over

compliance, as described in the accompanying schedule of findings as items 2016-001 through 2016-017, that we consider to be significant deficiencies.

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 Juvenile Justice's responses 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 Juvenile Justice's responses and, accordingly, we express no opinion on the responses.

### **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 for the years ended June 30, 2016, and June 30, 2015, in Schedules 1 through 11 and the Analysis of Operations Section 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 June 30, 2016, and June 30, 2015, accompanying supplementary information in Schedules 1 through 11. However, we do not express an opinion on the accompanying supplementary information.

We have not applied procedures to the June 30, 2014, accompanying supplementary information in Schedules 3 through 9 and in the Analysis of Operations Section, and accordingly, we do not express an opinion or provide any assurance on it.

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

**SIGNED ORIGINAL ON FILE**

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JANE S. CLARK, CPA  
Assistant Director of Financial and Compliance Audits

Springfield, Illinois  
April 24, 2017

STATE OF ILLINOIS  
DEPARTMENT OF JUVENILE JUSTICE  
**SCHEDULE OF FINDINGS**  
For the Two Years Ended June 30, 2016

2016-001. **FINDING** (Administrative Process Not Fully Segregated)

The Department of Juvenile Justice (Department) has not segregated certain aspects of its administrative processes from the Department of Corrections (DOC) as intended by statute.

The Unified Code of Corrections (Code) (730 ILCS 5/3-2.5-5) created the Department of Juvenile Justice, effective June 1, 2006. The Code (730 ILCS 5/3-2.5-15(e)) permitted the Department to share certain administrative services with the DOC or a shared service center. Further, the Code (730 ILCS 5/3-2.5-15(e)) states these services include budgeting, accounting-related functions, auditing, human resources, legal, procurement, training, data collection and analysis, information technology, internal investigations, intelligence, legislative services, emergency response capability, Statewide transportation services, and general office support. An interagency agreement between the Department and the DOC effective July 1, 2006, enumerated these services in a written document.

During the examination, auditors noted instances where the Department's activities should have been segregated from those of DOC, but were not because of the longstanding relationship with DOC and overextension of the interagency agreement. While the Department was permitted a short period of time to plan for the creation of a new State agency, the exceptions noted below were still ongoing during the current examination more than 10 years after the Department's separation from DOC. The specific exceptions noted were as follows:

- The Department places an overreliance on DOC's property record system. For the beginning of the period, the Department utilized the DOC Automated Property Control System (APCS). The Department did not have employees that could extract data in an easily useable format from the system. Instead, it had to rely on DOC employees to extract data, which came in text files. While it is permissible to utilize the APCS application for capital asset recordkeeping, the Department should ensure it has appropriate access to, and knowledge of, the system. In addition, during the second half of Fiscal Year 2016, the Department discontinued use of the APCS to maintain its capital assets and instead relied upon DOC employees for the implementation of a new property control system, the Central Inventory System. The auditors noted several issues with the preparation for the changeover, the maintenance of capital assets during the changeover, and the Department's access to the new system (see Finding 2016-003 for a full description of the issues related to the system changeover).
- Since being separated from DOC, the Department has been utilizing the Administrative Directives (ADs) originally established by DOC. The

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Department has made progress towards updating the ADs to be specific to the Department's unique purpose and mission; however, it still has a number of ADs that need to be updated. As of February 29, 2016, when the ADs were provided to the auditors, 260 of 440 (59%) ADs have effective dates prior to the establishment of the Department (June 1, 2006) and have not been updated with the Department's name. Additionally, 37 of 180 (21%) ADs, with effective dates on or after June 1, 2006, are titled DOC Administrative Directives. As a result, several ADs need to be revised and some are not being followed by Department personnel as noted in other findings presented within this report. The auditors specifically noted six of six (100%) Youth Centers (Chicago, Harrisburg, Kewanee, Pere Marquette, St. Charles, and Warrenville) have not set up separate bank accounts for youths with Trust Fund account balances over \$200. Department personnel provided the auditors with internal guidance that was provided to Youth Center staff on April 24, 2012. The guidance does not require the use of separate bank accounts and, as a result, the guidance does not agree with the Department's AD. The Department's Administrative Directive 02.40.103 states all interest earned in savings accounts established for youth having trust fund accounts in excess of \$200 shall accrue to the youth's savings account. The guidance does state the Department is revising that AD; however, the auditors noted over four years have passed since the guidance was provided to the Youth Centers and the AD still has not been revised.

- The Department did not adequately monitor the administrative services provided by the DOC. As stated earlier, the Department relies on the DOC to provide several specific administrative services. However, services provided were not always adequate considering the issues noted in other findings presented within this report, including but not limited to inaccurate recordkeeping.
- The Department was using real property where it was not a party to the written agreement. The auditors noted one lease managed by the Department of Central Management Services where the DOC, and not the Department was considered the user agency of the property. The Department could not provide any type of written agreement with the DOC for the use of the property.
- During our visit to the Joliet Youth Center, we noted the facility was under construction. Upon further inquiry with the Department, the construction was being overseen by the DOC and the Capital Development Board; however, the facility is still the property of the Department. The improvements being made were not for any Department purposes. In addition, the auditors met the staff person on-site, who was assigned to DOC's Stateville Correctional Center and paid by the DOC.

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The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department to establish and maintain a system of internal fiscal and administrative controls to provide assurance that resources are being utilized efficiently and effectively; funds, property and other assets are safeguarded against waste, loss, unauthorized use and misappropriation; and, revenues, expenditures, and transfers are properly accounted for and recorded.

During the previous examination, the Department stated the issues noted were due to competing priorities and resource constraints. During the current examination, the Department stated the ongoing issues were due to the same factors.

Failure to adequately segregate certain functions between the Department and the DOC does not comply with the intent of the Code and result in inadequate controls within the Department. (Finding Code No. 2016-001, 2014-001, 12-01, 10-01, 08-02)

**RECOMMENDATION**

We recommend the Department accelerate its efforts to segregate its books and records from those of the DOC to comply with the Code. Additionally, the Department should improve its monitoring of the administrative services provided by the DOC to ensure the Department's administrative responsibilities are being fulfilled.

**DEPARTMENT RESPONSE**

Recommendation accepted. The Department is working to update the Shared Services agreement with the DOC, secure adequate funding to hire personnel capable of providing adequate oversight, and ensure separation of duties where and when appropriate. Furthermore, as appropriate, the Department will work to properly document the transition of certain property if the policy decisions of the State warrant such action. The Department would like to point out that fiscal limitations and the implementation of the budget have a direct impact on the Department's ability to fully segregate from the DOC and establish itself as a standalone agency.

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2016-002.     **FINDING**     (Inaccurate and Inadequate Equipment and Capital Asset Record Keeping)

The Department of Juvenile Justice (Department) did not exercise adequate controls over maintaining, recording, and reporting its State property and equipment.

The auditors noted the following during testing:

- The Department did not update its inventory records within 30 days of acquiring, changing, or deleting equipment items.
  - Twenty-three of 60 (38%) equipment addition items tested, totaling \$4,453,472, were added to Department inventory records between 13 and 335 days late.
  - Twenty-three of 60 (38%) equipment addition items tested, totaling \$16,582,260, did not have a documented date of receipt. Thus, auditors were unable to determine whether the items were timely added to the Department's inventory records.
  - Four of 60 (7%) equipment deletion items tested, totaling \$69,118, were deleted from Department inventory records between 132 and 436 days late.
  - The Department could not provide adequate support for 14 of 60 (23%) equipment deletion items tested, totaling \$126,764. As a result, the auditors could not determine if trade-in items were reported to the Department of Central Management Services as required, necessary information for transferred out items were properly reported to the receiving agency, the inventory adjustments were reasonable and properly approved, or timely deleted from the Department's property records.

The Illinois Administrative Code (Code) (44 Ill. Admin. Code 5010.400) requires the Department to adjust its property records within 30 days of the acquisition, change, or deletion of equipment items. Further, the State Records Act (5 ILCS 160/8) requires the Department make and preserve adequate and proper documentation of the essential transactions of the Department. Department personnel stated the items were not added or removed from inventory records timely due to staffing constraints.

- The Department's inventory recordkeeping system did not distinguish between several locations, such as the three separate General Office locations: the Springfield Office, the Chicago Office, and Washington Cottage.

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The Statewide Accounting Management System (SAMS) (Procedure 29.10.10) requires the Department to maintain current property records, including locations.

- The Department was unable to locate State property.
  - Six of 80 (8%) equipment items selected from the Department's property records, totaling \$10,651, were unable to be located at three of eight (38%) Youth Centers (Joliet, St. Charles, and Warrenville).

The State Property Control Act (30 ILCS 605/4) requires the Department to be accountable for the supervision, control, and inventory of all property under its jurisdiction. In addition, the State Property Control Act (30 ILCS 605/6.02) requires the Department to maintain a permanent record of all items of property under its jurisdiction and control.

Department personnel stated understaffing and proper documentation not being completed on all transfers contributed to property not being accounted for properly.

- The Department did not have adequate controls over maintaining its inventory records.
  - One of eight (13%) Youth Centers (St. Charles) had one building not included on its property listing. Furthermore, the property items located within this building were assigned to another building.
  - For seven of 80 (9%) equipment items selected at the Youth Centers, the actual location did not match the location listed on the property listing at three of eight (38%) Youth Centers (Chicago, Joliet, and St. Charles).
  - Ten of 80 (13%) equipment items selected at the Youth Centers were not included on the Department's inventory records at five of eight (63%) Youth Centers (Chicago, Joliet, Pere Marquette, St. Charles, and Warrenville).
  - Five of 80 (6%) equipment items selected at the Youth Centers (Murphysboro, Pere Marquette, St. Charles, and Warrenville) did not have a property tag affixed to the item.
  - One of three (33%) equipment items selected from the General Office's property listing did not have a property tag affixed to the item.

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- Two of eight (25%) of the Youth Centers (Kewanee and St. Charles) did not record or tag equipment items purchased through grants.

The State Records Act (5 ILCS 160/9) requires the Department to establish and maintain an active, continuing program for the economical and efficient management of the Department's records. Such program shall provide for effective controls over the creation, maintenance, and use of records. SAMS (Procedure 29.10.10) requires the Department to maintain detailed property records and update property records as necessary to reflect the current balance of State property. The Code (44 Ill. Adm. Code 5010.210) requires the Department to mark each piece of State-owned equipment in its possession with a unique identification number. The Department's Administrative Directive 02.70.105 requires each facility to maintain a standard property control numbering system and tagging procedures. A tag book must be established and tag numbers affixed as they are assigned.

Department personnel stated the errors were due to oversight and paperwork not being signed by Department management. Youth Center personnel stated the errors were due to understaffing, competing priorities, items being misplaced, and/or proper documentation that was not completed upon transfer.

- The Department did not accurately report information on its quarterly Agency Report of State Property reports (Form C-15).
  - Two of 78 (3%) ending balances listed on the divisional Form C-15 worksheets did not include transactions, totaling \$14,488, that were entered into the Automated Property Control System (APCS).
  - The Department was unable to provide supporting documentation for eight of eight (100%) Department-wide Form C-15 worksheets. Thus, the auditors were unable to determine whether amounts listed on the Department-wide Form C-15s were accurate.
  - Nine of 78 (12%) ending balances listed on the divisional Form C-15 worksheets included transactions, totaling \$2,046,091, that had not been entered into the APCS.
  - Ten of 24 (42%) equipment purchases tested, totaling \$206,299, were not reported on the Department-wide Form C-15s submitted to the Office of the State Comptroller (Comptroller) or the Department's property records.
  - As a result of the previous four bullet points, the auditors were unable to reconcile the Department-wide Form C-15s, as submitted to the Comptroller, to the Comptroller's Object Expense/Expenditures by Quarter Reports

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(SA02). The auditors noted differences totaling \$47,991 in Fiscal Year 2015 and \$24,984 in Fiscal Year 2016.

SAMS (Procedure 29.20.10) requires the Department to report all additions, deletions, and net transfers affecting each asset class that occurred during the quarter being reported. SAMS (Procedure 07.30.20) states that effectiveness of any accounting and financial information system is very much dependent on the accuracy of data submitted and the confidence of its users that the system handled that data properly. Department reconciliations are the primary control that ensures these requirements are being met. SAMS (Procedure 29.10.10) requires the Department to maintain detailed property records and update property records as necessary to reflect the current balance of State property. The Department's Administrative Directive 02.70.155 requires each facility to prepare a report of fixed assets at the end of each quarter. These reports should then be reconciled and compared to the Form C-15 report by the Shared Services Fiscal Accounting Compliance Section.

Department personnel stated these errors were due to oversight, facilities being understaffed, and facilities reporting transactions in one quarter, but not entering into APCS until another quarter. Department personnel also stated they do not perform reconciliations of SA02 reports and Form C-15s due to staffing constraints.

- The Department did not maintain its property.
  - One of eight (13%) Youth Centers (St. Charles) had 13 unused, condemned, or worn down buildings in need of repairs, demolition, or significant improvements. In addition, the building utilized by the Department in Springfield was in need of repairs.
  - Three of eight (38%) Youth Centers (St. Charles, Joliet, and Warrenville) had several unused, damaged, and obsolete equipment items.
  - Two of eight (25%) Youth Centers (Kewanee and St. Charles) did not use equipment items purchased through grants. The noted items at Kewanee were for trades training and were still in their original boxes from when the items were received in October 2014. St. Charles had items from two separate grants, one for culinary arts and one for trades training.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department to establish and maintain a system, or systems, of internal fiscal and administrative controls which provide assurance that funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriations.

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Department personnel stated budget constraints have delayed repairs and removal of buildings and understaffing has contributed to obsolete and unused items not being disposed of timely. Youth Center personnel stated the grant items could not be used due to safety concerns with the youths.

- The Department did not have adequate control over transfers. One of eight (13%) Youth Centers (Murphysboro) had an overstated property listing by \$85,990 due to items being physically transferred to surplus and other facilities, but not being removed from Murphysboro's listing.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance resources applicable to operations are properly recorded and accounted for to permit the preparation of accounts, reliable financial and statistical reports, and to maintain accountability over the State's resources.

Department personnel stated the errors were due to employee oversight and/or proper documentation not being completed upon transfer.

Failure to maintain accurate property and equipment records represents noncompliance with State laws and regulations and increases the potential for fraud and the possible loss or theft of State property. In addition, inaccurate property reporting reduces the reliability of State-wide capital asset information. (Finding Code No. 2016-002, 2014-002, 12-02, 10-02, 08-03)

**RECOMMENDATION**

We recommend the Department take action to strengthen its controls over maintaining, recording, and reporting its State property and equipment by reviewing its inventory and recordkeeping practices to ensure compliance with State laws and regulations. Further, the Department should ensure all equipment is accurately and timely recorded on the Department's property records.

**DEPARTMENT RESPONSE**

Recommendation accepted. The Department will review inventory and recordkeeping practices with staff members and remind them of the importance of processing transactions in a timely manner. Due to the current budget situation, the Department does not have the resources necessary to address all building repairs and maintenance issues.

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2016-003. **FINDING** (Lack of Due Diligence over Inventory Conversion)

The Department of Juvenile Justice (Department) failed to conduct due diligence over the inventory conversion project.

On March 25, 2016, the Department converted approximately 21,689 assets, totaling approximately \$184,387,364, from its Automated Property Control System (APCS) to the Department of Central Management Services' Central Inventory System (CIS).

In order to determine the adequacy and accuracy of the conversion, the auditors requested the Department's procedures and reviews of the converted data. During the auditor's evaluation of the Department's procedures and reviews, they noted the procedures were informal and indicated the Department had not reviewed the final converted APCS data to the final CIS data. Additionally, the Department's analysis of the initial converted data noted exceptions. However, there was no documentation on the remediation actions taken.

