

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS

SHERIDAN CORRECTIONAL CENTER

LIMITED SCOPE COMPLIANCE EXAMINATION

For the Two Years Ended June 30, 2008

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

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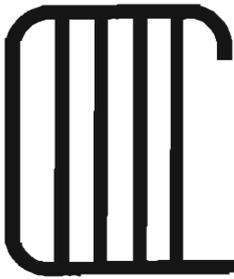
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CENTER OFFICIALS

Warden	Mr. Michael Rothwell
Assistant Warden - Programs	Ms. Adella Jordan-Luster
Assistant Warden - Operations	Mr. John Nunley
Business Office Administrator	Mr. Roger Wait

The Center is located at:

4017 East 2603 Road
Sheridan, IL 60551



Illinois
Department of
Corrections

Pat Quinn
Governor

Roger E. Walker Jr.
Director

Sheridan Correctional Center / 4017 E. 2603rd Road / Sheridan, IL 60551 / Telephone: (815) 496-2181 / TDD: (800) 526-0844

March 16, 2009

Honorable William G. Holland
Auditor General
State of Illinois
Iles Park Plaza
740 East Ash
Springfield, IL 62703-3154

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grants that could have a material effect on the operations of the State of Illinois, Department of Corrections – Sheridan Correctional Center (Center). We are responsible for and we have established and maintained an effective system of internal controls over compliance requirements. We have performed an evaluation of the Center's compliance with the following assertions during the two-year period ended June 30, 2008. Based on this evaluation, we assert that during the years ended June 30, 2008 and June 30, 2007, the Center has materially complied with the assertions below.

- A. The Center has obligated, expended, received and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The Center has obligated, expended, received and used public funds of the State in accordance with any limitations, restrictions, conditions or mandatory directions imposed by law upon such obligation, expenditure, receipt or use.
- C. The Center has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. The State revenues and receipts collected by the Center are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate and in accordance with law.

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

Yours very truly,

Sheridan Correctional Center

A handwritten signature in black ink, appearing to read "Michael Rothwell", written over a horizontal line.

Michael Rothwell, Warden

A handwritten signature in black ink, appearing to read "Roger Wait", written over a horizontal line.

Roger Wait, Business Administrator

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COMPLIANCE REPORT

SUMMARY

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

ACCOUNTANTS' REPORT

The Independent Accountants' Report on State Compliance, on Internal Control Over Compliance and on Supplementary Information for State Compliance Purposes (Report) relates only to those chapters of the "Audit Guide for Performing Financial Audits and Compliance Attestation Engagements of Illinois State Agencies" (*Audit Guide*) which are identified in the Report as having testing performed and does not contain scope limitations, disclaimers, or other significant non-standard language.

SUMMARY OF FINDINGS

<u>Number of</u>	<u>This Report</u>	<u>Prior Report</u>
Findings	3	2
Repeated findings	1	0
Prior recommendations implemented or not repeated	1	0

Details of findings are presented in a separately tabbed report section.

SCHEDULE OF FINDINGS

CURRENT FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (STATE COMPLIANCE)			
08-1	10	Inadequate controls over personnel	Significant Deficiency and Noncompliance
08-2	12	Inadequate controls over voucher processing and expenditure records	Significant Deficiency and Noncompliance

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FINDINGS (STATE COMPLIANCE) - Continued

08-3	14	Inadequate controls over employee benefit fund	Significant Deficiency and Noncompliance
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PRIOR FINDINGS NOT REPEATED

A	15	Inadequate controls over personal services
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EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Center personnel at an exit conference on January 22, 2009. Attending were:

Sheridan Correctional Center

Michael Rothwell, Warden
John Nunley, Assistant Warden Operations
Roger Wait, Business Administrator
Ananta Mittapalli, Accountant Advanced

Office of the Auditor General

Jane Clark, Audit Manager
Jose Roa, Audit Supervisor
Jorge Cerda, Audit Staff

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

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OFFICE OF THE AUDITOR GENERAL
WILLIAM G. HOLLAND

**INDEPENDENT ACCOUNTANTS' REPORT ON STATE COMPLIANCE,
ON INTERNAL CONTROL OVER COMPLIANCE, AND ON
SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES**

Honorable William G. Holland
Auditor General
State of Illinois

Compliance

We performed a limited scope compliance examination of the State of Illinois Department of Corrections - Sheridan Correctional Center's compliance with the requirements listed below, as more fully described in the Audit Guide for Performing Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (*Audit Guide*) as adopted by the Auditor General, during the two years ended June 30, 2008. The management of the State of Illinois Department of Corrections - Sheridan Correctional Center is responsible for compliance with these requirements. Our responsibility is to express an opinion on the State of Illinois Department of Corrections - Sheridan Correctional Center's compliance based on our examination.

- A. The State of Illinois Department of Corrections - Sheridan Correctional Center has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The State of Illinois Department of Corrections - Sheridan Correctional Center has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions or mandatory directions imposed by law upon such obligation, expenditure, receipt or use.
- C. The State of Illinois Department of Corrections - Sheridan Correctional Center has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. For the locally held funds examined the State revenues and receipts collected by the State of Illinois Department of Corrections - Sheridan Correctional Center are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate and in accordance with law.

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

Our limited scope compliance examination of the Center was limited to the following areas of the *Audit Guide*:

- Chapter 8 – Personal Services Expenditures
- Chapter 9 – Contractual Services Expenditures
- Chapter 11 – Commodities Expenditures
- Chapter 18 – Appropriations, Transfers and Expenditures
- Chapter 22 – Review of Agency Functions and Planning Program
- Chapter 30 – Auditing Compliance With Agency Specific Statutory Mandates

The areas of the *Audit Guide* not examined at the Center have had procedures performed on a Department-wide basis through the compliance examination of the State of Illinois Department of Correction's General Office, and accordingly, any findings from the results of those procedures have been included in the Department of Corrections – General Office compliance report.

