
REPORT DIGEST

SOUTHWESTERN ILLINOIS CORRECTIONAL CENTER

COMPLIANCE AUDIT
For the Two Years Ended:
June 30, 1996

Summary of Findings:

Total this audit 3

This is our first audit of the
Center.

Release Date:



State of Illinois
Office of the Auditor General

WILLIAM G. HOLLAND
AUDITOR GENERAL

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SYNOPSIS

- ◆ The Center's Employee Commissary Fund had operated at a loss since it opened for business in January of 1996.
- ◆ The Center's report had two findings which noted problems in maintaining inventory records and processing expenditure transactions.

{Expenditures and Activity Measures are summarized on the reverse page.}

ILLINOIS DEPARTMENT OF CORRECTIONS
SOUTHWESTERN ILLINOIS CORRECTIONAL CENTER
COMPLIANCE AUDIT
For The Two Years Ended June 30, 1996

EXPENDITURE STATISTICS	FY 1996	FY 1995
! Total Expenditures (All Funds).....	\$12,793,295	\$2,265,100
Personal Services.....	\$7,978,854	\$1,426,673
% of Total Expenditures.....	62.4%	63.0%
Average No. of Employees.....	264	191
Average Salary Per Employee.....	\$30,223	\$7,470
Inmate Compensation.....	\$94,524	\$0
% of Total Expenditures.....	0.7%	0%
Other Payroll Costs (FICA, Retirement).....	\$968,418	\$172,509
% of Total Expenditures.....	7.6%	7.6%
Contractual Services.....	\$2,298,613	\$164,082
% of Total Expenditures.....	18.0%	7.2%
All Other Items.....	\$1,452,886	\$501,836
% of Total Expenditures.....	11.3%	22.2%
! Cost of Property and Equipment.....	\$20,228,872	\$4,533,000

SELECTED ACTIVITY MEASURES	FY 1996	FY 1995
! Average Number of Inmates.....	429	*
! Ratio of Correctional Officers to Inmates.....	1/2.94	*
! Cost Per Year Per Inmate.....	\$23,672	*
! Rated Inmate Capacity.....	600	*
! Approximate Square Feet Per Inmate.....	38	*

* The Center began housing inmates in July of 1995, the first month of fiscal year 1996.

CENTER WARDEN(S)
During Audit Period: Edward Green Currently: Edward Green

INTRODUCTION

We conducted a compliance audit of the Center as required by the Illinois State Auditing Act. We also performed certain agreed upon procedures with respect to the accounting records of the Center to assist our single audit of the entire Department. Financial statements for the Department will be presented in that report.

FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

LOSSES IN THE EMPLOYEE COMMISSARY FUND

Continuing Losses in the Operation of the Employees Commissary Fund

The Employee Commissary Fund operated at a loss of \$342 on total sales of \$22,453 for the six months ended June 30, 1996. The Fund opened for business in January 1996 and incurred a loss each month it was open during fiscal year 1996. With the ability to sell at a price of up to 10% above the cost of goods, the Fund had the potential to have a profit of over \$2,000. The Fund was still operating at a loss in the early months of fiscal year 1997. (Finding 3, page 12)

We recommended Center management continue to investigate the Employee Commissary Fund losses. Financial reporting could be broken down between sales made over the counter and vending machine sales; as well as by product type (i.e. drinks, candy, etc.) to try and identify where the losses are occurring.

The Department stated that our recommendation has been implemented. The Center has increased the number of items sold through vending machines and greatly reduced its counter sales. Efforts will continue to strengthen the controls over the Employee Commissary Fund so that reasonable profits may be realized.

INADEQUATE PROCEDURES

Inadequate Procedures Over Inventories and Expenditures

Our report contains two additional findings concerning inadequate procedures over maintaining inventory records and processing expenditure transactions. The Department indicated that our recommendations to correct these deficiencies have been accepted. We will review the

Center's implementation of our recommendations in our next audit. (Findings 1, and 2, pages 8 and 10)

Mr. Mark Krell, the Department's Chief Internal Auditor, provided responses to our recommendations.

WILLIAM G. HOLLAND, Auditor General

WGH:KMM:pp

SPECIAL ASSISTANT AUDITORS

Our special assistant auditors were Boyd, Freese, West & Vogt.