Due to the possible material impact to the Department's financial information, the auditors compared the final converted APCS data to the final CIS data at June 30, 2015, and June 30, 2016, noting significant differences:

	Total Price Difference	Total Asset Count Difference
June 30, 2015	\$(2,412,345)	(223)
June 30, 2016	\$(35,327)	(702)

Additionally, the Department did not maintain detailed records of non-capitalized assets; therefore, the auditors could not conduct testing over the adequacy and accuracy of the converted data.

The auditors reviewed the detail of capitalized assets noting:

- 73 capitalized assets, totaling \$3,761,771, were noted in the June 30, 2016 APCS details; however, they were not included in the June 30, 2015, APCS detail. The purchase dates of the 73 capitalized assets ranged from April 2010 to June 2015.
- 21 capitalized assets, totaling \$1,946,996, located within APCS, were not located within the CIS data.

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- 27 capitalized assets, totaling \$184,704, located within CIS, were not located within the APCS data.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department to establish and maintain a system, or systems, of internal fiscal and administrative controls, to provide assurance funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation.

Department management attributed the failure to inherent limitations of the Department's APCS, the timing of the property system conversion, staff turnovers and limitations, competing priorities, human error, and employee oversight.

The Department's lack of due diligence over the inventory conversion project has led to inaccuracies in the Department's inventory records and financial reporting to the Office of the State Comptroller. (Finding Code No. 2016-003)

**RECOMMENDATION**

We recommend the Department establish controls over projects to ensure the adequacy and accuracy of its information.

**DEPARTMENT RESPONSE**

Recommendation accepted. The Department emphasizes the effects of the State-wide budget crisis imposed upon already limited Department staff during this time, creating heavy constraints and a burdensome workload. The Department is working daily to update the CIS to reflect accurate amounts. The Department will continue to devote the resources necessary, within the limitations of the current technology and budget constraints, to ensure the inventory information is properly recorded and maintained.

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2016-004. **FINDING** (Lack of Project Management over Youth 360 Project)

The Department of Juvenile Justice (Department) did not have project management controls and had not ensured the development process over Youth 360 was controlled and documented.

In June 2010, the Department, along with the Department of Corrections, began the development of Offender and Youth 360 and on December 14, 2015, the Departments placed Offender and Youth 360 into production. Youth 360 is an enterprise application utilized to track youth offender location, maintain criminal offense information, release information, security level, personal, medical information, etc. In addition, Youth 360 tracks a youth's visitor information.

As part of their testing, the auditors requested documentation in order to determine if Youth 360 had been developed to meet State requirements and youth offender records were completely and accurately migrated from legacy applications. Specifically, the auditors noted:

- A project management framework had not been developed to ensure the development met the Department's requirements.
- The Department had not entered into an agreement with the Department of Corrections outlining the roles and responsibilities of both parties.
- The Department had not established controls to ensure the vendor's cloud computing environment was sufficient to promote security, integrity, and availability of its applications and data. Neither the contract nor the Service License Agreement with the cloud computing service provider outlined roles and responsibilities regarding the security of the environment or the Department's data.
- The Department had embarked on the development of Youth 360 in order to maintain youth offender records, including the calculation of the youth's release date. However, due to incorrect logic regarding the custody date, the length of the sentence, and the complexity of youth sentencing laws, Youth 360 did not correctly calculate the release date. According to the Department, employees were to manually calculate the release date and override the entry within Youth 360.

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- Approximately 90.1 million adult offender, youth offender, and visitor records were migrated from the legacy applications; however, the Departments did not provide documentation to ensure the accuracy and adequacy of the data migration from the legacy applications to the Offender and Youth 360 application. In fact, the Data Migration Staging Database indicated a significant number of records did not migrate accurately.
- User access rights to Youth 360 were not periodically reviewed, timely deactivated, and always appropriate based on job duties.

Department management stated the project management documentation was not adequately monitored and controlled due to the constraints of staff turnovers and loss of knowledge.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department to establish and maintain a system of internal fiscal and administrative controls, which shall provide assurance that resources are utilized efficiently, effectively, and in compliance with applicable laws. Additionally, generally accepted information technology guidance endorses the implementation of project management techniques to ensure computer system development activities meet management's objective.

The lack of a defined project management process increases the likelihood of ineffective and inefficient use of resources resulting in IT systems that fail to meet expectations and requirements, and require additional costs. (Finding Code No. 2016-004)

**RECOMMENDATION**

We recommend the Department:

- Develop and implement project management controls to ensure projects are appropriately managed and adequately monitored and documented.
- Enter into an agreement with the Department of Corrections which outlines both parties' roles and responsibilities.
- Establish controls to ensure the vendor's cloud computing environment is sufficient to promote security, integrity and availability of its applications and data. Furthermore, the Department should ensure roles and responsibilities regarding the security of the environment and the Department's data are outlined in the contract or Service License Agreement with the cloud computing service provider.

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- Ensure adequate testing is conducted and documentation is maintained to support the complete and accurate migration of data.
- Ensure Youth 360 is meeting all requirements of the Department, including the calculation of each youth's release date.
- Periodically review access rights and ensure only individuals with applicable job responsibilities have access to Youth 360.

**DEPARTMENT RESPONSE**

Recommendation accepted. The Department will make every effort to ensure the security, integrity, and availability of its applications and data. Additionally, the Department will continue to work to ensure projects are managed, monitored, and documented adequately.

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2016-005. **FINDING** (Inadequate Controls over Youth 360 System)

The Department of Juvenile Justice (Department) did not exercise adequate controls over payments related to the Youth 360 system.

During the auditor's review of Statements of Work (SoW) and invoices, it was noted:

- The Department had not entered into an agreement with the vendor for the development of Youth 360; however, the Department made payments totaling \$207,000.
- The Department had overpaid the development vendor by \$7,000 based on the SoW executed by the Department of Corrections.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department to establish and maintain a system of internal fiscal and administrative controls, which shall provide assurance that revenues, expenditures, and transfer of assets, resources, or funds applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports to maintain accountability over the State's resources.

Department management stated that the Illinois Department of Corrections was leading the effort on the information technology upgrades and signed on behalf of the Department.

Failure to document, review, and control expenditures resulted in improper payments to the vendor. (Finding Code No. 2016-005)

**RECOMMENDATION**

We recommend the Department enter into an agreement with the vendor for the development of Youth 360. In addition, we recommend the Department implement controls to ensure expenditures are made in accordance with the terms of agreements and seek reimbursement for the overpayment.

**DEPARTMENT RESPONSE**

Recommendation accepted. The Department is working to update the Shared Services agreement with the DOC, and secure adequate funding to hire personnel capable of providing adequate oversight. Furthermore, as appropriate, the Department will work to ensure adequate controls are in place to make sure

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contractual payments are accurate and deliverables are met as agreed upon. The Department would like to point out, the fiscal limitations and the implementation of the budget have a direct impact on the Department's ability to fully segregate from the DOC and establish itself as a standalone agency with all the requisite staff to provide independent oversight.

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2016-006. **FINDING** (Inadequate Administration of Locally Held Funds at Youth Centers)

The Youth Centers of the Department of Juvenile Justice (Department) inadequately administered locally held funds (bank accounts) during the examination period.

During testing of the Department's Juvenile Justice Resident's Trust Fund (Trust Fund), Juvenile Justice Travel and Allowance Fund (Travel and Allowance Fund), and Juvenile Justice Benefit funds (Resident Benefit Fund and Employee Benefit Fund), we noted the following at the Youth Centers:

- At two of six (33%) Youth Centers (St. Charles and Warrenville), two of 60 (3%) youth files did not include a Trust Fund Signature and Authorization Card. The Department's Administrative Directive 02.42.110 states the Chief Administrative Officer at each Reception and Classification Center shall: (1) ask each offender upon admission to sign a Trust Fund Signature and Authorization card (DOC 0006) and (2) forward the Trust Fund Signature and Authorization card to the Records Office for placement in the youth's master file.
- Two of six (33%) Youth Centers (Harrisburg and St. Charles) could not provide signature cards for the Trust Fund for those with signature authority during all of Fiscal Year 2015 and Fiscal Year 2016. Also, one of six (17%) Youth Centers (St. Charles) could not provide signature cards for the Employee Benefit Fund and the Travel and Allowance Fund for those with signature authority during all of Fiscal Year 2015 and Fiscal Year 2016. The Department's Administrative Directive 02.40.102 states the Business Administrator shall ensure the bank is notified in writing of any changes to signature authority and maintain copies of the notification and current bank signature cards in the locally held fund file.
- Three of six (50%) Youth Centers (Pere Marquette, St. Charles, and Warrenville) did not review outstanding checks from the Trust Fund to determine whether a stop payment should be issued. The Department's Administrative Directive 02.40.104 states stop payments should be issued after three months if the bank does not charge a service charge that is equal to or greater than 50% of the value of the check and the monies added back to the account.
- At two of six (33%) Youth Centers (Chicago and St. Charles), three of 60 (5%) cash receipts tested, totaling \$88, were not deposited timely into the Trust Fund. Further, at three of six (50%) Youth Centers (Harrisburg, Pere Marquette, and St. Charles), three of 27 (11%) cash receipts were not deposited timely in the Travel and Allowance Fund, and at one of six (17%) Youth Centers (St.

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Charles), one of 60 (2%) cash receipts tested were not deposited timely in the Employee Benefit Fund. The Department's Administrative Directive 02.40.110 states cash accumulated in the amount of \$1,000 or more on any Business Office working day shall be deposited no later than 12:00 a.m. the next working day. Deposits shall be made at least once a week.

- At one of six (17%) Youth Centers (St. Charles), supporting documentation was not provided for four of 60 (7%) cash receipts tested, totaling \$410, and therefore, auditors were unable to trace the receipts to the Trust Fund bank statements. The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance revenues, resources, and funds applicable to operations are properly recorded and accounted for to permit the preparations of accounts and reliable financial and statistical reports and to maintain accountability over the State's resources. Additionally, the State Records Act (5 ILCS 160/8) requires the preservation of records containing adequate and proper documentation of the functions, policies, decision, procedures, and essential transactions.
- One of six (17%) Youth Centers (Warrenville) could not provide adequate documentation for 10 of 60 (17%) receipts tested, totaling \$1,937, in the Employee Benefit Fund. Two of the receipts did not have any documentation and the remaining eight receipts had only deposit verification via bank receipts and deposit slips. The auditors were unable to trace totals by account to the source document or determine whether receipts were deposited timely. The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance revenues, resources, and funds applicable to operations are properly recorded and accounted for to permit the preparations of accounts and reliable financial and statistical reports and to maintain accountability over the State's resources.
- One of six (17%) Youth Centers (St. Charles) did not perform monthly reviews comparing the receipts and expenditures sent to Springfield for the Resident Benefit Fund to the bank statements. The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation.
- Two of six (33%) Youth Centers (St. Charles and Warrenville) did not have the correct number of Resident Benefit Fund Committee members. Also, two of six (33%) Youth Centers (Chicago and St. Charles) did not have the correct number of Employee Benefit Fund Committee members, and one Youth

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Center (Chicago) did not meet the representative requirement. The Department's Administrative Directive 02.43.102 requires the Resident Benefit Fund Committee to consist of three members, including the Leisure Time Activities Supervisor, an Assistant Chief Administrative Officer, and a representative of the Business Office. In addition, the Directive requires the Employee Benefit Fund Committee to consist of five employees including an employee covered by the RC-6 Bargaining Unit, or the RC-14 Bargaining Unit for General Office, and a representative of the Business Office.

- At two of six (33%) Youth Centers (Chicago and St. Charles), seven of 60 (12%) disbursements tested, totaling \$2,009, were either not approved or were approved by individuals who were not on the Employee Benefit Fund Committee. The Department's Administrative Directive 02.43.102 states requests for expenditures from the benefit funds shall be submitted in writing to a member of the committee, who shall present the requests at the next meeting. Each committee shall meet to review requests for expenditures. Further, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation.
- At one of six (17%) Youth Centers (Chicago), one of 60 (2%) disbursements tested, totaling \$1,300, did not meet the criteria of items approved to be purchased from the Employee Benefit Fund as set forth by the Department's Administrative Directive 02.43.102. Further, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance funds, property, and other assets and resources are safeguarded against unauthorized use.

Department personnel stated the exceptions noted were due to conflicting priorities, human error, and oversight. Department personnel determined this to be the cause during the prior examination as well.

Failure to follow the prescribed formal administrative directives could result in a breakdown of the authorization process and documentation of decisions and could lead to inappropriate expenditures not being prevented. Further, failure to retain appropriate documentation could lead to the improper use of State funds, property, or other assets and resources. (Finding Code No. 2016-006, 2014-004, 12-07, 10-09, 08-08)

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**RECOMMENDATION**

We recommend the Department ensure requirements related to the locally held fund administration, as set forth in the Administrative Directives, are followed by Youth Center staff. Further, the Department should retain all necessary documentation in regards to receipts, disbursements, and expenditures from the locally held funds.

**DEPARTMENT RESPONSE**

Recommendation accepted. The Department will make every effort to ensure the Administrative Directives are followed regarding the use of locally held funds and to preserve and maintain records necessary to document their financial activity.

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2016-007.     **FINDING**     (Weaknesses Regarding the Security and Control of Confidential Information)

The Department of Juvenile Justice (Department) failed to secure and control personal and confidential information.

The Department had several computer systems that contained confidential or personal information such as names, addresses, and Social Security numbers. In addition, the Department maintained protected health information that is classified as confidential and required protection under the Health Insurance Portability and Accountability Act (HIPAA).

During testing, the auditors noted:

- The Department failed to perform a risk assessment of its computing resources.
- The Department did not maintain adequate controls over hardcopy documentation containing personal, medical, and confidential information.
- The Department failed to ensure all data at rest was properly secured.
- The Department had not consistently ensured Business Associate Agreements were executed for entities providing medical services.
- The Department failed to protect personal, medical, and confidential information on all Information Technology (IT) equipment.

Specifically, during Fiscal Years 2015 and 2016, the Department's Certification of Inventory listing of missing items included 141 PCs/laptops totaling \$140,746 and 164 PCs/laptops totaling \$171,698, respectively. The equipment may have contained confidential information; however, due to the lack of encryption, the security over the confidential information could not be determined. In addition, the Department had not performed an assessment to determine if any notifications were required.

The Department had not performed a risk assessment of its computing resources to identify confidential or personal information to ensure such information is protected from unauthorized disclosure.

During a walk-through of St. Charles Youth Center, the auditors discovered documentation containing youth's personal, medical, and confidential information (youth's name, date of birth, and address) in waste receptacles in public areas. In addition, during the walk-through, the auditors noted a significant amount of surplus

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IT equipment sitting in condemned/inhabitable and working buildings, which had not had the data removed.

HIPAA requires the safeguarding of Protected Health Information (PHI) and one mechanism is the use of Business Associate Agreements which outline the responsibilities and associated safeguards for entities accessing PHI.

The Personal Information Protection Act (815 ILCS 530/12) requires any State agency that collects personal information to notify such persons at no charge if there has been a breach of the security of the system data or written materials following discovery of the breach.

Department management stated the security of personal information was not adequately implemented due to constraint of staff and time resources.