We conducted our examination in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the Illinois State Auditing Act (Act); and the *Audit Guide* as adopted by the Auditor General pursuant to the Act; and, accordingly, included examining, on a test basis, evidence about the State of Illinois Department of Corrections - Sheridan Correctional Center's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the State of Illinois Department of Corrections - Sheridan Correctional Center's compliance with specified requirements.

In our opinion, the State of Illinois Department of Corrections - Sheridan Correctional Center complied, in all material respects, with the aforementioned requirements during the two years ended June 30, 2008. However, the results of our procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with criteria established by the *Audit Guide*, issued by the Illinois Office of the Auditor General and which are described in the accompanying Schedule of Findings as findings 08-1, 08-2 and 08-3.

Internal Control

The management of the State of Illinois Department of Corrections - Sheridan Correctional Center is responsible for establishing and maintaining effective internal control over compliance with the requirements listed in the first paragraph of this report. In planning and performing our limited scope compliance examination, we considered the State of Illinois Department of Corrections - Sheridan Correctional Center's internal control over compliance with the requirements listed in the first paragraph of this report in order to determine our examination procedures for the purpose of

expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the *Audit Guide*, issued by the Illinois Office of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of the State of Illinois Department of Corrections - Sheridan Correctional Center's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the State of Illinois Department of Corrections - Sheridan Correctional Center's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with the requirements listed in the first paragraph of this report on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to comply with the requirements listed in the first paragraph of this report such that there is more than a remote likelihood that noncompliance with a requirement that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings as findings 08-1, 08-2 and 08-3 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a requirement listed in the first paragraph of this report will not be prevented or detected by the entity's internal control. We did not consider any of the deficiencies described in the accompanying Schedule of Findings to be material weaknesses.

As required by the *Audit Guide*, immaterial findings excluded from this report have been reported in a separate letter.

The State of Illinois Department of Corrections – Sheridan Correctional Center's response to the findings identified in our examination are described in the accompanying Schedule of Findings. We did not examine the State of Illinois Department of Corrections – Sheridan Correctional Center's responses and, accordingly, we express no opinion on it.

Supplementary Information for State Compliance Purposes

Our examination was conducted for the purpose of forming an opinion on compliance with the requirements listed in the first paragraph of this report. The accompanying supplementary information as listed in the table of contents as Supplementary Information for State Compliance Purposes is presented for purposes of additional analysis. We have applied certain limited procedures as prescribed by the *Audit Guide*, as adopted by the Auditor General to the 2008 and 2007 Supplementary Information for State Compliance Purposes, except for information on the

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

We have not applied procedures to the 2006 Supplementary Information for State Compliance Purposes, and accordingly, we do not express an opinion thereon.

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



Bruce L. Bullard, CPA

Director of Financial and Compliance Audits

March 16, 2009

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

Current Findings

08-1. **FINDING** (Inadequate control over personnel)

The Sheridan Correctional Center (Center) did not maintain adequate control over personnel.

The Center paid an annual salary of \$67,800 from the Center's personal services appropriations to an employee who is a lieutenant and part of the Special Operations Response Team (SORT). However, the employee spent only approximately 5% of his time at the Center. The remaining 95% of time was for services performed for other Centers statewide. In addition, this employee's time sheets were approved by Center personnel whom did not exercise direct supervision over the employee. The time sheets approved by Center personnel appear to be blanket time sheets that are pre-set with corresponding days off. The immediate supervisor of the employee is located off-site and is not an employee of the Center. Lastly, we noted the Center approved overtime in nine instances in a seven month period to this employee on days he was working away from the Center. There was no documentation to support the overtime was approved in advance.

Good internal controls would ensure the Center only pays for those personal services costs directly related to the Center. In addition, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Center to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance resources are safeguarded against waste, loss, unauthorized use, and misappropriation. Furthermore, Department of Corrections Administrative Directive 02.65.131 states employees who are eligible for equivalent earned time shall request approval from his or her supervisor for such time prior to working in excess of their regularly scheduled work week. The Supervisor is to approve or disapprove and sign and date the request for overtime and record any approved time on the Employee's Time Sheet.

Center officials stated all SORT members are paid from their respective Center Appropriations. SORT members respond to Statewide hostage and escape situations and other tactical operations as requested. On a day to day basis the SORT members are Correctional Officers, Sergeants and Lieutenants at their respective facilities. SORT members handle the firearms training for all of the Parole and Cadets Officers. SORT handles most all Level E inmate transfers and all Tamms writs and transfers north of

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For the Two Years Ended June 30, 2008

Current Findings - Continued

Springfield. SORT members are detailed from their respective facilities on an as needed basis and can be detailed up to a maximum of six weeks (30 days) in a four month period.

Center officials also stated overtime was verbally approved in advance.

Paying the full salary of an employee who works only approximately 5% at the Center is not proper use of Center appropriations. In addition, approving overtime for employees working off site and for which the Center does not have direct supervisory control over could lead to employees being paid for work not actually performed. (Finding Code No. 08-1)

RECOMMENDATION

We recommend the Center only pay for those employees whose work is directly related to the Center a majority of the time. We also recommend the Center develop internal controls to adequately monitor employees' use of State time in accordance with Administrative Directives. In addition, we recommend the employee's time sheets be approved by personnel who have adequate oversight of the employee and maintain documentation to support overtime is approved in advance.

CENTER RESPONSE

Finding not accepted. The Department feels that it has exercised control over personnel. The Department of Corrections, in compliance with its mandated mission requires the ability to assign personnel as needed to meet the security needs of the Agency. The finding puts the Agency mission in jeopardy by limiting the Department's ability to provide specialized high level security services.

AUDITOR COMMENT

The Center is not complying with State law and its own Administrative Directives regarding use of State appropriations, approval and documentation of State paid working time and overtime, and detailing of SORT members. A lack of adequate control over personnel may also put the "agency mission in jeopardy".

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

Current Findings - Continued

08-2. **FINDING** (Inadequate control over voucher processing and expenditure records)

The Sheridan Correctional Center (Center) did not exercise adequate controls over voucher processing and expenditure records. We noted the following weaknesses:

- Thirty-three of 75 (44%) vouchers tested totaling \$518,711 were approved for payment from 1 to 87 days late. The Illinois Administrative Code (74 Ill. Adm. Code 900.70) requires an agency to review a bill and either approve or deny the bill in whole or in part within 30 days after physical receipt of the bill.
- Three of 75 (4%) vouchers tested had required interest due, totaling \$761, which was not paid. The State Prompt Payment Act (30 ILCS 540/3-2) requires State agencies to determine whether interest is due and automatically pay interest penalties amounting to \$50 or more to the appropriate vendor when payment is not issued within 60 days after receipt of a proper bill.
- Two of 75 (3%) vouchers tested, totaling \$4,538, did not have a business office receipt stamp and date, therefore, we were unable to determine if approved timely. The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires an Agency to establish and maintain a system of internal fiscal and administrative controls to ensure expenditures are properly recorded and accounted for to permit the preparation of reliable financial reports and to maintain accountability over the State's resources. In addition, the Illinois State Records Act (5 ILCS 160/9) requires the head of each agency establish and maintain an active, continuing program for the economical and efficient management of the records of the agency.

Center personnel stated the unavailability of funds and staff shortages attributed to the late payment of vouchers and interest not being paid and the missing receipt stamp and date was due to oversight.

Failure to approve vouchers timely could subject the State to unnecessary interest charges and failure to pay required interest on vouchers is noncompliance with the State Prompt Payment Act. In addition, failure to date stamp vouchers when received decreases the likelihood of the vouchers being paid timely. (Finding Code No. 08-2 and 06-2)

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For the Two Years Ended June 30, 2008

Current Findings - Continued

RECOMMENDATION

We recommend the Center comply with the Illinois Administrative Code procedures and implement controls to ensure vouchers are approved within the required time frame. We further recommend the Center develop procedures to identify all vouchers not paid within 60 days to ensure the proper amount of interest is paid. We also recommend the Center ensure all invoices are stamped and dated when received.

CENTER RESPONSE

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

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

Current Findings - Continued

08-3. **FINDING** (Inadequate controls over employee benefit fund)

The Sheridan Correctional Center (Center) did not comply with Department of Corrections (DOC) Administrative Directives in regards to employees accepting gifts. In our sample of 25 employee benefit fund receipts tested, we noted four receipts, totaling \$4,000, from two different vendors that were labeled as donations. These two vendors both have business dealings with the Department of Corrections. One vendor received \$16.6 million in FY07 and \$18.2 million in FY08 from the Department of Corrections. The other vendor received \$2.5 million in FY07 and \$4.2 million in FY08 from the Department of Corrections.

DOC Administrative Directive 03.02.108 states employees shall not accept gifts that are prohibited by State or federal laws, executive orders, or departmental policies and procedures from anyone who has or expects to have business dealings with the Department or as otherwise prohibited by the Illinois State Officials and Employees Ethics Act. In addition, good internal controls requires conflicts of interest, or the perception of a conflict of interest, be avoided during State operations.

Center personnel stated receipts were participation fees for contractual employees.

Accepting donations from vendors doing business with the Department of Corrections is noncompliance with the Department's Administrative Directives. (Finding Code No. 08-3)

RECOMMENDATION

We recommend the Center ensure compliance with the Departments' Administrative Directives and not accept donations from vendors doing business with the Department. We also recommend the Center give the donations back to the respective vendors.

CENTER RESPONSE

Recommendation implemented. The facility will follow the Department's rules and directives.

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

Prior Findings Not Repeated

A. **FINDING** (Inadequate controls over personal services)

During the prior engagement, the Center did not comply with Department of Corrections (DOC) Administrative Directives in regards to personal services. Specifically, the Center allowed one employee to leave work whenever needed to respond to emergency calls for the local ambulance/fire department. Due to this arrangement, the Center maintained two separate logbooks of compensatory time for this employee in which numerous issues were identified. In addition, the Center was aware the employee performed volunteer work but did not ensure the employee properly completed the secondary employment form.

During the current engagement, the Center required the employee to use accrued benefit time to perform volunteer duties and obtained a secondary employment form from the employee. (Finding Code No. 06-1)

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SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES
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SUMMARY

Supplementary Information for State Compliance Purposes presented in this section of the report includes the following:

Fiscal Schedules and Analysis:

- Schedule of Appropriations, Expenditures and Lapsed Balances
- Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances
- Description of Locally Held Funds
- Schedule of Locally Held Funds
- Schedule of Changes in State Property (not examined)
- Comparative Schedule of Cash Receipts and Deposits (not examined)
- Analysis of Significant Variations in Expenditures
- Analysis of Significant Lapse Period Spending
- Schedule of Changes in Inventories (not examined)

Analysis of Operations

- Center Functions and Planning Program
- Average Number of Employees
- Employee Overtime (not examined)
- Inmate Commissary Operation
- Shared Resources (not examined)
- Annual Cost Statistics
 - Center Inmate Statistics (not examined)
 - Center Employee Statistics (not examined)
 - Cell Square Feet Per Inmate (not examined)
 - Food Services (not examined)
 - Medical and Clergy Service Contracts (not examined)
- Service Efforts and Accomplishments (not examined)

The accountants' report that covers the Supplementary Information for State Compliance Purposes presented in the Compliance Report Section states the auditors have applied certain limited procedures as prescribed by the *Audit Guide*, as adopted by the Auditor General, except for information on the Schedule of Changes in State Property, Comparative Schedule of Cash Receipts and Deposits, Schedule of Changes in Inventories, Employee Overtime, Shared Resources, Annual Cost Statistics, and Service Efforts and Accomplishments on which they did not perform any procedures. However, the accountants do not express an opinion on the supplementary information.