Failure to protect confidential and personal information could impact the safeguarding and cost resulting from identity theft. (Finding Code No. 2016-007, 2014-014)

**RECOMMENDATION**

We recommend the Department:

- Perform a risk assessment to evaluate its computer environment and data maintained to ensure adequate security controls, including adequate physical and logical access restrictions, have been established to safeguard its computer resources.
- Ensure all confidential information is adequately protected with methods such as encryption or redaction, particularly on portable devices. In addition, the Department should develop a mechanism to ensure the tracking of all equipment.
- Conducted a detailed analysis of the information contained on the missing computer equipment to determine if the individuals are required to be notified as required by the Personal Information Protection Act.
- Ensure hardcopy versions of confidential information are adequately secured and properly disposed.
- Ensure Business Associate Agreements are executed for all entities with access to medical information.

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**DEPARTMENT RESPONSE**

Recommendation accepted. The Department will make every effort to protect business associate agreements and confidential information. The Department will continue to work to ensure data is adequately protected and properly disposed.

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2016-008. **FINDING** (Inadequate Controls over Performance Evaluations)

The Department of Juvenile Justice (Department) lacked adequate internal controls over performance evaluations.

The auditors tested a total of 100 evaluations required to be performed during the period for 60 employees. During testing, the auditors found the following:

- Twenty-one of 100 (21%) evaluations were not performed timely. Nineteen of the evaluations were performed three to 699 days late, one evaluation was performed 162 days prior to the evaluation anniversary date, and one was not signed, and therefore, the auditor was unable to determine if it was performed timely.
- Nineteen of 100 (19%) evaluations were not performed during the examination period for 18 employees tested.

The Illinois Administrative Code (80 Ill. Admin. Code 302.270) requires performance records to include an evaluation of employee performance prepared by the Department not less often than annually. In addition, according to the Department's Administrative Directive 03.03.110, each employee shall have a list of measurable objectives for a specific work period and shall receive a documented evaluation of job performance at least annually. Supervisory staff shall conduct a formal job performance evaluation on each employee prior to completion of any probationary period and annually thereafter. The results of the evaluation must be submitted from seven to 30 days prior to the employee's anniversary date or the last day of the probationary period depending if the employee is a bargaining unit or merit compensation employee.

Department personnel stated the errors noted for performance evaluations were due to human error and employee oversight. Department personnel determined this to be the cause during the prior examination as well.

Good internal controls dictate the annual evaluation be performed in a timely manner as it is an important component of the communication between the employee and employer on the performance and future expectations of the employee in the workplace. Employee evaluations support administrative personnel decisions by documenting regular performance measures. Late evaluations could cause delays in communicating positive and negative qualities of the employee's work performance. In addition, performing an evaluation too early could result in no communication or lack of knowledge of the employee's work performance during the evaluation period. (Finding Code No. 2016-008, 2014-007, 12-11, 10-11, 08-12)

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**RECOMMENDATION**

We recommend the Department follow the Illinois Administrative Code and the established Administrative Directive and hold management accountable for completing employee performance evaluations on a timely basis.

**DEPARTMENT RESPONSE**

Recommendation accepted. The Department has fine-tuned the review instrument for Administrative Directive 03.03.110 to reflect its inspection and requirements. The Department has set a requirement for the review of Administrative Directive 03.03.110 to occur four times during the time remaining of this calendar year. Furthermore, the Department will work to formalize training in this area. Finally, the Department will work to ensure the evaluation process is efficient and complete.

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2016-009. **FINDING** (Lack of Segregation of Duties)

The Department of Juvenile Justice (Department) had an inadequate segregation of duties in the area of locally held funds (bank accounts) at the Youth Centers.

During testing, the auditors noted the following:

- One of six (17%) Youth Centers (Chicago) had improper segregation of duties over cash custody for the Employee Benefit Fund. The same employee who had custody of the cash was also responsible for performing the monthly reconciliations.
- One of six (17%) Youth Centers (St. Charles) had improper segregation of duties over cash custody for the Travel and Allowance Fund. The same employee who had custody of the cash also counted the cash box.

The Fiscal Control and Internal Auditing Act (Act) (30 ILCS 10/3001) requires the Department establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation. This includes the establishment of proper segregation of duties so that physical cash is reconciled by someone other than the individual who is assigned custody of that cash.

During the prior examination, Department personnel stated the exceptions noted were due to insufficient resources and conflicting priorities. During the current examination, Department personnel stated the issues noted were due to staff shortages and inexperienced staff.

A lack of adequate segregation of duties increases the likelihood that a loss from errors or irregularities could occur and would not be found in the normal course of employees carrying out their assigned duties. (Finding Code No. 2016-009, 2014-008)

**RECOMMENDATION**

We recommend the Department implement procedures to ensure it maintains adequate segregation of duties over the locally held funds administered by the Youth Centers.

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**DEPARTMENT RESPONSE**

Recommendation accepted. The Department will work to provide succinct direction to the facility Superintendents and Business Office Administrators to ensure that there is the required separation of the internal fiscal duties as described in the Act (30 ILCS 10/3001). One of the operational issues that have played a part in the finding is the fact that the Business Offices in the facilities have not enjoyed a compliment of full staffing in the past. Hence, the reason why some of the internal fiscal duties have crossed paths at different points in time. The Department will work to ensure the Superintendents and Business Office Administrators produce the Appointment Memos for these internal fiscal duties to ensure that the required separation exists within the facility operations.

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2016-010.     **FINDING**     (Inadequate Administration of Confinement, Grievance, and Discipline Policies)

The Department of Juvenile Justice (Department) failed to maintain adequate administration of confinement, grievances, and discipline policies at the Youth Centers.

During testing of the Department's administration of confinement, grievances, and discipline policies, the auditors noted the following at the Youth Centers:

- Grievance forms for 11 of 60 (18%) grievances selected for testing from three of six (50%) Youth Centers (Chicago, Pere Marquette, and St. Charles) were improperly completed or the record of the grievance was not maintained by the Department for one year.

The Unified Code of Corrections (Code) (730 ILCS 5/3-10-9 and 730 ILCS 5/3-8-8) states the Director shall establish procedures to review the grievances of committed persons and these procedures shall provide that a record of such grievance and any decision made with respect to it shall be preserved for a period of one year.

- Three of six (50%) Youth Centers (Kewanee, Pere Marquette, and St. Charles) did not file a written report with the Chief Administrative Officer within 72 hours of an infraction when discipline was imposed for four of 60 (7%) youth infractions selected for testing. Two noted reports were filed three days and 204 days late, while the other two reports could not be located.

The Code (730 ILCS 5/3-10-8(e)) requires a written report of any infraction for which discipline is imposed be filed with the Chief Administrative Officer within 72 hours of the occurrence of the infraction or the discovery of it. This report is required to be placed in the file of the Youth Center.

- Two of six (33%) Youth Centers (Kewanee and St. Charles) could not locate the Confinement Record Admission Forms for four of 60 (7%) confinements selected for testing.

The State Records Act (Act) (5 ILCS 160/8) requires the Department to make and preserve records containing adequate and proper documentation of the functions and procedures of the Department designed to furnish information to protect the legal and financial rights of the State and of persons directly affected by the Department's activities.

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- One of six (17%) Youth Centers (Pere Marquette) could not provide documentation of established disciplinary procedures.

The Code (730 ILCS 5/3-10-8(b)) states the Department shall establish rules and regulations governing disciplinary practices, the penalties for violation thereof, and the disciplinary procedure by which such penalties may be imposed. These rules of behavior must be known to each youth.

Department officials stated the exceptions noted were due to employee error and oversight. Department personnel determined this to be the cause during the prior examination as well.

Failure to maintain records for all youth confinements, grievances, and discipline records for youth infractions represents noncompliance with the Code and the Act. In addition, failure to maintain documentation of established disciplinary procedures represents noncompliance with the Code and could lead to the imposition of improper discipline upon youths. (Finding Code No. 2016-010, 2014-009)

**RECOMMENDATION**

We recommend the Department ensure the requirements related to confinements, grievances, and discipline, as set forth by the Code, are known and followed by all Youth Center staff. Further, the Department should adopt controls to provide assurance proper documentation is maintained for all youth confinements, grievances, and youth discipline reports and procedures.

**DEPARTMENT RESPONSE**

The Department has been revising its confinement, grievance, and discipline policies consistent with the requirements of the *RJ v. Mueller* consent decree. New confinement policies went into effect in July 2015. This transition to the new policies may have led to discrepancies with the confinement paperwork identified during the audit period. Since January 1, 2017, confinement decisions have been imputed in the Department's Youth360 online database, which should assist in confinement tracking moving forward. The Department is also working with the American Civil Liberties Union to revise its grievance policies and is updating its policies for processing youth disciplinary tickets, which will ensure that all timelines are adhered to and supported with appropriate documentation. In the area of review for the strict adherence of practice in line with the developed policy, the Department's Compliance Office is refining the review process. The review process will focus on the practice and documentation of the policies.

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2016-011.     **FINDING**     (Policies and Procedures Regarding Operation of State Vehicles Not Followed)

The Department of Juvenile Justice (Department) did not follow State laws and regulations regarding operation of automobile equipment vouchers, vehicle maintenance records, and reporting of vehicle accidents.

During testing, the auditors noted the following:

- One of 24 (4%) operation of automobile vouchers tested, totaling \$318, did not include the license plate number on the charge ticket.

The Statewide Accounting Management System (SAMS) (Procedure 17.10.20) requires the Department to maintain all supporting documentation necessary to substantiate its encumbrances, expenditures, and other transactions. Good internal controls include requiring fuel receipts and charge ticket receipts contain employee's signatures and the respective vehicle's identification number or license plate number to facilitate vehicle log maintenance and to signify the validity of the transaction.

- Three of 24 (13%) operation of automobile vouchers tested, totaling \$3,567, included license plate numbers that did not trace to the Department's vehicle listing.

The Department's Administrative Directive (Directive) 01.02.106 requires the Department to maintain a complete list of all vehicles.

- During testing of the maintenance records for 11 vehicles, the auditors noted two (18%) instances in which the vehicles did not receive adequate tire rotations and/or oil changes during the fiscal years tested.

The Illinois Administrative Code (Code) (44 Ill. Admin. Code 5040.400) requires the Department ensure all State-owned or leased vehicles undergo regular service and/or repair in order to maintain the vehicles in a road worthy, safe, operating condition.

- During testing of four reported accidents involving the Department's vehicles, the auditors noted one (25%) instance where the accident was reported to the Department of Central Management Services (CMS) in an untimely manner. The accident report was submitted 49 days late.

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The Code (44 Ill. Admin. Code 5040.520) requires the driver of any Department vehicle that is involved in an accident of any type while within the scope or course of employment to report the accident to the appropriate law enforcement agency, the CMS Auto Liability Unit, and to the Department by completing the “Motorist’s Report of Illinois Motor Vehicle Accident” Form (Form SR-1). The completed Form SR-1 must be received by CMS no later than seven calendar days following the accident or the driver and the Department risk forfeiture of coverage under the State’s auto liability plan.

Department personnel stated the license plates were not listed on the charge ticket due to employee oversight and the license plate numbers did not trace to the Department’s vehicle listing due to the switching of license plates and failure to properly update the listing. Department personnel stated the vehicles did not receive adequate tire rotations and/or oil changes due to the Department’s vehicle coordinator not being aware of vehicle maintenance requirements. The accident report was not reported to CMS within seven days due to the Department’s auto liability coordinator not being made aware of the accident until a later date.

Failure to list state license plate numbers on charge tickets could allow for the misuse of State funds and represents improper record retention. Failure to maintain a proper vehicle listing could lead to the misuse of State property or theft of State vehicles. In addition, failure to maintain an accurate vehicle listing represents noncompliance with the Department’s Administrative Directives. Failure to perform regular maintenance on State vehicles could result in more significant expenditures related to the repair or replacement of the vehicles. Failure to submit accident reports in a timely manner could lead to unclear facts and make it more difficult to follow up on any possible liability to the Department or the State of Illinois. In addition, failure to timely complete and submit accident reports represents noncompliance with the Code and risks the Department forfeiting coverage under the State’s auto liability plan. (Finding Code No. 2016-011, 2014-011, 12-16, 10-15, 08-19)

**RECOMMENDATION**

We recommend the Department:

- Ensure charge tickets related to state vehicles include the license plate number on the ticket.
- Maintain an accurate and complete vehicle listing.
- Enforce vehicle maintenance schedules to reduce future year expenditures for repairs and to extend the useful lives of vehicles.

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- Monitor the submission of accident reports to ensure the requirements are being met as required by the Code.

**DEPARTMENT RESPONSE**

Recommendation accepted. The Department will strive to maintain a complete vehicle listing and follow vehicle maintenance schedules and accident reporting guidelines for the fleet.

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2016-012. **FINDING** (Lack of Fraud Risk Assessment Program)

The Department of Juvenile Justice (Department) did not have a formal fraud risk assessment program in place during the examination period.

The Department relied on its Administrative Directives, internal controls, and an internal audit plan to minimize the risk of fraud occurring, but had not established a formal program to assess the specific risks associated with fraud. The auditors noted issues related to Administrative Directives and internal controls which are presented in other findings within this report.

The Fiscal Control and Internal Auditing Act (Act) (30 ILCS 10/3001) requires the Department to establish and maintain a system, or systems, of internal fiscal and administrative controls, to provide assurance resources are utilized efficiently, effectively, and in compliance with applicable law; obligations and costs that are in compliance with applicable law; and, funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation. Additionally, it is management's responsibility to prevent and detect fraud. Therefore, the Department should implement a formal policy regarding the evaluation of fraud risk and a system of controls to help prevent and detect potential fraudulent activity within its organization. Preparing a written policy will serve to document the Department's awareness and responsibility for fraud prevention and detection, as well as specific activities necessary to identify and address specific fraud risk factors.

Department management acknowledged it currently does not have a formal system to identify fraud risks, as the Department was in the process of reaching out to other State agencies to take the first steps towards implementing its own fraud risk assessment program based on models used by those agencies during the examination period.

The Department managed the expenditure of \$120,796,761 and \$120,305,809 of State funds in Fiscal Year 2015 and Fiscal Year 2016, respectively. Without a formal program to identify and address the specific risks associated with fraud, fraudulent activities may go undetected and could result in misstatements in its financial reporting to the State or misappropriation of Department assets. (Finding Code No. 2016-012, 2014-012, 12-18)

**RECOMMENDATION**

We recommend Department management establish a continuous fraud prevention, deterrence, and detection program. This program should include evaluating whether appropriate internal controls have been implemented in any areas

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identified as posing a higher risk of fraudulent activity, as well as controls over the financial reporting process. In addition, the Department's executive staff should evaluate management's identification of fraud risks and the implementation of anti-fraud measures.

**DEPARTMENT RESPONSE**

Recommendation accepted. The Department's former Chief Fiscal Officer (CFO) worked with the Illinois Department of Commerce and Economic Opportunity to create a SharePoint site and process for fraud risk assessment. The CFO was the owner of the site and utilized processes and forms to create and use the SharePoint site to manage fraud risk assessment. The Director of the Department resigned in June 2016, and the CFO left the Department in August 2016. During this time, the Department had an Interim Director and entered into a memorandum of understanding to share a CFO with the Illinois Department of Corrections. It appears that the management of the SharePoint site containing the fraud risk assessment system was not reassigned in the transition. The SharePoint site is still in place, but the SharePoint site has not been utilized for this purpose since the previous CFO left. The current Director was not involved in the fraud risk assessment policy and procedure development. The Department will reassign the fraud risk assessment oversight and management of the SharePoint site and will seek to ensure that the process developed will satisfy this requirement.

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2016-013. **FINDING** (Lack of Disaster Contingency Planning)

The Department of Juvenile Justice (Department) had not developed a disaster recovery plan to ensure the timely recovery of its applications and data.