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 SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
 For the Year Ended June 30, 2008

	APPROPRIATIONS NET OF TRANSFERS	EXPENDITURES THROUGH JUNE 30, 2008	LAPSE PERIOD EXPENDITURES JULY 1 TO AUGUST 31, 2008	TOTAL EXPENDITURES 14 MONTHS ENDED AUGUST 31, 2008	BALANCES LAPSED AUGUST 31, 2008
PUBLIC ACT 95-0348					
<u>GENERAL REVENUE FUND - 001</u>					
Personal services	\$ 18,650,900	\$ 17,176,131	\$ 914,865	\$ 18,090,996	\$ 559,904
Student, member and inmate compensation	170,700	156,264	14,365	170,629	71
State contributions to State Employees' Retirement System	3,096,100	2,849,043	151,725	3,000,768	95,332
State contributions to Social Security	1,343,100	1,274,630	68,400	1,343,030	70
Contractual services	16,786,000	14,236,077	2,547,122	16,783,199	2,801
Travel	17,600	14,933	2,643	17,576	24
Travel and allowances for committed, paroled and discharged prisoners	4,600	4,417	167	4,584	16
Commodities	1,489,700	1,342,536	147,083	1,489,619	81
Printing	14,800	10,035	4,722	14,757	43
Equipment	26,400	25,604	766	26,370	30
Telecommunications services	78,500	69,918	8,582	78,500	0
Operation of automotive equipment	101,300	90,423	10,850	101,273	27
Total - Fiscal Year 2008	\$ 41,779,700	\$ 37,250,011	\$ 3,871,290	\$ 41,121,301	\$ 658,399

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

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 SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
 For the Year Ended June 30, 2007

	APPROPRIATIONS NET OF TRANSFERS	EXPENDITURES THROUGH JUNE 30, 2007	LAPSE PERIOD EXPENDITURES JULY 1 TO AUGUST 31, 2007	TOTAL EXPENDITURES 14 MONTHS ENDED AUGUST 31, 2007	BALANCES LAPSED AUGUST 31, 2007
PUBLIC ACT 94-0798					
<u>GENERAL REVENUE FUND - 001</u>					
Personal services	\$ 16,504,100	\$ 15,656,806	\$ 847,225	\$ 16,504,031	\$ 69
Student, member and inmate compensation	146,300	132,372	13,878	146,250	50
State contributions to State Employees' Retirement System	1,904,700	1,806,883	97,781	1,904,664	36
State contributions to Social Security	1,223,000	1,159,606	63,363	1,222,969	31
Contractual services	15,917,300	13,215,756	2,690,287	15,906,043	11,257
Travel	14,453	11,889	2,474	14,363	90
Travel and allowances for committed, paroled and discharged prisoners	3,300	2,928	276	3,204	96
Commodities	1,236,095	1,030,439	204,624	1,235,063	1,032
Printing	13,900	13,744	126	13,870	30
Equipment	7,000	1,237	5,673	6,910	90
Telecommunications services	162,200	70,145	51,293	121,438	40,762
Operation of automotive equipment	98,600	78,054	20,546	98,600	0
Total - Fiscal Year 2007	\$ 37,230,948	\$ 33,179,859	\$ 3,997,546	\$ 37,177,405	\$ 53,543

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

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LIMITED SCOPE COMPLIANCE EXAMINATION
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Years Ended June 30,

	FISCAL YEAR		
	2008	2007	2006
	P.A. 95-0348	P.A. 94-0798	P.A. 94-0015
GENERAL REVENUE FUND - 001			
Appropriations (net of transfers)	\$ 41,779,700	\$ 37,230,948	\$ 34,681,100
EXPENDITURES			
Personal services	\$ 18,090,996	\$ 16,504,031	\$ 16,160,718
Employee retirement contributions paid by employer	0	0	207,506
Student, member and inmate compensation	170,629	146,250	169,070
State contributions to State Employees' Retirement System	3,000,768	1,904,664	1,260,661
State contributions to Social Security	1,343,030	1,222,969	1,199,684
Contractual services	16,783,199	15,906,043	14,345,026
Travel	17,576	14,363	13,451
Travel and allowances for committed, paroled and discharged prisoners	4,584	3,204	0
Commodities	1,489,619	1,235,063	1,140,348
Printing	14,757	13,870	13,187
Equipment	26,370	6,910	16,697
Telecommunications services	78,500	121,438	58,047
Operation of automotive equipment	101,273	98,600	69,692
Total Expenditures	<u>\$ 41,121,301</u>	<u>\$ 37,177,405</u>	<u>\$ 34,654,087</u>
LAPSED BALANCES	<u>\$ 658,399</u>	<u>\$ 53,543</u>	<u>\$ 27,013</u>

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

The locally held funds of the Center are grouped into two fund categories, Governmental and Fiduciary funds. These are non-appropriated funds with the exception of the Travel and Allowance Revolving Fund, which is an appropriated fund. The funds are not held in the State Treasury and are described as follows:

1. Governmental Funds

General Revenue Fund

The Travel and Allowance Revolving Fund is a cash imprest fund located at the Center and is used to provide cash for travel and allowances for discharged inmates and to pay out inmate Trust Fund balances under \$50 upon inmates being paroled or discharged. The Travel and Allowance Revolving Fund is replenished from the Center's Inmate Trust Fund. The Center's Inmate Trust Fund account is reimbursed from the General Revenue Fund appropriation on a monthly basis upon submission of a duly authorized voucher.

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The Center maintains two special revenue funds.