The Department carries out its mission through the use of Information Technology, on both mainframes and local area networks. The Department's critical computer systems include Youth 360, Inmate Drug Screening, Correctional Intelligence System, and Fund Accounting and Commissary Trading System.

As part of the audit process, the auditor requested the Department's disaster recovery plan. However, the Department had not developed a disaster recovery plan or associated documentation such as a prioritized listing of applications.

Additionally, the Department had not conducted disaster recovery testing of its applications and data during the examination period. Furthermore, the Department had not established procedures to ensure its applications and data were backed up and rotated off-site.

Information technology guidance (including the National Institute of Standards and Technology and Government Accountability Office) endorses the formal development and testing of disaster contingency plans.

Additionally, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department to establish and maintain a system, or systems, of internal fiscal and administrative controls, to provide assurance that funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation.

Department management stated the development of disaster recovery plan was not adequately developed due to lack of staff and time.

Without an adequately developed and tested disaster recovery plan, the Department cannot ensure their applications and data can be recovered within an acceptable time period. (Finding Code No. 2016-013, 2014-013)

**RECOMMENDATION**

We recommend the Department develop a disaster recovery plan, which should include at a minimum:

- A current prioritized listing of applications;

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- Detailed recovery scripts for each application;
- Recovery Time Objectives;
- Current listing of contact information;
- Assignment of task team members; and,
- Retention period of backup media.

In addition, the Department should annually perform a comprehensive test of their plan. The test should include all computing platforms currently used and should be adequately documented. The plan should be continuously modified to eliminate any weaknesses identified during testing.

The Department should also develop procedures to ensure applications and data are backed up and rotated off-site.

**DEPARTMENT RESPONSE**

Recommendation accepted. The Department will make every effort to create a disaster recovery plan which will be tested annually. The Department will continue to back up and rotate off-site data and procedures.

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2016-014.     **FINDING**     (Noncompliance with the Unified Code of Corrections Regarding Inspections of Juvenile Detention Facilities)

The Department of Juvenile Justice (Department) failed to give notice of noncompliance findings that resulted from the Department's inspections of juvenile detention facilities to the county sheriffs.

During testing, the auditors noted 15 of 15 (100%) juvenile detention facility inspections tested that noted noncompliance findings were not reported to the county sheriff.

The Unified Code of Corrections (Code) (730 ILCS 5/3-15-3(b)) requires the Department to inspect each juvenile detention facility at least yearly and give notice to the county board and sheriff of any noncompliance findings that result from the inspections.

Department personnel stated they were sending the information to the counties; however, they were unaware of the requirement to inform the county sheriff of the outcome of annual inspections of juvenile detention facilities.

Failure by the Department to notify the county sheriff of noncompliance findings resulting from inspections by the Department of juvenile detention facilities represents noncompliance with the Code and could result in juvenile detention facilities not complying with the Department's procedures for the provision of mental health and developmental disability services. Further, failure to provide notice to the sheriff may limit the Department's ability to petition a court to order compliance if the noncompliance continues to occur six months after notice is provided to the sheriff as noted in the Code (730 ILCS 5/3-15-3(b)). (Finding Code No. 2016-014)

**RECOMMENDATION**

We recommend the Department notify the county sheriff of noncompliance findings that result from the Department's inspections of juvenile detention facilities.

**DEPARTMENT RESPONSE**

Recommendation accepted. The Department has reformatted how the Detention Standards process will move forward in the future. The inspections in this year will occur with open communication with the counties and all of the county and State-wide stakeholders. The counties' sheriff's offices will receive notification of the findings of the annual inspections. The Department has started to review the

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Juvenile Standards reports from the last inspection cycle and will make the necessary notifications to the county and State-wide stakeholders. A yearly report is being developed to ensure when the inspection cycle is complete there is transparency with the information from the inspections.

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2016-015. **FINDING** (Inadequate Controls over the Administration of Interagency Agreements)

The Department of Juvenile Justice (Department) did not exercise adequate controls over the administration of interagency agreements.

During testing, the auditors noted the following:

- One of three (33%) interagency agreements tested did not have the requirements fulfilled as of February 2017. The effective date of the agreement was April 20, 2014. Specifically, the Department's interagency agreement with the Department of Healthcare and Family Services (HFS) requires the Department to designate staff at each Youth Center to serve as liaisons with HFS, provide HFS with specific data of all juvenile residents and released juveniles aged 18-20, and provide HFS with a list of addresses of all Youth Centers operated by the Department. As of the date of testing, the Department had not designated staff members as liaisons and had not provided HFS with any of the required data or addresses.
- One of three (33%) interagency agreements tested was not signed prior to the agreement's effective date. The agreement was signed 217 days late.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that resources, obligations, and costs are in compliance with applicable laws, rules, and agreements.

Department personnel stated they are unaware of whether data, address listing, or liaisons were ever provided to HFS because the key executive staff who would have been involved in the agreement are no longer with the Department. The Department is unaware of the cause for the delay in executing the agreement because the Chief Legal Counsel, the Chief Fiscal Officer, and the Director at the time of execution are no longer with the Department.

Failure of the Department to provide HFS with the information required by the agreement could prevent HFS from complying with federal regulations and represents noncompliance with the agreement. Furthermore, failure to approve interagency agreements prior to their effective dates prevents all parties from timely assessing whether the agreement is reasonable and appropriate and results in each party's responsibilities not being sufficiently documented in a timely manner. (Finding Code No. 2016-015)

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**RECOMMENDATION**

We recommend the Department strengthen controls over its interagency agreements by ensuring agreements are timely initiated and terms are followed.

**DEPARTMENT RESPONSE**

Recommendation accepted. The Department's Chief Legal Counsel will ensure that all interagency agreements are timely executed.

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2016-016. **FINDING** (Noncompliance with the Custody Relinquishment Prevention Act)

The Department of Juvenile Justice (Department) was not in compliance with the Custody Relinquishment Prevention Act (Act).

During testing, the auditors noted the Department did not enter into an interagency agreement with the Department of Children and Family Services (DCFS), the Department of Human Services (DHS), the State Board of Education (ISBE), and the Department of Public Health (DPH) as of June 30, 2015, as required. The Department ultimately entered into the interagency agreement on April 19, 2016, 294 days late.

The Act (20 ILCS 540/15) required the Department to enter into an interagency agreement with DCFS, DHS, HFS, ISBE, and DPH by June 30, 2015, to establish an interagency clinical team to review children at risk of custody relinquishment to DCFS to connect the child and relatives with appropriate services, treatment, and support to address the child's serious mental illness or serious emotional disturbance.

Department personnel stated there was a delay in drafting and executing the interagency agreement because no agency was designated as the lead agency within the statute.

Failure of the Department to enter into the interagency agreement within a timely manner represents noncompliance with the Act and could result in the relinquishment of a child's custody to DCFS that may have otherwise been avoided. (Finding Code No. 2016-016)

**RECOMMENDATION**

We recommend the Department establish procedures to ensure future interagency agreements are entered into timely by the Department.

**DEPARTMENT RESPONSE**

Recommendation accepted. The Act has very limited applicability to youth in the Department's custody. The purpose of the Act is to ensure that parents/guardians can get mental health treatment for their youth without having to relinquish their custody to DCFS. Specifically, the Act applies to parents/guardians who refuse to take their youth home from a hospital or similar treatment facility because of a reasonable belief that the youth will cause harm to him/herself or others if released. This situation generally does not apply to youth in the Department's custody. The Department, however, is committed to compliance with statutory

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requirements. Moving forward, its general counsel will work closely with the general counsels for other State agencies, as necessary, to ensure that future interagency agreements are entered into timely.

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2016-017.     **FINDING**     (Failure to Maintain Required Levels of Bilingual Frontline Staff)

The Department of Juvenile Justice (Department) did not maintain the required number of bilingual on-board frontline staff members.

The State Services Assurance Act for FY2008 (Act) (5 ILCS 382/3-15) requires the Department to increase and maintain at least 25 additional bilingual on-board frontline staff members over the staff levels it maintained as of June 30, 2007.

During testing, the auditors noted the Department employed five bilingual on-board frontline staff members as of June 30, 2007. Therefore, the Department was required by the Act to employ 30 bilingual frontline staff members. As of June 30, 2016, the Department employed five bilingual frontline employees.

Department personnel stated it was unaware of any State agencies under the purview of the Governor which have a dedicated budget for recruitment. Additionally, current State hiring processes and practices do not provide for specialized targeting of bilingual populations for recruitment. Additionally, there is no preference for candidates based on bilingual ability, similar to an absolute preference for veterans. Finally, current position classification descriptions do not list bilingual capability as a requirement or preference.

Failure of the Department to maintain the necessary level of bilingual staff members represents noncompliance with the Act and could result in the Department's frontline staff not being able to communicate with youths. (Finding Code No. 2016-017)

**RECOMMENDATION**

We recommend the Department increase its bilingual on-board frontline staff members as required by the Act, or seek a legislative remedy.

**DEPARTMENT RESPONSE**

Recommendation accepted. The Department currently has 20 qualified frontline staff members that are certified as bilingual. The other five positions will be filled in the short future. The Department is making strives to notify all frontline staff of the availability to fill a role of this kind.

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**PRIOR FINDINGS NOT REPEATED**  
For the Two Years Ended June 30, 2016

A. **FINDING** (Failure to Properly Transfer Unclaimed Inmate Cash Account Balances)

During the previous examination, the Department of Juvenile Justice (Department) improperly offset Juvenile Justice Resident's Trust Fund (Trust Fund) accounts with positive cash balances against accounts with negative balances prior to the transfer of unclaimed cash balances to the General Revenue Fund. (Finding Code No. 2014-003, 12-04, 10-6)

During the current examination, the Department did not offset Trust Fund accounts with positive cash balances against accounts with negative balances prior to the transfer of unclaimed cash balances to the General Revenue Fund.

B. **FINDING** (Noncompliance with the Fiscal Control and Internal Auditing Act)

During the previous examination, the Department of Juvenile Justice (Department) did not comply with the Fiscal Control and Internal Auditing Act. The Department had not established its own internal audit function and instead relied on the internal auditing services provided by the Department of Corrections. In addition, no internal audits were completed by the Department of Corrections for the Department. (Finding Code No. 2014-005, 12-09)

During the current examination, the Department established a full time internal audit function and completed internal audits of various areas of the Department.

C. **FINDING** (Payroll Timekeeping System not Automated)

During the previous examination, the Department of Juvenile Justice's (Department) payroll timekeeping system was not automated. (Finding Code No. 2014-006, 12-10, 10-10, 08-11)

During the current examination, the Department implemented the use of an automated timekeeping system administered by the Department of Human Services (DHS) for its central office, Pere Marquette Youth Center, Harrisburg Youth Center, and Chicago Youth Center employees; however, the system is not being used Department-wide. Since an automated system was implemented but not used Department-wide, this issue has been reported in the Department's *Report of Immaterial Findings*.

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For the Two Years Ended June 30, 2016

D. **FINDING** (Weakness in Emergency Purchases Administration)

During the previous examination, the Department of Juvenile Justice (Department) failed to ensure proper controls were established in the administration of its emergency purchases. Specifically, auditors noted emergency purchases were extensions of existing contracts, the Department posted emergency purchases to the Illinois Procurement Bulletin later than required, and emergency purchase affidavits were not filed with the Office of the Auditor General within 10 days of the procurement. (Finding Code No. 2014-010)

During the current examination, our sample testing of emergency purchases indicated the Department timely posted emergency purchases to the Illinois Procurement Bulletin and filed affidavits with the Office of the Auditor General. However, auditors noted an emergency purchase was an extension of an existing contract, and therefore, this issue has been reported in the Department's *Report of Immaterial Findings*.

E. **FINDING** (Inadequate Documentation of Employee Training)

During the previous examination, the Department of Juvenile Justice (Department) did not properly document the completion of all employees' minimum required number of training hours. (Finding Code No. 2014-015, 12-12, 10-12, 08-14)

During the current examination, the Department issued a Director's Procedural Bulletin adjusting the required training cycle for Fiscal Year 2016, which specified employees did not need to meet the number of training hours required in the Administrative Directive. The new requirements only require coverage of ten Administrative Directives and three other documents during the year. In addition, the Department updated their Administrative Directive on July 1, 2016, which codified this change on a go-forward basis.

F. **FINDING** (Failure to Designate Person to the Illinois Human Services Commission)

During the previous examination, the Department of Juvenile Justice's (Department) Director did not serve nor did the Director designate a person to serve on the Illinois Human Services Commission (Commission). (Finding Code No. 2014-016)

During the current examination, the Department's Director designated a person to serve on the Commission.

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COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2016

**SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES**

**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 – Fiscal Year 2016
  - Schedule of Appropriations, Expenditures, and Lapsed Balances – Fiscal Year 2015
  - Comparative Schedule of Net Appropriations, Expenditures, and Lapsed Balances
  - Comparative Schedule of Expenditures by Youth Center - All Funds
  - Comparative Schedule of Receipts, Disbursements, and Fund Balance (Cash Basis) - Locally Held Funds
  - Schedule of Changes in State Property
  - Comparative Schedule of Cash Receipts and Reconciliation of Cash Receipts to Deposits Remitted to the State Comptroller
  - Analysis of Significant Variations in Expenditures
  - Analysis of Significant Variations in Receipts
  - Analysis of Significant Lapse Period Spending
  - Analysis of Accounts Receivable
  
- Analysis of Operations (Not Examined):
  - Agency Functions and Planning Program (Not Examined)
  - Budget Impasse Disclosures (Not Examined)
  - Alternative Financing in Lieu of Appropriations and Programs to Address Untimely Payments to Vendors (Not Examined)
  - Interest Costs on Fiscal Year 2016 Invoices (Not Examined)
  - Average Number of Employees (Not Examined)
  - Analysis of Employee Overtime (Not Examined)
  - Annual Cost Statistics (Not Examined)
  - Participating Educational Institutions – School District #428 (Not Examined)
  - Emergency Purchases (Not Examined)
  - Youth Assaults on Staff at Youth Centers (Not Examined)
  - Service Efforts and Accomplishments (Not Examined)

The accountant's report that covers the Supplementary Information for State Compliance Purposes presented in the Compliance Report Section states the accountants have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General to the

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June 30, 2016, and June 30, 2015, accompanying supplementary information in Schedules 1 through 11. However, the accountants do not express an opinion on the supplementary information. The accountant's report also states that they have not applied procedures to the Analysis of Operations Section, and accordingly, they do not express an opinion or provide any assurance on it.

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**SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES**  
Expenditure Authority for Fiscal Year 2016

For the Fourteen Months Ended August 31, 2016

Public Act 099-0524 and Court Ordered Expenditures FISCAL YEAR 2016	Expenditure Authority (Net After Transfers)	Lapse Period		Total Expenditures 14 Months Ended August 31	Balances Lapsed August 31
		Expenditures Through June 30	Expenditures July 1 to August 31		
<b><u>GENERAL REVENUE FUND - 0001</u></b>					
Payments of Statewide hospitalization Youth Aftercare	\$ 51,682 98,763	\$ 1,526 4,703	\$ 53,208 103,466		
Lump sum for operational expenses	108,709,414	8,733,777	117,443,191		
Repairs, maintenance, and other capital improvements	85,271	249,083	334,354		
Subtotal - Fund 0001	<u>\$ 108,945,130</u>	<u>\$ 8,989,089</u>	<u>\$ 117,934,219</u>		
<b><u>DEPARTMENT OF CORRECTIONS</u></b>					
<b><u>REIMBURSEMENT AND EDUCATION FUND - 0523</u></b>					
Payment of expenses associated with school district programs	\$ 5,000,000	\$ 1,444,862	\$ 1,665,560	\$ 3,334,440	
Payment of expenses associated with federal programs	3,000,000	460,133	203,616	663,749	2,336,251
Payments of expenses associated with miscellaneous programs	5,000,000	14,408	27,873	42,281	4,957,719
Subtotal - Fund 0523	<u>\$ 13,000,000</u>	<u>\$ 1,919,403</u>	<u>\$ 452,187</u>	<u>\$ 2,371,590</u>	<u>\$ 10,628,410</u>
<b>GRAND TOTAL - ALL FUNDS</b>	<u><u>\$ 13,000,000</u></u>	<u><u>\$ 110,864,533</u></u>	<u><u>\$ 9,441,276</u></u>	<u><u>\$ 120,305,809</u></u>	<u><u>\$ 10,628,410</u></u>

Note 1: Expenditure authority, appropriations, expenditures, and lapsed balances were obtained from the State Comptroller's records as of September 30, 2016, and have been reconciled to Department records.

Note 2: Expenditure amounts are vouchers approved for payment by the Department and submitted to the State Comptroller for payment.

Note 3: During Fiscal Year 2016, the Department operated without enacted appropriations until Public Act 099-0524 was signed into law on June 30, 2016. During the impasse, the United States District Court for the Northern District of Illinois in *R.J., et al. v. Candice Jones* (12-CV-07289) ordered the State Comptroller, in the absence of enacted annual appropriations, to "continue to make all payments for services, all current programs, and all personnel, at a level no less than levels paid in Fiscal Year 2015, that are necessary to comply with the Consent Decree, the Remedial Plan, and the Supplemental Order." As the Department never received enacted appropriations for Fund 001, the Department was able to submit vouchers to pay these costs in full without a maximum expenditure limitation during Fiscal Year 2016. Further, the Department's court-ordered payments were merged into the enacted appropriations for Fund 523.

Note 4: Public Act 099-0524 authorizes the Board to pay Fiscal Year 2016 costs using its Fiscal Year 2017 appropriations for non-payroll expenditures. The Analysis of Operations section of this report at page 80 includes information from Board management about the number of invoices and the total dollar amount of invoices held by the Board to be submitted against its Fiscal Year 2017 appropriation.

STATE OF ILLINOIS  
DEPARTMENT OF JUVENILE JUSTICE  
**SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES**  
Appropriations for Fiscal Year 2015

For the Fourteen Months Ended August 31, 2015

	Appropriations (Net After Transfers)	Expenditures Through June 30	Lapse Period		Total Expenditures 14 Months Ended August 31	Balances Lapsed August 31
			Expenditures July 1 to August 31	Expenditures		
Public Act 98-0681 and 99-0001 FISCAL YEAR 2015						
<b><u>GENERAL REVENUE FUND - 0001</u></b>						
General Office:						
Personal services	\$ 1,172,424	\$ 1,118,629	\$ 50,499	\$ 1,169,128	\$ 3,296	
State contributions to Social Security	101,976	97,343	4,633	101,976	-	
Contractual services	731,900	562,756	52,401	615,157	116,743	
Travel	44,000	30,045	10,237	40,282	3,718	
Commodities	4,600	3,206	1,214	4,420	180	
Printing	1,500	601	406	1,007	493	
Equipment	4,900	-	250	250	4,650	
Electronic data processing	1,016,600	1,015,578	-	1,015,578	1,022	
Telecommunication services	179,241	147,340	31,900	179,240	1	
Operation of automotive equipment	15,514	12,413	3,100	15,513	1	
Tort claims	488,800	168,110	139,010	307,120	181,680	
Payment of Statewide hospitalization	61,229	53,677	6,668	60,345	884	
Repairs, maintenance, and other capital improvements	342,100	100,648	81,117	181,765	160,335	
Operational expenses	6,478,066	3,984,992	2,028,027	6,013,019	465,047	
Total General Office	<u>10,642,850</u>	<u>7,295,338</u>	<u>2,409,462</u>	<u>9,704,800</u>	<u>938,050</u>	
School District:						
Personal services	\$ 5,995,280	\$ 5,421,583	\$ 245,838	\$ 5,667,421	\$ 327,859	
State contributions to the Teachers' Retirement System	600	538	23	561	39	
State contributions to Social Security	462,200	396,625	17,913	414,538	47,662	
Contractual services	342,100	184,707	46,410	231,117	110,983	
Travel	6,400	1,064	712	1,776	4,624	
Commodities	19,600	191	2,875	3,066	16,534	
Printing	4,800	30	4,685	4,715	85	
Equipment	3,500	-	806	806	2,694	
Telecommunication services	-	-	-	-	-	
Operation of automotive equipment	1,700	-	-	-	1,700	
Total School District	<u>6,836,180</u>	<u>6,004,738</u>	<u>319,262</u>	<u>6,324,000</u>	<u>512,180</u>	

STATE OF ILLINOIS  
DEPARTMENT OF JUVENILE JUSTICE  
**SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES**  
Appropriations for Fiscal Year 2015

For the Fourteen Months Ended August 31, 2015

Public Act 98-0681 and 99-0001 FISCAL YEAR 2015	Appropriations (Net After Transfers)	Expenditures Through June 30	Lapse Period		Total Expenditures 14 Months Ended August 31	Balances Lapsed August 31
			Expenditures July 1 to August 31	Expenditures		
<b>Aftercare Services:</b>						
Personal services	\$ 2,888,685	\$ 2,888,685	\$ -	\$ -	\$ 2,888,685	\$ -
State contributions to Social Security	216,400	213,385	-	-	213,385	3,015
Contractual services	3,497,719	3,186,668	309,990	309,990	3,496,658	1,061
Travel	62,400	28,709	31,964	31,964	60,673	1,727
Travel and allowances for youth	6,200	-	3,359	3,359	3,359	2,841
Commodities	24,400	4,415	1,953	1,953	6,368	18,032
Printing	4,500	1,616	1,563	1,563	3,179	1,321
Equipment	92,500	4,389	5,103	5,103	9,492	83,008
Telecommunications services	68,400	52,873	13,201	13,201	66,074	2,326
Operation of automotive equipment	133,600	52,285	56,124	56,124	108,409	25,191
<b>Total Aftercare Services</b>	<b>6,994,804</b>	<b>6,433,025</b>	<b>423,257</b>	<b>423,257</b>	<b>6,856,282</b>	<b>138,522</b>
<b>Youth Centers - Consolidated:</b>						
Personal services	\$ 71,585,712	\$ 67,343,230	\$ 3,783,046	\$ 3,783,046	\$ 71,126,276	\$ 459,436
Student, member, and youth compensation	131,600	93,467	13,556	13,556	107,023	24,577
State contributions to Social Security	5,366,826	4,955,859	281,605	281,605	5,237,464	129,362
Contractual services	15,249,500	12,374,731	2,607,910	2,607,910	14,982,641	266,859
Travel	51,203	32,080	7,238	7,238	39,318	11,885
Travel and allowances for youth	14,700	4,093	196	196	4,289	10,411
Commodities	2,552,225	2,062,860	381,209	381,209	2,444,069	108,156
Printing	50,927	33,100	12,841	12,841	45,941	4,986
Equipment	318,346	67,669	244,411	244,411	312,080	6,266
Telecommunications services	320,218	217,897	91,415	91,415	309,312	10,906
Operation of automotive equipment	221,300	147,904	21,123	21,123	169,027	52,273
<b>Total Youth Centers</b>	<b>95,862,557</b>	<b>87,332,890</b>	<b>7,444,550</b>	<b>7,444,550</b>	<b>94,777,440</b>	<b>1,085,117</b>
<b>Subtotal - Fund 0001</b>	<b>\$ 120,336,391</b>	<b>\$ 107,065,991</b>	<b>\$ 10,596,531</b>	<b>\$ 10,596,531</b>	<b>\$ 117,662,522</b>	<b>\$ 2,673,869</b>

STATE OF ILLINOIS  
DEPARTMENT OF JUVENILE JUSTICE  
**SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES**  
Appropriations for Fiscal Year 2015

For the Fourteen Months Ended August 31, 2015

	Appropriations (Net After Transfers)	Expenditures Through June 30	Lapse Period		Total Expenditures 14 Months Ended August 31	Balances Lapsed August 31
			Expenditures July 1 to August 31	Expenditures		
Public Act 98-0681 and 99-0001 FISCAL YEAR 2015	\$ 5,000,000	\$ 1,286,545	\$ 190,083	\$ 1,476,628	\$ 3,523,372	
<b><u>DEPARTMENT OF CORRECTIONS</u></b>						
<b><u>REIMBURSEMENT AND EDUCATION FUND - 0523</u></b>						
Payment of expenses associated with school district programs	\$ 5,000,000	\$ 1,286,545	\$ 190,083	\$ 1,476,628	\$ 3,523,372	
Payment of expenses associated with federal programs	3,000,000	545,722	268,225	813,947	2,186,053	
Payments of expenses associated with miscellaneous programs	5,000,000	768,813	74,851	843,664	4,156,336	
Subtotal - Fund 0523	<u>\$ 13,000,000</u>	<u>\$ 2,601,080</u>	<u>\$ 533,159</u>	<u>\$ 3,134,239</u>	<u>\$ 9,865,761</u>	
<b>GRAND TOTAL - ALL FUNDS</b>	<u><u>\$ 133,336,391</u></u>	<u><u>\$ 109,667,071</u></u>	<u><u>\$ 11,129,690</u></u>	<u><u>\$ 120,796,761</u></u>	<u><u>\$ 12,539,630</u></u>	

Note 1: Appropriations, expenditures, and lapsed balances were obtained from the Department's records as of August 31, 2015, and reconciled to the State Comptroller's records.

Note 2: Expenditure amounts are vouchers approved for payment by the Department and submitted to the State Comptroller for payment.

Note 3: On March 26, 2015, Public Act 99-0001 was signed into law, which reduced the Department's General Revenue Fund appropriation. The General Revenue Fund appropriation for Aftercare personal services differs from Public Act 99-0001 because the Department had already incurred expenditures and encumbrances for this line item that exceeded Public Act 99-0001 by \$60,584 by the time Public Act 99-0001 was enacted. As such, the Office of the Comptroller reduced the Department's appropriation to the amount already expended.

STATE OF ILLINOIS  
DEPARTMENT OF JUVENILE JUSTICE  
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES**  
For the Fiscal Years Ended June 30, 2016, 2015, and 2014

	FISCAL YEAR		
	2016	2015	2014
	P.A. 99-0524 & Court Ordered Expenditures	P.A. 98-0681 P.A. 99-0001	P.A. 98-0500 P.A. 98-0675
<b><u>APPROPRIATED FUNDS</u></b>			
<b>General Revenue Fund - 0001</b>			
Expenditure Authority (Net After Transfers)	\$ -	\$ 120,336,391	\$ 119,391,600
General Office:			
Personal services	-	1,169,128	-
State contributions to Social Security	-	101,976	-
Contractual services	-	615,157	-
Travel	-	40,282	-
Commodities	-	4,420	-
Printing	-	1,007	-
Equipment	-	250	-
Electronic data processing	-	1,015,578	-
Telecommunication services	-	179,240	-
Operation of automotive equipment	-	15,513	-
Tort claims	-	307,120	-
Payment of Statewide hospitalization	53,208	60,345	15,415
Repairs, maintenance, and other capital improvements	334,354	181,765	250,290
Lump sum for operational expenses	117,443,191	6,013,019	111,853,671
Lump sum for personal services and Social Security	-	-	2,503,414
Youth Aftercare	103,466	-	-
<b>Total General Office Expenditures</b>	<b>\$ 117,934,219</b>	<b>\$ 9,704,800</b>	<b>\$ 114,622,790</b>
School District:			
Personal services	\$ -	\$ 5,667,421	\$ -
State contributions to the Teachers' Retirement System	-	561	-
State contributions to Social Security	-	414,538	-
Contractual services	-	231,117	-
Travel	-	1,776	-
Commodities	-	3,066	-
Printing	-	4,715	-
Equipment	-	806	-
Telecommunication services	-	-	-
Operation of automotive equipment	-	-	-
<b>Total School District Expenditures</b>	<b>\$ -</b>	<b>\$ 6,324,000</b>	<b>\$ -</b>
Aftercare Services:			
Personal services	\$ -	\$ 2,888,685	\$ -
State contributions to Social Security	-	213,385	-
Contractual services	-	3,496,658	-
Travel	-	60,673	-
Travel and allowances for youth	-	3,359	-
Commodities	-	6,368	-
Printing	-	3,179	-
Equipment	-	9,492	-
Telecommunications services	-	66,074	-
Operation of automotive equipment	-	108,409	-
<b>Total Aftercare Services Expenditures</b>	<b>\$ -</b>	<b>\$ 6,856,282</b>	<b>\$ -</b>
Youth Centers - Consolidated:			
Personal services	\$ -	\$ 71,126,276	\$ -
Student, member, and youth compensation	-	107,023	-
State contributions to Social Security	-	5,237,464	-
Contractual services	-	14,982,641	-
Travel	-	39,318	-
Travel and allowances for youth	-	4,289	-

STATE OF ILLINOIS  
DEPARTMENT OF JUVENILE JUSTICE  
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES**  
For the Fiscal Years Ended June 30, 2016, 2015, and 2014

	FISCAL YEAR		
	2016	2015	2014
	P.A. 99-0524 & Court Ordered Expenditures	P.A. 98-0681 P.A. 99-0001	P.A. 98-0500 P.A. 98-0675
Commodities	-	2,444,069	-
Printing	-	45,941	-
Equipment	-	312,080	-
Telecommunications services	-	309,312	-
Operation of automotive equipment	-	169,027	-
Total Youth Center Expenditures	<u>\$ -</u>	<u>\$ 94,777,440</u>	<u>\$ -</u>
Total Expenditures	<u>\$ 117,934,219</u>	<u>\$ 117,662,522</u>	<u>\$ 114,622,790</u>
Lapsed Balances	<u>\$ -</u>	<u>\$ 2,673,869</u>	<u>\$ 4,768,810</u>
<b>Department of Corrections Reimbursement and Education Fund - 0523</b>			
Expenditure Authority (Net After Transfers)	<u>\$ 13,000,000</u>	<u>\$ 13,000,000</u>	<u>\$ 13,000,000</u>
Payment of expenses associated with school district programs	\$ 1,665,560	\$ 1,476,628	\$ 1,795,595
Payment of expenses associated with federal programs	663,749	813,947	861,723
Payments of expenses associated with miscellaneous programs	<u>42,281</u>	<u>843,664</u>	<u>1,365,975</u>
Total Expenditures	<u>\$ 2,371,590</u>	<u>\$ 3,134,239</u>	<u>\$ 4,023,293</u>
Lapsed Balances	<u>\$ 10,628,410</u>	<u>\$ 9,865,761</u>	<u>\$ 8,976,707</u>
<b>GRAND TOTAL - ALL FUNDS</b>			
Total Expenditures	<u>\$ 120,305,809</u>	<u>\$ 120,796,761</u>	<u>\$ 118,646,083</u>
<b>STATE OFFICERS' SALARIES</b>			
Appropriations		<u>\$ 120,400</u>	<u>\$ 120,400</u>
Expenditures:			
Director	<u>\$ 110,628</u>	<u>\$ 120,325</u>	<u>\$ 120,517</u>
Total Expenditures	<u>\$ 110,628</u>	<u>\$ 120,325</u>	<u>\$ 120,517</u>
Lapsed Balances		<u>\$ 75</u>	<u>\$ (117)</u>

Note 1: Fiscal Year 2015 appropriations, expenditures, and lapsed balances were obtained from the Department's records as of August 31, 2015, and reconciled to the State Comptroller's records.