The Residents' Commissary Fund is used to maintain stores for selling food, candy, health and beauty aids and other personal items. The Residents' Commissary sells solely to inmates. Profits derived from commissary sales are allocated 60% to pay the wages and benefits of employees who work at the commissaries and 40% to the Residents' Benefit Fund for sales from the Residents' Commissary.

Residents' Benefit Fund and Employees' Benefit Fund are used to provide entertainment and recreational activities and equipment for inmates and employees. The Employees' Benefit Fund can also be used to provide travel expense reimbursement for correctional officers while travel vouchers are being processed. Beginning in fiscal year 2006 the locally held Resident's Benefit Fund account at each Center was closed and the balance transferred to a single locally held Residents' Benefit Fund bank account administered by the General Office. The Center has a sub-account within the Residents' Benefit Fund account at the General Office that records their specific transactions.

Expenditures from the Residents' Benefit Fund are initiated at the Center but all the transactions are processed through the General Office. All of the financial accounting for the Center's Residents' Benefit Fund transactions are also performed and maintained at the General Office. Because the Center does not maintain the financial records a summary of the Center's Residents'

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LIMITED SCOPE COMPLIANCE EXAMINATION
DESCRIPTION OF LOCALLY HELD FUNDS
For the Two Years Ended June 30, 2008

Benefit Fund activity for fiscal years 2008 and 2007 will be presented in the General Office Compliance Report for the two years ending June 30, 2008.

2. Fiduciary Fund

Agency Fund

An agency fund is used to account for assets held as the agent for others. The Center maintains one such fund, the Residents' Trust Fund. The Residents' Trust Fund is maintained as a depository for funds of inmates while incarcerated at the Center. Receipts and disbursements of the inmates are recorded in each inmate's individual account within the Residents' Trust Fund.

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
SHERIDAN CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
SCHEDULE OF LOCALLY HELD FUNDS - SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2008

	Residents' Commissary Fund	Employees' Benefit Fund
	<u> </u>	<u> </u>
<u>REVENUES</u>		
Income from Sales	\$ 883,028	\$ 17,584
Interest / Investment Income	988	45
Miscellaneous:		
Other	0	0
Donations	0	0
Total Revenues	<u>884,016</u>	<u>17,629</u>
<u>EXPENDITURES</u>		
Purchases	720,126	0
General and Administrative	2,650	0
Contractual	0	0
Equipment	171	159
Donations	0	0
Other	450	16,982
Total Expenditures	<u>723,397</u>	<u>17,141</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>160,619</u>	<u>488</u>
<u>OTHER FINANCING SOURCES</u>		
Transfers In	0	0
Transfers (Out)	<u>(160,619)</u>	<u>0</u>
Total Other Financing Sources	<u>(160,619)</u>	<u>0</u>
Net Change in Fund Balance	0	488
Fund Balance July 1, 2007	0	1,039
Fund Balance June 30, 2008	<u>\$ 0</u>	<u>\$ 1,527</u>

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

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
SHERIDAN CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
SCHEDULE OF LOCALLY HELD FUNDS - SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2007

	Residents' Commissary Fund	Employees' Benefit Fund
	<u> </u>	<u> </u>
<u>REVENUES</u>		
Income from Sales	\$ 698,820	\$ 15,464
Interest / Investment Income	849	43
Miscellaneous:		
Other	221	0
Donations	0	0
Total Revenues	<u>699,890</u>	<u>15,507</u>
<u>EXPENDITURES</u>		
Purchases	567,780	0
General and Administrative	3,791	0
Contractual	0	500
Equipment	7,178	543
Donations	0	0
Other	366	15,935
Total Expenditures	<u>579,115</u>	<u>16,978</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>120,775</u>	<u>(1,471)</u>
<u>OTHER FINANCING SOURCES</u>		
Transfers In	0	0
Transfers (Out)	<u>(120,775)</u>	<u>0</u>
Total Other Financing Sources	<u>(120,775)</u>	<u>0</u>
Net Change in Fund Balance	0	(1,471)
Fund Balance July 1, 2006	0	2,510
Fund Balance June 30, 2007	<u>\$ 0</u>	<u>\$ 1,039</u>

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

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

	2008		2007	
	Travel and Allowance Rev. Fund	Residents' Trust Fund	Travel and Allowance Rev. Fund	Residents' Trust Fund
Balance - July 1	\$ 0	\$ 61,797	\$ 309	\$ 54,170
Receipts	0	0	0	0
Investment Income	0	292	0	303
Inmate Account Receipts	0	797,172	0	624,638
Appropriations from General Revenue Fund	0 4,584	0 0	0 3,204	0 0
TOTAL RECEIPTS	4,584	797,464	3,204	624,941
Disbursements				
Inmate Account Disbursements	0	906,119	0	718,637
Disbursements for released inmates	0 4,584	0 77,333	0 3,513	0 62,023
TOTAL DISBURSEMENTS	4,584	983,452	3,513	780,660
Fund Transfers				
Fund Transfers In	0	187,105	0	163,346
Fund Transfers (Out)	0	0	0	0
TOTAL TRANSFERS	0	187,105	0	163,346
Balance - June 30	\$ 0	\$ 62,914	\$ 0	\$ 61,797

Note: Schedule is presented on the cash basis of accounting

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
SHERIDAN CORRECTIONAL CENTER
 LIMITED SCOPE COMPLIANCE EXAMINATION
 SCHEDULE OF CHANGES IN STATE PROPERTY
 (NOT EXAMINED)

For the Years Ended June 30,

	2008				2007					
	Land	Land Improvements	Buildings	Equipment	Total	Land	Land Improvements	Buildings	Equipment	Total
Balance, beginning	\$ 26,433	\$ 2,086,868	\$ 53,542,396	\$ 3,130,885	\$ 58,786,582	\$ 26,433	\$ 2,012,272	\$ 53,360,657	\$ 3,010,564	\$ 58,409,926
Additions:										
Purchases				48,534	48,534		74,596		2,325	76,921
Transfers-in				264,324	264,324			181,739	11,899	11,899
Capital Development Board		394,657	228,512		623,168				144,171	325,910
Employees' Benefit Fund				159	159				543	543
Residents' Commissary Fund				171	171				7,178	7,178
Residents' Benefit Fund					0				1,674	1,674
Donations					0					0
Grants					0					0
Adjustments					0					0
Total Additions	0	394,657	228,512	313,188	936,356	0	74,596	181,739	167,790	424,125
Deductions:										
Transfers-out										
Scrap property				43,781	43,781				42,080	42,080
Surplus property				90,385	90,385				5,389	5,389
Condemned and lost property				0	0				0	0
Adjustment					0					0
Total Deductions	0	0	0	134,166	134,166	0	0	0	47,469	47,469
Balance, ending	\$ 26,433	\$ 2,481,525	\$ 53,770,908	\$ 3,309,907	\$ 59,588,772	\$ 26,433	\$ 2,086,868	\$ 53,542,396	\$ 3,130,885	\$ 58,786,582

Note: Center management indicated the balances at June 30, 2008 and 2007 have been reconciled to the property reports submitted to the Office of the Comptroller.

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
SHERIDAN CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
COMPARATIVE SCHEDULE OF CASH RECEIPTS AND DEPOSITS
(NOT EXAMINED)
For the Years Ended June 30,

	FISCAL YEAR		
	2008	2007	2006
<u>RECEIPTS</u>			
Jury Duty	\$ 10	\$ 16	\$ 705
Inmate Restitution	9,900	8,485	0
Dormant Inmate Accounts	0	0	5,986
Funeral Furlough	0	0	0
Staff Witness Fees	0	0	0
Contraband Cash	0	2,676	0
Copying Fees	0	0	25
Miscellaneous	1,626	40	35
TOTAL RECEIPTS	\$ 11,536	\$ 11,217	\$ 6,751
<u>REMITTANCES</u>			
General Revenue Fund - 001	\$ 1,636	\$ 2,732	\$ 740
Department of Corrections Reimbursement Fund - 523	9,900	8,485	6,011
TOTAL RECEIPTS REMITTED DIRECTLY TO STATE TREASURER	\$ 11,536	\$ 11,217	\$ 6,751
<u>DEPOSITS</u>			
Receipts recorded by Center	\$ 1,636	\$ 2,732	\$ 740
Add: Deposits in transit - Beginning of year	40	42	26
Deduct: Deposits in transit - End of year	(110)	(40)	(42)
DEPOSITS RECORDED BY THE STATE COMPTROLLER	\$ 1,566	\$ 2,734	\$ 724

Note: The Deposits reconciliation section of this schedule is a reconciliation of the Center's General Revenue Fund receipts to the Comptroller's General Revenue Fund deposits only. The Comptroller's records do not provide a detail breakdown of deposits into the Department of Corrections Reimbursement Fund #523 by Center.

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

Fiscal Year 2008

A comparative schedule of significant variations in expenditures (20% or more) for the fiscal years ended June 30, 2008 and June 30, 2007 are shown below:

<u>EXPENDITURE ITEM</u>	<u>FISCAL YEAR ENDED JUNE 30</u>		<u>INCREASE (DECREASE)</u>	
	<u>2008</u>	<u>2007</u>	<u>AMOUNT</u>	<u>%</u>
State contributions to State Employees' Retirement System	\$3,000,768	\$1,904,664	\$1,096,10	58%
Travel	\$17,576	\$14,363	\$3,21	22%
Travel and allowance for committed, paroled and discharged prisoners	\$4,584	\$3,204	\$1,38	43%
Commodities	\$1,489,619	\$1,235,063	\$254,55	21%
Equipment	\$26,370	\$6,910	\$19,46	282%
Telecommunications services	\$78,500	\$121,438	(\$42,93	(35%)

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

State contributions to State Employees' Retirement System

The increase in State contributions to State employees' retirement system was due to the overall State employee retirement rate increasing from 11.525% in fiscal year 2007 to 16.561% in fiscal year 2008.

Travel

The increase in travel expenditures was due an increase in inmate population requiring transportation in fiscal year 2008.

Travel and allowance for committed, paroled and discharged prisoners

The increase in travel and allowances expenditures was due to an increase in inmate population requiring travel transportation.

Commodities

The increase in commodities expenditures was due to an anticipated increase in inmate population that did not materialize. Since food is ordered months in advance there was an increase in food expenditures totaling \$211, 743 (27%).

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

Fiscal Year 2008 - continued

Equipment

The increase in equipment expenditures was due to the Center purchasing a replacement X-ray machine for the mail totaling \$22,550.

Telecommunications services

The decrease in telecommunications services expenditures was due to the Center receiving instructions by Department of Corrections – Central Office to pay approximately \$31,000 of fiscal year 2006 expenses with fiscal year 2007 appropriations.

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

Fiscal Year 2007

A comparative schedule of significant variations in expenditures (20% or more) for the fiscal years ended June 30, 2007 and June 30, 2006 are shown below:

<u>EXPENDITURE ITEM</u>	<u>FISCAL YEAR ENDED JUNE 30</u>		<u>INCREASE (DECREASE)</u>	
	<u>2007</u>	<u>2006</u>	<u>AMOUNT</u>	<u>%</u>
Employee retirement contributions paid by employer	\$0	\$207,506	(\$207,50	(100%)
State contributions to State Employees' Retirement System	\$1,904,664	\$1,260,661	\$644,00	51%
Travel and allowance for committed, paroled and discharged prisoners	\$3,204	\$0	\$3,20	100%
Equipment	\$6,910	\$16,697	(\$9,78	(59%)
Telecommunications services	\$121,438	\$58,047	\$63,39	109%
Operation of automotive equipment	\$98,600	\$69,692	\$28,90	41%

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

Employee retirement contributions paid by employer

The decrease in employee retirement contributions paid by employer was due to the State discontinuing contributions in fiscal year 2007.