Note 2: Expenditure amounts are vouchers approved for payment by the Department and submitted to the State Comptroller for payment.

Note 3: On March 26, 2015, Public Act 099-0001 was signed into law, which reduced the Department's General Revenue Fund appropriation. The General Revenue Fund appropriation for Aftercare personal services differs from Public Act 099-0001 because the Department had already incurred expenditures and encumbrances for this line item that exceeded Public Act 099-0001 by \$60,584 by the time Public Act 099-0001 was enacted. As such, the Office of the Comptroller reduced the Department's appropriation to the amount already expended.

Note 4: Fiscal Year 2016 expenditure authority, appropriations, expenditures, and lapsed balances were obtained from the State Comptroller's records as of September 30, 2016, and have been reconciled to Department records.

Note 5: During Fiscal Year 2016, the Department operated without enacted appropriations until Public Act 099-0524 was signed into law on June 30, 2016. During the impasse, the United States District Court for the Northern District of Illinois in *R.J., et al. v. Candice Jones* (12-CV-07289) ordered the State Comptroller, in the absence of enacted annual appropriations, to "continue to make all payments for services, all current programs, and all personnel, at a level no less than levels paid in Fiscal Year 2015, that are necessary to comply with the Consent Decree, the Remedial Plan, and the Supplemental Order." As the Department never received enacted appropriations for Fund 001, the Department was able to submit vouchers to pay these costs in full without a maximum expenditure limitation during Fiscal Year 2016. Further, the Department's court-ordered payments were merged into the enacted appropriations for Fund 523.

Note 6: Public Act 099-0524 authorizes the Board to pay Fiscal Year 2016 costs using its Fiscal Year 2017 appropriations for non-payroll expenditures. The Analysis of Operations section of this report at page 80 includes information from Board management about the number of invoices and the total dollar amount of invoices held by the Board to be submitted against its Fiscal Year 2017 appropriation.

STATE OF ILLINOIS  
DEPARTMENT OF JUVENILE JUSTICE  
**COMPARATIVE SCHEDULE OF EXPENDITURES BY YOUTH CENTER - ALL FUNDS**  
For the Fiscal Years Ended June 30, 2016, 2015, and 2014

	FISCAL YEAR		
	2016	2015	2014
	P.A. 99-0524 & Court Ordered Expenditures	P.A. 98-0681 P.A. 99-0001	P.A. 98-0500 P.A. 98-0675
<b>YOUTH CENTER:</b>			
Chicago	\$ 11,482,522	\$ 11,167,950	\$ 11,103,786
Harrisburg	20,943,393	21,340,141	21,641,198
Kewanee	18,728,392	20,636,109	21,626,809
Pere Marquette	5,704,897	5,265,839	5,072,570
St. Charles	26,109,897	26,336,307	26,252,491
Warrenville	10,310,354	10,031,094	9,628,151
	<u>\$ 93,279,455</u>	<u>\$ 94,777,440</u>	<u>\$ 95,325,005</u>

Note 1: The State Comptroller's records were unable to be broken out by Youth Center for Fiscal Year 2014 and Fiscal Year 2016. For the purposes of this schedule, the Department's records were used.

STATE OF ILLINOIS  
DEPARTMENT OF JUVENILE JUSTICE  
**COMPARATIVE SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND FUND BALANCE**  
**(CASH BASIS) - LOCALLY HELD FUNDS**  
For the Two Years Ended June 30, 2016

	<u>Fiscal Year</u>	
	<u>2016</u>	<u>2015</u>
<b>Juvenile Justice Commissary Fund - 1394</b>		
Beginning Cash Balance	\$ 4,844	\$ 6,931
Cash Receipts:		
Investment Income	7	9
Fund Transfers - In	48,496	87,149
Cash Disbursements:		
Fund Transfers - Out	11,750	18,617
Cost of Sales	35,334	70,628
Ending Cash Balance	<u>\$ 6,263</u>	<u>\$ 4,844</u>
 <b>Juvenile Justice Benefit Fund - 1395</b>		
Beginning Cash Balance	\$ 255,760	\$ 191,711
Cash Receipts:		
Fund Transfers - In	5,024	8,337
Investment Income	419	521
Private Organizations or Individuals	156,264	242,723
Rental Income	18,137	18,478
Cash Disbursements:		
Contractual Services	189,414	125,736
Commodities	24,789	22,682
Equipment	8,589	5,349
Awards and Grants	40,248	50,850
Fund Transfers - Out	1,053	1,393
Ending Cash Balance	<u>\$ 171,511</u>	<u>\$ 255,760</u>

STATE OF ILLINOIS  
DEPARTMENT OF JUVENILE JUSTICE  
**COMPARATIVE SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND FUND BALANCE**  
**(CASH BASIS) - LOCALLY HELD FUNDS**  
For the Two Years Ended June 30, 2016

	<u>Fiscal Year</u>	
	<u>2016</u>	<u>2015</u>
<b>Juvenile Justice Inmate Trust Fund - 1396</b>		
Beginning Cash Balance	\$ 60,928	\$ 70,638
Cash Receipts:		
Fund Transfers - In	80,921	103,518
Investment Income	24	33
Private Organizations or Individuals	194,306	305,201
Cash Disbursements:		
Contractual Services	148,456	227,024
Fund Transfers - Out	62,972	106,617
Resident Disbursements	87,954	84,731
Bank Fees Paid	272	90
Ending Cash Balance	<u>\$ 36,525</u>	<u>\$ 60,928</u>
 <b>Travel and Allowance Revolving Fund - 1406</b>		
Beginning Cash Balance	\$ 5,205	\$ 4,632
Cash Receipts:		
Fund Transfers - In	3,106	5,656
Cash Disbursements:		
Travel	3,415	4,951
Bank Fees Paid	144	132
Ending Cash Balance	<u>\$ 4,752</u>	<u>\$ 5,205</u>

STATE OF ILLINOIS  
DEPARTMENT OF JUVENILE JUSTICE  
**SCHEDULE OF CHANGES IN STATE PROPERTY**  
For the Two Years Ended June 30, 2016

	Equipment	Land and Land Improvements	Buildings and Improvements	Site Improvements	Capital Leases: Building Improvements and Equipment	Total
Balance at July 1, 2014	\$ 14,619,143	\$ 1,786,295	\$ 168,458,748	\$ 3,875,792	\$ 8,988,690	\$ 197,728,668
Additions	3,003,342	-	-	-	18,000	\$ 3,021,342
Deletions	(459,248)	-	(48,680)	-	(7,000)	\$ (514,928)
Net Transfers	(120,786)	-	2,595,834	-	-	\$ 2,475,048
Balance at June 30, 2015	<u>\$ 17,042,451</u>	<u>\$ 1,786,295</u>	<u>\$ 171,005,902</u>	<u>\$ 3,875,792</u>	<u>\$ 8,999,690</u>	<u>\$ 202,710,130</u>
Balance at July 1, 2015	\$ 17,042,451	\$ 1,786,295	\$ 171,005,902	\$ 3,875,792	\$ 8,999,690	\$ 202,710,130
Additions	394,519,908	-	-	-	29,000	394,548,908
Deletions	(394,640,882)	-	-	-	(11,000)	(394,651,882)
Net Transfers	(462,885)	-	1,009,089	718,569	-	1,264,773
Balance at June 30, 2016	<u>\$ 16,458,592</u>	<u>\$ 1,786,295</u>	<u>\$ 172,014,991</u>	<u>\$ 4,594,361</u>	<u>\$ 9,017,690</u>	<u>\$ 203,871,929</u>

Note: This schedule was prepared from the Department's property records and reconciled to the Agency Report of State Property quarterly reports submitted to the Office of the State Comptroller. During our review of the Department's property records, we noted deficiencies with the property records (see Finding 2016-002 in the Schedule of Findings for additional details).

STATE OF ILLINOIS  
DEPARTMENT OF JUVENILE JUSTICE  
**COMPARATIVE SCHEDULE OF CASH RECEIPTS AND  
RECONCILIATION OF CASH RECEIPTS TO  
DEPOSITS REMITTED TO THE COMPTROLLER**  
For the Fiscal Year Ended June 30,

	FISCAL YEAR		
	2016	2015	2014
<b><u>GENERAL REVENUE FUND - 0001</u></b>			
Jury Duty	\$ 1,191	\$ 657	\$ 613
Dormant Trust Accounts	8,658	8,146	6,992
Contraband Money	4	50	-
Involuntary Withholdings	-	396	-
Subpoena Fee	-	-	20
Office Materials Fee/Miscellaneous	-	-	1,113
Employee Records	-	35	-
Wage Garnishment	5,172	2,905	-
Assigned Clothing Replacement	-	37	-
Grease Recycling	-	80	-
Mileage and Tolls Reimbursements	436	-	-
Unclaimed Funds	60	-	-
Waterpipe Insurance Reimbursements	1,003	-	-
Prior Year Refunds	133	6,462	12,940
Total cash receipts per Department Records	<u>16,657</u>	<u>18,768</u>	<u>21,678</u>
Less - In Transit at End of Year	-	-	-
Plus - In Transit at Beginning of Year	-	-	-
Total cash receipts per State Comptroller's Records	<u>\$ 16,657</u>	<u>\$ 18,768</u>	<u>\$ 21,678</u>
<b><u>DEPARTMENT OF CORRECTIONS REIMBURSEMENT AND EDUCATION FUND - 0523</u></b>			
Illinois Criminal Justice Information Authority	\$ 399,154	\$ 549,221	\$ 495,480
State Board of Education	2,302,032	3,297,454	2,979,680
General Revenue Fund	636,622	363,186	410,004
Department of Human Services	76,873	168,748	319,896
United States Department of Justice	101,138	-	-
Miscellaneous	7,043	-	-
Private Organizations or Individuals	-	240,000	-
Reimbursement - Other Youth Cost Recoveries	6,316	9,661	6,662
Reimbursement - Travel and Allowance Fund	28,037	724	-
Profit - Youth Commissary Sales	7,350	10,381	10,612
Prior Year Refunds	508	-	700
Total cash receipts per Department Records	<u>3,565,073</u>	<u>4,639,375</u>	<u>4,223,034</u>
Less - In Transit at End of Year	(726)	-	-
Plus - In Transit at Beginning of Year	-	-	-
Other Adjustments	13,090	(10,886)	-
Total cash receipts per State Comptroller's Records	<u>\$ 3,577,437</u>	<u>\$ 4,628,489</u>	<u>\$ 4,223,034</u>
<b>GRAND TOTAL - ALL FUNDS</b>			
Total cash receipts per Department Records	\$ 3,581,730	\$ 4,658,143	\$ 4,244,712
Less - In Transit at End of Year	(726)	-	-
Plus - In Transit at Beginning of Year	-	-	-
Other Adjustments	13,090	(10,886)	-
Total cash receipts per State Comptroller's Records	<u>\$ 3,594,094</u>	<u>\$ 4,647,257</u>	<u>\$ 4,244,712</u>

STATE OF ILLINOIS  
DEPARTMENT OF JUVENILE JUSTICE  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES**  
For the Two Years Ended June 30, 2016

**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2016 AND 2015**

**General Revenue Fund – 0001**

All Line Items

All line items experienced a significant variance in expenditures between Fiscal Years 2016 and 2015 due to the change in appropriation structure. During Fiscal Year 2015, the Department of Juvenile Justice (Department) received individual appropriations designated for specific purposes. During Fiscal Year 2016, the Department operated under a Court Order and used a lump sum for operational expenses line in order to pay all operating expenditures.

Repairs, Maintenance, and Other Capital Improvements

The increase in expenditures was due to the Department receiving approval for a greater number of repair and maintenance projects to be completed in Fiscal Year 2016. The Department did not receive these approvals in Fiscal Year 2015.

Lump Sum for Operational Expenses

The increase in expenditures was due to the Fiscal Year 2016 budget impasse. The Department did not receive appropriations for individual line items; therefore, the Department paid most operating expenditures from this line item during Fiscal Year 2016.

**Department of Corrections Reimbursement and Education Fund - 0523**

Payments of Expenses Associated with Miscellaneous Programs

The decrease in expenditures was due to the Department paying less Aftercare expenditures out of the Department of Corrections Reimbursement and Education Fund (Fund 0523) and paying more Aftercare expenditures out of the General Revenue Fund (Fund 0001) during Fiscal Year 2016.

**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2015 AND 2014**

**General Revenue Fund – 0001**

All Line Items

All line items experienced a significant variance in expenditures between Fiscal Years 2015 and 2014 due to the change in appropriation structure. During Fiscal Year 2014, the Department received a lump sum appropriation. During Fiscal Year 2015, the Department received individual appropriations designated for specific purposes.

STATE OF ILLINOIS  
DEPARTMENT OF JUVENILE JUSTICE  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES**  
For the Two Years Ended June 30, 2016

**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2015 AND 2014 (continued)**

**General Revenue Fund – 0001 (continued)**

Lump Sum for Operational Expenses

The decrease in Lump Sum for Operational Expenses was due to a change in appropriation structure. For Fiscal Year 2014, the Department received a lump sum appropriation rather than individual appropriations designated for specific purposes. For Fiscal Year 2015, the Department received individual appropriations designated for specific purposes.

Lump Sum for Personal Services and Social Security

The increase in Lump Sum for Personal Services and Social Security was due to a change in appropriation structure. For Fiscal Year 2014, the Department received a lump sum appropriation rather than individual appropriations designated for specific purposes. For Fiscal Year 2015, the Department received individual appropriations designated for the specific purpose of Personal Services and Social Security expenditures.

**Department of Corrections Reimbursement and Education Fund - 0523**

Payments of Expenses Associated with Miscellaneous Programs

The decrease in expenditures was due to the Department paying less Aftercare expenditures out of the Department of Corrections Reimbursement and Education Fund (Fund 523) and paying more Aftercare expenditures out of the General Revenue Fund (Fund 001) in Fiscal Year 2015.

STATE OF ILLINOIS  
DEPARTMENT OF JUVENILE JUSTICE  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS**  
For the Two Years Ended June 30, 2016

**ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BETWEEN FISCAL YEARS 2016 AND 2015**

**General Revenue Fund – 0001**

Prior Year Refunds

The decrease in receipts was due to fewer processing errors made by the Department during Fiscal Year 2016. These errors vary widely from year to year.

**Department of Corrections Reimbursement and Education Fund – 0523**

Illinois Criminal Justice Information Authority

The decrease in receipts was due to Fiscal Year 2016 grant expenses not being reimbursed until Fiscal Year 2017. In addition, the amounts awarded for the Substance Abuse Screening at the Saint Charles and Warrenville Residential Substance Abuse Treatment decreased from Fiscal Year 2015.

State Board of Education

The decrease in receipts was due to the grants being reimbursement grants. The majority of the spending occurred in the last quarter of Fiscal Year 2016 and the first quarter of Fiscal Year 2017; therefore, the reimbursements occurred in Fiscal Year 2017 instead of Fiscal Year 2016.

General Revenue Fund

The increase in receipts was due to an intergovernmental agreement between the Department and the Prisoner Review Board (Board) in which the Department paid a total of \$307,802 of expenses for the Board related to both parties' compliance with a consent decree. The expenses were incurred and paid by the Department during Fiscal Year 2015, but not replenished until Fiscal Year 2016.

Department of Human Services

The decrease in receipts was due to the Juvenile Accountability Block Grant award decreasing from \$140,530 in Fiscal Year 2015 to \$42,000 in Fiscal Year 2016.

United States Department of Justice

The increase in receipts was due to the Department's Comprehensive Aftercare Reentry Model – Second Chance Grant that began October 1, 2014. The first draw down for reimbursement of expenditures was made in Fiscal Year 2016.

Miscellaneous

The increase in receipts was due to a one-time settlement with a vendor for overcharging government customers.

STATE OF ILLINOIS  
DEPARTMENT OF JUVENILE JUSTICE  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS**  
For the Two Years Ended June 30, 2016

Private Organizations or Individuals

The decrease in receipts was due to the end of the MacArthur Grant. This grant started on February 1, 2013. The first of two payments was made during Fiscal Year 2013. The Department received the final payment of \$240,000 during Fiscal Year 2015.

Reimbursement – Travel and Allowance Fund

The increase in receipts was due to the timing of when reimbursements are received from the General Revenue Fund. Further, the types of reimbursements paid by the General Revenue Fund and into the Department of Corrections Reimbursement and Education Fund are expected to vary from year to year.

**ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BETWEEN FISCAL YEARS 2015 AND 2014**

**General Revenue Fund – 0001**

Prior Year Refunds

The decrease in receipts was due to processing errors made by the Department during Fiscal Year 2015. These errors vary widely from year to year.

**Department of Corrections Reimbursement and Education Fund – 0523**

Department of Human Services

The decrease in receipts was due to a Juvenile Justice Formula System Improvement Grant for \$179,000 that was received in Fiscal Year 2014. The Department did not receive this grant in Fiscal Year 2015.

Private Organizations or Individuals

The increase in receipts was due to the end of the MacArthur Grant. This grant started on February 1, 2013. The first of two payments was made during Fiscal Year 2013. The Department received the final payment of \$240,000 during Fiscal Year 2015.

STATE OF ILLINOIS  
DEPARTMENT OF JUVENILE JUSTICE  
**ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING**  
For the Two Years Ended June 30, 2016

**FISCAL YEAR 2016****General Revenue Fund – 0001****General Office**Repairs, Maintenance, and Other Capital Improvements

Due to the nature of repairs, maintenance, and capital improvements, projects are usually not finished until late in the fiscal year. Therefore, the related invoices were received and processed during the Lapse Period.

**Department of Corrections Reimbursement and Education Fund - 0523**Payments of Expenses Associated with Federal Programs

Lapse Period expenditures consisted of payments to vendors for substance abuse services provided to youth. The related invoices, for services provided during May and June, were received late in the fiscal year and were processed during the Lapse Period.

**FISCAL YEAR 2015****General Revenue Fund – 0001****General Office**Tort Claims

The Department has no control over when tort claim invoices will be received. The Department received a significant number of these invoices during the Lapse Period.

Lump Sum for Operational Expenses

Lapse Period expenditures consisted mainly of Aftercare payroll for the last pay period of the fiscal year due to Public Act 099-0001, which reduced the Aftercare payroll appropriation.

**Youth Centers - Consolidated**Equipment

Lapse Period expenditures consisted of miscellaneous equipment items that were purchased by the Department late in the fiscal year. The related invoices were received and processed during the Lapse Period.

STATE OF ILLINOIS  
DEPARTMENT OF JUVENILE JUSTICE  
**ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING**  
For the Two Years Ended June 30, 2016

**FISCAL YEAR 2015 (Continued)**

**Department of Corrections Reimbursement and Education Fund - 0523**

Payment of Expenses associated with School District Programs

Lapse Period expenditures consisted of training and associated travel costs that were incurred late in the fiscal year. These expenses were processed during the Lapse Period. In addition, the Department received video communication equipment late in the fiscal year. This was also processed during the Lapse Period.

**STATE OF ILLINOIS  
DEPARTMENT OF JUVENILE JUSTICE  
ANALYSIS OF ACCOUNTS RECEIVABLES  
For the Two Years Ended June 30, 2016**

Accounts receivable for the Department consist primarily of receivables from federal and State grant reimbursements and formula payments due from grantor agencies. The principal grantor agencies are other State agencies; therefore, the Department's receivables are all considered fully collectible.

STATE OF ILLINOIS  
DEPARTMENT OF JUVENILE JUSTICE  
**AGENCY FUNCTIONS AND PLANNING PROGRAM**  
For the Two Years Ended June 30, 2016  
(Not Examined)

**Mission Statement**

The mission of the Department is to enhance public safety and positive youth outcomes by providing strength-based individualized services to youth in a safe learning and treatment environment so that they may successfully reintegrate into their communities.

**Organization**

The Unified Code of Corrections (Code) (730 ILCS 5/3-2.5-5) created the Department by separating the former Juvenile Justice Division of the Department of Corrections from the Department of Corrections (DOC), effective June 1, 2006. The Code (730 ILCS 5/3-2.5-15(e)) permits the Department to share certain administrative services with the DOC or a shared services center, including budgeting, accounting-related functions, auditing, human resources, legal, procurement, training, data collection and analysis, information technology, internal investigations, intelligence, legislative services, emergency response capability, Statewide transportation services, and general office support. An interagency agreement between the Department and DOC, effective July 1, 2006, enumerated these services in a written agreement. The agreement is effective until the Department can perform these functions separately. In 2015, the Department began working with the Public Safety Shared Services Center to move many of these functions to the Department.

The Department operates the following Youth Centers, which are listed by security level:

<b>Security Level</b>	<b>Center Name</b>
Maximum	Warrenville (Female)
Medium	Chicago, St. Charles, Harrisburg, Warrenville, and Kewanee
Minimum	Pere Marquette

The Department began to cease operations at Kewanee during Fiscal Year 2016.

**Internal Organization and Programs**

The function of the Administrative Office is to provide strategic planning and support services to all of the Department's facilities and divisions. The team is guiding the Department's transformation efforts from an adult-focused, punitive model to a therapeutic and rehabilitative model of care. The Administrative Office also interacts with other governmental agencies such as the Department of Corrections, Department of Children and Family Services, Department of Human Services, and city and county governments to utilize the administrative services detailed in interagency agreements.

STATE OF ILLINOIS  
DEPARTMENT OF JUVENILE JUSTICE  
**AGENCY FUNCTIONS AND PLANNING PROGRAM**  
For the Two Years Ended June 30, 2016  
(Not Examined)

Programming services and activities provided to youth at the Youth Centers include:

**Clinical Services**

- **Case Management:** A written program case plan/treatment plan is initiated to set realistic attainable goals for academics, behavior, mental health, substance abuse, and other necessary programming. All facilities document the program services that youth receive throughout their stay in the facilities; case plans facilitate the effective coordination of program activities and are developed through individual and multi-disciplinary counseling sessions with all youth.
- **Field Services:** All facilities coordinate plans for youth needing housing placement in the community.
- **Community Reintegration:** Youth are educated on the importance of rule compliance and expectations while on Aftercare status. Aftercare Specialists are assigned to all youth upon entry to a facility and remain with that youth through discharge to Aftercare for the term of their supervision sentence.
- **Grant Initiatives and Special Programs:** Each facility establishes and develops programs that address the special needs of youth (i.e. behavioral health, co-occurring disorders, and trauma) by providing evidence-based or evidence-informed practices.

**Mental Health Services**

- **Reception Services:** The Department utilizes a variety of instruments to screen and assess all youth at intake. These diagnostic evaluations determine the basic service needs for youth. These instruments include the Youth Assessment and Screening Instrument (YASI) to screen for and assess criminogenic risks, needs, and strengths; Massachusetts Youth Screening Instrument (MAYSI-2) to screen for emergent mental health risks; Texas Christian University (TCU) Adolescent Screen to screen for substance abuse risks; Global Appraisal of Individual Needs (GAIN) to assess substance abuse needs; VISA Assessment to assess risk of self-harm; and, a clinical and diagnostical evaluation to determine mental health treatment needs and potential diagnoses.
- All facilities provide mental health services for youth, which includes psychological and psychiatric services. Youth can be assigned to individual or group therapy. The Department had two Special Treatment Programs at St. Charles and Kewanee. St. Charles treated youth with mental health issues that are chronic in nature. Kewanee treated youth with mental health issues that are more acute in nature. Kewanee also provided programming for youth that are dually diagnosed with mental health and substance abuse issues. Additionally, Kewanee housed the treatment unit for youth adjudicated of sexual offenses.
- Four of the facilities (Chicago, Harrisburg, Pere Marquette, and Warrenville) provide Structured Psychotherapy for Adolescent Responding to Chronic Stress Groups (SPARCS). This group helps youth address their traumatic experiences. The SPARCS program is a strength-based approach that helps youth support skills they already possess

STATE OF ILLINOIS  
DEPARTMENT OF JUVENILE JUSTICE  
**AGENCY FUNCTIONS AND PLANNING PROGRAM**  
For the Two Years Ended June 30, 2016  
(Not Examined)

and foster new ways of coping. The program also provides group members with freedom to address problems that are important to them and create opportunities for change. This program provides youth with skills to help them to become productive citizens thereby reducing recidivism.

- Dialectical Behavior Therapy (DBT) is a pilot conducted at Warrenville, Chicago, and Harrisburg. DBT was developed as a treatment for Borderline Personality Disorder (BPD). However, the core behavior patterns of BPD can be found in many mental health disorders, and they are prevalent in incarcerated youth and adults. DBT is a treatment that has been found to be effective in working with a wide variety of mental health disorders and highly disruptive behaviors, including clients with both mental illness and substance use disorders.
- Family Therapy is conducted at Warrenville. The Department has retained an expert to train mental health staff to provide family therapy as a treatment modality at all of the facilities, with the associated training begun in March 2016.

### **Substance Abuse**

- The Substance Abuse Programs at all facilities provide Department of Human Services, Division of Alcohol and Substance Abuse, level I and II substance abuse treatment for youth.
- The Substance Abuse Programs at all facilities are currently utilizing the Forward Thinking Program Curriculum. The Forward Thinking series is a cognitive-behavior program that uses evidence-based strategies to assist youth involved in the criminal justice system in making positive changes to their thoughts, feelings, and behaviors.
- The Treatment Retention and Induction Program (TRIP) is a program occurring at Pere Marquette and Harrisburg. TRIP is aimed at improving motivation and engagement in the first few weeks of treatment, with juvenile offenders receiving substance abuse treatment. TRIP utilizes evidence-based induction and retention tools that have been developed and effectively implemented with adult treatment samples and evaluated within community-based adolescent treatment settings.

### **Leisure Time Activities**

- Structured team sports (i.e. softball, basketball, flag football, volleyball, track and field) that encourage teamwork and sportsmanship. Musical instruments are used for small solo and band sessions to encourage creativity and cooperation.
- Facility Events: Youth engage in holiday program events and also participate in pro-social events such as spelling bee competitions, talent shows, chess competition, art contests, and theatrical performances.

STATE OF ILLINOIS  
DEPARTMENT OF JUVENILE JUSTICE  
**AGENCY FUNCTIONS AND PLANNING PROGRAM**  
For the Two Years Ended June 30, 2016  
(Not Examined)

**Volunteer Services**

- Volunteer programs are provided to all youth to offer life skills development activities (i.e. mentoring, culinary arts, engineering, and performing arts).

**Chaplaincy Services**

- Religious programs, services, and counseling are provided on a regular basis at all facilities.

**School District 428**

- School District 428 provides all Department facilities with remedial, secondary, and high school education courses. The Department will be working with community colleges to provide college-level education courses as a pilot program at certain locations.
- School programs also include: GED preparation classes, library services, and vocational and work training programs. The Department is also working with community colleges to provide post-secondary education courses.

In addition, School District 428 offers a hands on technology-based curriculum and vocational skills to help Department youth attain their high school diploma or work towards a GED. This process, called *Online Educational Enhancement*, allows the student to work on high school curriculum which meets all State and national standards. This curriculum is individualized for each student. The key academic and vocational goals are:

- Earn high school diploma;
- Offer appropriate curriculum to each youth;
- Increase cognitive ability;
- Improve technology skills;
- Youth collaboration while working on project based assignments;
- Assist with transition from the Department to a youth's home school, by offering appropriate and transferable curriculum;
- Increase self-esteem with individual success; and,
- Offer vocational classes for youth experience and high school/college credit.

**Aftercare**

The Aftercare Program moves the supervision of all Department youth from the Department of Correction's parole officers to the Department's Aftercare Specialists. Aftercare took responsibility for community supervision upon release of all youth in the Department's custody in April 2015. Aftercare is geographically divided into Northern and Southern regions, each supervised by a Regional Administrator. It entails the modification of the supervision duties of

STATE OF ILLINOIS  
DEPARTMENT OF JUVENILE JUSTICE  
**AGENCY FUNCTIONS AND PLANNING PROGRAM**  
For the Two Years Ended June 30, 2016  
(Not Examined)

the parole agent working with juveniles to include case management services for the youth and their families. The Aftercare Program provides a seamless array of services for the youth from their commitment to the Department through intake and assignment to a youth host facility to re-entry back into the community.

The key goals of the program include:

- Lower the risk of re-offending;
- Improve the youth's educational level and vocational opportunities;
- Connect youth with appropriate community-based services;
- Achieve abstinence from use of controlled substances and alcohol;
- Improve mental health and stability of youth
- Increase pro-social behavior;
- Reduce criminal recidivism; and,
- Improve and support successful family reintegration.

The Department published its first Annual Report in 2014. Annual reports are published on the Department's website and sent via paper copy to statutorily mandated authorities. Additionally, the Department publicly released an annual Operating Plan focusing on strategic goals and accountability. This document is available on the website. The Department has Administrative Directives specific to its mission of rehabilitation and reintegration, which are systematically reviewed and revised as the Department's model of risk-based assessment and evidence-based treatment evolves. The Department submits various reports to mandated parties and funding sources as required by statute and grant awards.

STATE OF ILLINOIS  
DEPARTMENT OF JUVENILE JUSTICE  
**BUDGET IMPASSE DISCLOSURES**  
For the Two Years Ended June 30, 2016  
(Not Examined)

Payment of Fiscal Year 2016 Costs in Future Fiscal Years

All of the Department's Fiscal Year 2016 costs were paid pursuant to a court order. The Department did not have any outstanding invoices from Fiscal Year 2016 unpaid after the closure of the Fiscal Year 2016 Lapse Period on August 31, 2016.

STATE OF ILLINOIS  
DEPARTMENT OF JUVENILE JUSTICE  
**ALTERNATIVE FINANCING IN LIEU OF APPROPRIATIONS AND  
PROGRAMS TO ADDRESS UNTIMELY PAYMENTS TO VENDORS**  
For the Two Years Ended June 30, 2016  
(Not Examined)

Transactions Involving the Illinois Finance Authority

The Department and its vendors did not participate in alternative financing in lieu of enacted appropriations involving the Illinois Finance Authority during Fiscal Year 2016.

Transactions Involving the Vendor Payment Program and Vendor Support Initiative Program

*Vendor Payment Program (VPP)*

In 2011, the State of Illinois (State) created the voluntary VPP in response to delays in payments for goods and services provided by the State's vendors arising from the State's cash flow deficit. The Department of Central Management Services (CMS) approved third party financing entities to act as "qualified purchasers" of accounts receivable from "participating vendors" who had submitted invoices which had not been paid by the State.

A participating vendor's accounts receivable is eligible for the VPP if it is from an invoice unpaid by the State that is (1) not for medical assistance payments (2) where 90 days have passed since the proper bill date, which is (3) entitled to interest under the State Prompt Payment Act (Act) (30 ILCS 540) and (4) free of any liens or encumbrances. Under the terms of an agreement between a qualified purchaser and the participating vendor, the participating vendor receives payment for 90% of the receivable balance. The participating vendor, in turn, assigns its rights to the interest due under the Act to the qualified purchaser. When the State Comptroller ultimately pays the invoice, the participating vendor receives the remaining 10% due (less any offsets).