State contributions to State Employees' Retirement System

The increase in State contributions to State Employees' Retirement System was due to the contribution percentage increasing from 7.792% in fiscal year 2006 to 11.525% in fiscal year 2007.

Travel and allowance for committed, paroled and discharged prisoners

The increase in travel and allowances expenditures was due to the Center resuming vouchering in fiscal year 2007 after the depletion of the travel and allowance fund in fiscal year 2006.

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SHERIDAN CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2008

Fiscal Year 2007 - continued

Equipment

The decrease in equipment expenditures was due to the Center receiving instructions by Department of Corrections – Central Office to make only absolutely necessary purchases from this line item to make funds available for other line items. As a result, equipment expenditures made in fiscal year 2007 were lower.

Telecommunications services

The increase in telecommunications services expenditures was due to the Center receiving instructions by Department of Corrections – Central Office to pay approximately \$31,000 of fiscal year 2006 expenses with fiscal year 2007 appropriations.

Operation of automotive equipment

The increase in operation of automotive equipment expenditures was due to the Center receiving instructions by Department of Corrections – Central Office to pay approximately \$15,000 of fiscal year 2006 expenses with fiscal year 2007 appropriations.

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SHERIDAN CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Two Years Ended June 30, 2008

Fiscal Year 2008

Our testing of lapse period expenditures for fiscal year ended June 30, 2008 disclosed one appropriation line item with significant (20% or more) lapse period expenditures, as scheduled below:

<u>EXPENDITURE ITEM</u>	<u>Fiscal Year Ended June 30, 2008</u>		
	<u>TOTAL EXPENDITURES</u>	<u>LAPSE PERIOD EXPENDITURES</u>	<u>PERCENTAGE</u>
Printing	\$14,757	\$4,722	32%

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

Printing

The lapse period expenditures of printing were due to processing delays. Expenditures could not be paid until award documentation was received from Department of Central Management Services.

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ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Two Years Ended June 30, 2008

Fiscal Year 2007

Our testing of lapse period expenditures for fiscal year ended June 30, 2007 disclosed four appropriation line items with significant (20% or more) lapse period expenditures, as scheduled below:

<u>EXPENDITURE ITEM</u>	<u>Fiscal Year Ended June 30, 2007</u>		
	<u>TOTAL EXPENDITURES</u>	<u>LAPSE PERIOD EXPENDITURES</u>	<u>PERCENTAGE</u>
Equipment	\$6,910	\$5,673	82%
Telecommunications services	\$121,438	\$51,293	42%
Operation of automotive equipment	\$98,600	\$20,546	21%

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

Equipment

The lapse period expenditures of equipment was due to the Center receiving instructions by Department of Corrections – Central Office to make only absolutely necessary purchases from this line item to make funds available for other line items. As a result, a majority of equipment expenditures made in fiscal year 2007 were made close to year-end and paid during the lapse period. Lapse expenditures included pallets for \$2,091 and filing cabinets for \$3,582.

Telecommunications services

The lapse period expenditures of telecommunications services was due to the Center receiving instructions by Department of Corrections – Central Office to wait until year-end to pay outstanding fiscal year 2007 obligations totaling \$51,293 until lapse period.

Operation of automotive equipment

The lapse period expenditures of operation of automotive equipment was due to the Center receiving instructions by Department of Corrections – Central Office to wait until year-end to pay outstanding fiscal year 2007 obligations totaling \$12,189 until lapse period.

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SHERIDAN CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
SCHEDULE OF CHANGES IN INVENTORIES
(NOT EXAMINED)
Two Years Ended June 30, 2008

	Balance <u>July 1, 2007</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2008</u>
GENERAL REVENUE FUND				
Mechanical Stores	\$ 3,969	\$ 103,828	\$ 102,761	\$ 5,036
Resident/Inmate Clothing	71,956	179,122	158,005	93,073
Officers' Clothing	0	12,403	12,403	0
Kitchen	82,182	980,752	905,324	157,610
Other Stores	45,503	331,179	272,495	104,187
Postage	3,719	11,000	11,681	3,038
	<u>\$ 207,329</u>	<u>\$ 1,618,284</u>	<u>\$ 1,462,669</u>	<u>\$ 362,944</u>
LOCAL FUNDS				
Employees' Benefit Fund	\$ 6,554	\$ 92,267	\$ 91,715	\$ 7,106
Residents' Commissary Fund	150,784	999,502	995,938	154,348
	<u>\$ 157,338</u>	<u>\$ 1,091,769</u>	<u>\$ 1,087,653</u>	<u>\$ 161,454</u>
	Balance <u>July 1, 2006</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2007</u>
GENERAL REVENUE FUND				
Mechanical Stores	\$ 7,677	\$ 1,406	\$ 5,114	\$ 3,969
Resident Clothing	91,290	52,130	71,464	71,956
Officers' Clothing	0	29,164	29,164	0
Kitchen	80,769	130,473	129,060	82,182
Other Stores	86,386	25,924	66,807	45,503
Postage	4,700	10,900	11,881	3,719
	<u>\$ 270,822</u>	<u>\$ 249,997</u>	<u>\$ 313,490</u>	<u>\$ 207,329</u>
LOCAL FUNDS				
Employees' Benefit Fund	\$ 4,642	\$ 87,431	\$ 85,519	\$ 6,554
Residents' Commissary Fund	139,490	786,941	775,647	150,784
	<u>\$ 144,132</u>	<u>\$ 874,372</u>	<u>\$ 861,166</u>	<u>\$ 157,338</u>

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

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SHERIDAN CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2008

CENTER FUNCTIONS AND PLANNING PROGRAM

Introduction

The Sheridan Correctional Center reopened on January 2004, as a specialized drug and alcohol rehabilitation facility to curb the trend of Illinois' growing prison population and to reduce high recidivism rates of Illinois offenders. Through the use of a modified Therapeutic Community approach, education, and job preparation, inmates are helped during their stay at Sheridan and in reintegration back into the community.