Notably, while CMS approved the qualified purchasers and provided information to vendors about VPP, neither CMS nor the State are parties to the assignment agreements.

For Fiscal Year 2015 and Fiscal Year 2016, the Department had 31 vendors who submitted 161 invoices, totaling \$2,451,119, to the VPP. The Department was unable to split this information into activity during each fiscal year.

*Vendor Support Initiative Program (VSI)*

During Fiscal Year 2016, none of the Department's vendors participated in the VSI.

STATE OF ILLINOIS  
DEPARTMENT OF JUVENILE JUSTICE  
**INTEREST COSTS ON FISCAL YEAR 2016 INVOICES**  
For the Two Years Ended June 30, 2016  
(Not Examined)

Prompt Payment Interest Costs

The Department plans to calculate prompt payment interest due to vendors under the State Prompt Payment Act (Act) (30 ILCS 540) using the vendor’s proper bill date through the date the State Comptroller issues a warrant to the vendor, regardless of when and if an enacted appropriation existed during Fiscal Year 2016. The Act (30 ILCS 540/3-2) and the Illinois Administrative Code (74 Ill. Admin. Code 900.100) require interest to be paid under a daily simple interest rate of .033% (1% over a 30-day period) for every day elapsed following the 90<sup>th</sup> day after a vendor submits an eligible proper bill to the Department. The following chart shows the Department’s prompt payment interest incurred related to Fiscal Year 2016 invoices, calculated on the accrual basis of accounting, through June 30, 2016, by fund:

**PROMPT PAYMENT INTEREST INCURRED**

Year Ended June 30, 2016

Fund #	Fund Name	Invoices	Vendors	Dollar Value
001	General Revenue Fund	268	111	\$ 49,875
		<u>268</u>	<u>111</u>	<u>\$ 49,875</u>

STATE OF ILLINOIS  
DEPARTMENT OF JUVENILE JUSTICE  
**AVERAGE NUMBER OF EMPLOYEES**  
For the Two Years Ended June 30, 2016  
(Not Examined)

The following table, prepared from Department records, presents the average number of employees, by function, for the Fiscal Year Ended June 30,

<u>Division</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
General Office	22	16	11
School District	95	86	79
Aftercare Services	68	66	39
<u>Youth Centers</u>			
Chicago	94	85	87
Harrisburg	215	217	206
Kewanee	182	202	185
Pere Marquette	57	46	45
St. Charles	253	249	222
Warrenville	106	99	91
Total Average Full-Time Employees	<u>1,092</u>	<u>1,066</u>	<u>965</u>

STATE OF ILLINOIS  
DEPARTMENT OF JUVENILE JUSTICE  
**AVERAGE NUMBER OF EMPLOYEES**  
For the Two Years Ended June 30, 2016  
(Not Examined)

The following table, prepared from Department records, presents the average number of Juvenile Justice Specialists for the Fiscal Year Ended June 30,

<u>Youth Centers</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Chicago	63	56	66
Harrisburg	133	140	146
Kewanee	106	127	131
Pere Marquette	32	21	27
St. Charles	162	163	158
Warrenville	<u>64</u>	<u>58</u>	<u>60</u>
 Total Average Full-Time Employees	 <u>560</u>	 <u>565</u>	 <u>588</u>

These totals are included in the total average full-time employees on the previous page.

STATE OF ILLINOIS  
DEPARTMENT OF JUVENILE JUSTICE  
**ANALYSIS OF EMPLOYEE OVERTIME**  
For the Two Years Ended June 30, 2016  
(Not Examined)

Certain employees are eligible for overtime if the hours worked during the day exceed the employee's standard work hours. Juvenile Justice Specialists receive ¼-hour of overtime for each day they stand for roll call.

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 employee's 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 tables on pages 86 through 88, prepared from Department records, present the paid overtime and used compensatory time incurred during Fiscal Years 2014, 2015, and 2016.

STATE OF ILLINOIS  
DEPARTMENT OF JUVENILE JUSTICE  
**ANALYSIS OF EMPLOYEE OVERTIME**  
For the Year Ended June 30, 2016  
(Not Examined)

Division	Overtime Hours		\$ Value of		Compensatory Hours Used	\$ Value of		Total Overtime and Compensatory Hours	Total \$ Value of Overtime and Compensatory Hours
	Paid		Overtime Hours Paid			Compensatory Hours			
General Office	71		\$ 1,670		-	\$ -		71	\$ 1,670
School District	70		2,809		-	-		70	2,809
Aftercare Services	1,724		86,905		-	-		1,724	86,905
Chicago	14,034		718,946		2,485	98,000		16,519	816,946
Harrisburg	17,539		771,730		5,453	202,503		22,992	974,233
Kewanee	20,004		929,907		7,183	261,344		27,187	1,191,251
Pere Marquette	7,353		316,684		-	-		7,353	316,684
St. Charles*	38,400		1,775,952		1	46		38,401	1,775,998
Warrenville	5,932		273,169		4,495	167,013		10,427	440,182
<b>TOTAL</b>	<b>105,127</b>		<b>\$ 4,877,772</b>		<b>19,617</b>	<b>\$ 728,906</b>		<b>124,744</b>	<b>\$ 5,606,678</b>

\* St. Charles end of year compensatory pay out was not charged as compensatory time. This amount was charged as overtime. Due to a new timekeeping system, the General Office, School District, Aftercare Services, Chicago, Harrisburg (although not part of the new system until June), and Pere Marquette's compensatory time is now calculated as overtime.

STATE OF ILLINOIS  
DEPARTMENT OF JUVENILE JUSTICE  
**ANALYSIS OF EMPLOYEE OVERTIME**  
For the Year Ended June 30, 2015  
(Not Examined)

Division	Overtime Hours		\$ Value of		Compensatory Hours Used	\$ Value of		Total Overtime and Compensatory Hours	Total \$ Value of Overtime and Compensatory Hours
	Paid		Overtime Paid	Hours		Compensatory Hours	Hours		
General Office	1	38	\$		-	\$	-	1	\$ 38
School District	221	11,933			8		336	229	12,269
Aftercare Services	2,649	128,341			17		810	2,666	129,151
Chicago	7,229	537,150			5,262		208,651	12,491	745,801
Harrisburg	7,187	481,271			7,024		256,256	14,211	737,527
Kewanee	14,313	870,559			10,153		360,584	24,466	1,231,143
Pere Marquette	9,969	427,576			180		8,581	10,149	436,157
St. Charles*	24,825	1,139,606			7		265	24,832	1,139,871
Warrenville	4,756	344,784			4,275		170,463	9,031	515,247
<b>TOTAL</b>	<b>71,150</b>	<b>\$ 3,941,258</b>	<b>\$</b>	<b>26,926</b>	<b>\$</b>	<b>1,005,946</b>	<b>98,076</b>	<b>\$</b>	<b>4,947,204</b>

\* St. Charles end of year compensatory pay out was not charged as compensatory time. This amount was charged as overtime.

STATE OF ILLINOIS  
DEPARTMENT OF JUVENILE JUSTICE  
**ANALYSIS OF EMPLOYEE OVERTIME**  
For the Year Ended June 30, 2014  
(Not Examined)

Division	Overtime Hours		\$ Value of		Compensatory Hours Used	\$ Value of		Total Overtime and Compensatory Hours	Total \$ Value of Overtime and Compensatory Hours
	Paid		Overtime Hours Paid			Compensatory Hours			
General Office	-	-	\$ -	\$ -	-	-	\$ -	-	\$ -
School District	7	557			14	751		21	1,308
Aftercare Services	367	16,041			442	16,869		809	32,910
Chicago	7,539	415,584			4,252	162,683		11,791	578,267
Harrisburg	6,259	341,444			6,626	243,441		12,885	584,885
Kewanee	9,898	494,981			8,038	288,056		17,936	783,037
Pere Marquette	4,159	180,750			2,241	93,833		6,400	274,583
St. Charles	33,253	1,553,061			1,373	49,232		34,626	1,602,293
Warrenville	2,933	163,509			3,938	156,081		6,871	319,590
<b>TOTAL</b>	<b>64,415</b>	<b>3,165,927</b>	<b>\$</b>	<b>\$</b>	<b>26,924</b>	<b>1,010,946</b>	<b>\$</b>	<b>91,339</b>	<b>\$ 4,176,873</b>

STATE OF ILLINOIS  
DEPARTMENT OF JUVENILE JUSTICE  
ANNUAL COST STATISTICS  
For the Two Years Ended June 30, 2016  
(Not Examined)

Youth Center <sup>(2)</sup>	2016			2015			2014		
	Rated Capacity June 30, 2016	Average Daily Population	Average Yearly Cost per Resident <sup>(1)</sup>	Rated Capacity June 30, 2015	Average Daily Population	Average Yearly Cost per Resident <sup>(1)</sup>	Rated Capacity June 30, 2014	Average Daily Population	Average Yearly Cost per Resident <sup>(1)</sup>
Chicago	130	65	\$ 176,654	130	75	\$ 148,906	130	86	\$ 129,114
Harrisburg	332	124	168,900	276	158	135,064	300	177	122,271
Kewanee	354	115	162,856	354	182	113,385	354	226	95,694
Pere Marquette	40	38	150,129	68	32	164,557	40	38	133,489
St. Charles	523	172	151,802	318	241	110,548	348	274	95,810
Warrenville	79	27	381,865	108	36	278,737	78	46	209,308
Total	<u>1,458</u>	<u>541</u>	<u>\$ 198,701</u>	<u>1,254</u>	<u>724</u>	<u>\$ 158,533</u>	<u>1,250</u>	<u>847</u>	<u>\$ 130,948</u>

(Under)/over capacity (917)

(530)

(403)

<sup>(1)</sup> Net Expenditures/Average Daily Population: Net expenditures for the Youth Centers equals expenditures at each center, less equipment expenditures. Net expenditures do not include any allocations from the General Office, School District, and Aftercare Services.

<sup>(2)</sup> Source: Facility data provided by the Department of Juvenile Justice

STATE OF ILLINOIS  
DEPARTMENT OF JUVENILE JUSTICE  
**PARTICIPATING EDUCATIONAL INSTITUTIONS –**  
**SCHOOL DISTRICT #428**  
For the Two Years Ended June 30, 2016  
(Not Examined)

The Department provided post-secondary academics and vocational training programs to enrolled residents through a contractual agreement with the following college:

<u>Educational Institution</u>	<u>Youth Center Served</u>
Lakeland College	Harrisburg
Lakeland College	St. Charles

STATE OF ILLINOIS  
DEPARTMENT OF JUVENILE JUSTICE  
**EMERGENCY PURCHASES**  
For the Two Years Ended June 30, 2016  
(Not Examined)

The Department reported the following emergency purchases to the Office of the Auditor General during Fiscal Year 2016 and Fiscal Year 2015:

<u>Description</u>	<u>Amount</u>
A 90 day emergency extension for substance abuse treatment services to juvenile males at St. Charles (FY15 - 10/1/14 through 12/29/14)	\$ 76,560
Utilization of an assessment tool in order to develop individualized case plans for each youth in the Department's custody	143,250
<b>TOTAL APPROXIMATE COST</b>	<b><u><u>\$ 219,810</u></u></b>

STATE OF ILLINOIS  
DEPARTMENT OF JUVENILE JUSTICE  
**YOUTH ASSAULTS ON STAFF**  
**AT YOUTH CENTERS**  
For the Two Years Ended June 30, 2016  
(Not Examined)

<b>Youth Centers</b>	<b>Fiscal Year 2016</b>	<b>Fiscal Year 2015</b>	<b>Fiscal Year 2014</b>
Chicago	14	13	4
Harrisburg	37	17	5
Kewanee	31	64	48
Pere Marquette	4	2	2
St. Charles	94	17	23
Warrenville	36	48	13
Total	216	161	95

Source: Department of Juvenile Justice

STATE OF ILLINOIS  
DEPARTMENT OF JUVENILE JUSTICE  
**SERVICE EFFORTS AND ACCOMPLISHMENTS**  
For the Two Years Ended June 30, 2016  
(Not Examined)

**Mission and Organization**

The Department works to provide treatment and services through a comprehensive continuum of individualized educational, vocational, social, emotional and basic life skills that will enable youth to avoid delinquent futures and become productive, fulfilled citizens.

***Improvements to Education*** – The Department will be focused on enhancing the quality of education for committed youth. School District 428 continues to work collaboratively with the State Board of Education to develop an enhanced educational curriculum and specialized programming and services for committed youth that ensures federal and State educational program compliance. To ensure that the school district retains qualified staff, recruitment efforts have been underway during this fiscal year to identify additional certified, bi-lingual, and physical education instructors. Special education instructors will be hired to help build a cohesive educational team.

***Improvements to Rehabilitative Services*** – The Department will enhance interventions that are proven to reduce recidivism and produce positive youth outcomes. Using the Youth Assessment and Screening Instrument, the Department has identified areas of highest risk for our youth and has identified evidence based programs designed to address those risks. The Department will implement these programs over the next 12 to 18 months.

***Expand and Enhance the Aftercare System*** – The Department will continue to staff an Aftercare System targeted at youth development and successful re-entry into society. The Aftercare System will include partnerships with other State agencies and community-based organizations that provide these services to youth. As part of this Aftercare System, more emphasis will be placed on providing community treatment through a network of specialized treatment beds, transition beds, and community-based placement positions.

STATE OF ILLINOIS  
DEPARTMENT OF JUVENILE JUSTICE  
**SERVICE EFFORTS AND ACCOMPLISHMENTS**  
For the Two Years Ended June 30, 2016  
(Not Examined)

**Mission Statement:** Understanding that youth have different needs than adults, it is the mission of the Department of Juvenile Justice to preserve public safety by reducing recidivism. Youth committed to the Department’s care will receive individualized services provided by qualified staffs that give them the skills to become productive citizens.

**Program Goals:** 1. Develop a structural framework and foundation necessary to deliver services to youth.

- Objectives:**
- a. Develop and implement performance-based standards that are consistent with contemporary practices in the field of juvenile justice.
  - b. Enhance and further develop the Aftercare System that is designed to enhance the chances for success upon a youth’s re-entry into the community.
  - c. Increase the number of educators throughout the system to meet the Department’s mandates to provide adequate educational services for all youth.
  - d. Hire and train new Juvenile Justice Specialists.

**Source of Funds:** General Revenue Fund  
Department of Corrections Reimbursement  
And Education Fund

**Statutory Authority:** 730 ILCS 5

	<u>Fiscal Year 2014 Actual</u>	<u>Fiscal Year 2015 Actual</u>	<u>Fiscal Year 2016 Target /Projected</u>	<u>Fiscal Year 2016 Actual</u>	<u>Fiscal Year 2017 Target /Projected</u>
<b><u>Input Indicators</u></b>					
• Total expenditures – all sources (in thousands)	\$ 118,646.1	\$ 120,796.8	\$ 0	\$ 120,305.8	\$ 124,504.7
• Total expenditures – state appropriated funds (in thousands)	\$ 118,646.1	\$ 120,796.8	\$ 0	\$ 120,305.8	\$ 124,504.7
• Average monthly full-time equivalents	965.0	1,006.0	0.0	1,066.0	888.0
<b><u>Output Indicators</u></b>					
• Percentage of juveniles returned to youth centers within three years of release	48.6%	58.97%	N/A	58.7%	55.0%
• Education spending per capita (in thousands)	\$ 9.3	\$ 10.8	N/A	\$ 14.9	\$ 21.0
• Aftercare services spending per capita (in thousands)	\$ 6.5	\$ 9.3	N/A	\$ 14.2	\$ 22.5