On January 2, 2004, Governor Rod R. Blagojevich announced the reopening of the Center as the largest fully dedicated State drug prison and community crime reduction program in the nation. The Center housed 929 inmates as of May 31, 2008.

Function

Per Unified Code of Corrections (730 ILCS 5/3-2-2), the Center is "to accept persons committed to it by the courts of this State for care, custody, treatment and rehabilitation." In addition, Center officials strive to create an environment which provides the individual a humane and secure incarceration consistent with judicial decisions.

The programs and services provided by the Center are designed to return appropriate offenders to the community with the skills and attitudes necessary to become useful and productive citizens.

Programs and services are provided in the areas of education, recreation, vocation, medicine, religion, and counseling, including a large formal substance abuse counseling program. Educational programs include remedial, general education development, adult basic education and college level courses provided by the Illinois Valley Community College. Recreational activities include intramural athletics and library services. Medical, religious and counseling services are available to inmates through professionals employed by the Center in each field.

Center Planning Program

The Center's planning process was developed and implemented within the context of the Department of Corrections' overall planning program. During the examination period, the Center followed the procedures formulated by the Department of Corrections in the Institutional Directives.

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

AVERAGE NUMBER OF EMPLOYEES

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

	Fiscal Year Ending June 30,		
	<u>2008</u>	<u>2007</u>	<u>2006</u>
Administrative	7	7	7
Business office and stores	13	12	15
Clinical services	18	20	21
Work Camp	0	0	0
Recreation	1	1	1
Maintenance	15	15	15
Utilities	0	0	0
Laundry	2	2	2
Correctional Officers	199	202	209
Dietary	11	11	11
Medical/Psychiatric	9	8	8
Religion	2	2	2
Secretary/Records/Clerical	0	0	0
Total	<u>277</u>	<u>280</u>	<u>291</u>

An analysis of the activity regarding the changes in staffing of correctional officers, prepared from Center records, is presented in the table below for the fiscal years ending June 30.

	Fiscal Year	
	<u>2008</u>	<u>2007</u>
Correctional Officers, beginning of the year	200	209
New Correctional Officers hired	0	0
Correctional Officers transferred-in	4	5
Correctional Officers transferred-out	0	6
Correctional Officers separated from Department	4	8
Correctional Officers, end of the year	<u>200</u>	<u>200</u>

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

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SHERIDAN CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2008

EMPLOYEE OVERTIME (not examined)

Certain employees are eligible for overtime if the hours worked during a day exceed the employees standard work hours. Correctional Officers receive a ¼-hour of overtime for each day they stand for roll call. The roll call overtime is paid at straight time for all but Correctional Lieutenants who receive 1 ½ times normal pay.

Overtime is to be distributed as equally as possible among employees who normally perform the work in the position in which the overtime is needed. An employees' supervisor must approve any overtime. In most cases, except for roll call, employees are compensated at 1 ½ times their normal hourly rate for overtime hours worked. Employees have the opportunity to be compensated either in pay for the overtime or receive compensatory time off.

The following table, prepared from Department records presents the paid overtime and earned compensatory time incurred for the last three fiscal years, ended June 30:

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Paid overtime hours worked during fiscal year	<u>37,407</u>	<u>21,277</u>	<u>23,754</u>
Value of overtime hours worked during fiscal year	<u>\$1,515,068</u>	<u>\$828,721</u>	<u>\$851,195</u>
Compensatory hours earned during fiscal year	<u>13,487</u>	<u>11,663</u>	<u>11,744</u>
Value of compensatory hours earned during fiscal year	<u>\$380,805</u>	<u>\$316,078</u>	<u>\$297,427</u>
Total paid overtime hours and earned compensatory hours during fiscal year	<u>50,894</u>	<u>32,940</u>	<u>35,498</u>
Total value of paid overtime hours and earned compensatory hours during fiscal year	<u>\$1,895,873</u>	<u>\$1,144,799</u>	<u>\$1,148,622</u>

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INMATE COMMISSARY OPERATION

The Center operates a commissary for the benefit of the inmates. The commissary purchases goods from outside vendors and then retails the items to the inmates. The commissary purchases goods at wholesale prices where possible.

Effective January 1, 2004 the Unified Code of Corrections, 730 ILCS 5/3-7-2a, was amended to change the mark-up of cost on the goods purchased for resale in the commissary. Effective January 1, 2004 the selling price for all goods shall be sufficient to cover the cost of the goods and an additional charge of up to 35% for tobacco products and up to 25% for non-tobacco products. Effective January 1, 2008 the inmate commissaries at all Centers discontinued selling tobacco products.

The financial transactions of the Inmate Commissary are recorded in the Residents' Commissary Fund. A summary of the financial activity of the Residents' Commissary Fund for the years ended June 30, 2008 and 2007 are presented on pages 23 and 24 of this report.

As part of our testing 25 inmate commissary products were selected and their sale price recomputed to determine compliance with the Unified Code of Corrections regarding the statutorily required mark-up. As a result of our testing we noted 25 inmate commissary products (100%) were marked-up an additional 7% above the statutorily required mark-up.

SHARED RESOURCES (not examined)

The following staff function was paid by the Center but performed at another Center during fiscal year 2007 and 2008 as follows:

<u>Staff function</u>	<u>Center Name</u>	<u>% Time Spent</u>
Painter	IYC – Joliet	12%
Lieutenant	S.O.R.T.	95%

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CENTER INMATE STATISTICS (not examined)

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

	Fiscal Year		
	<u>2008</u>	<u>2007</u>	<u>2006</u>
Rated population	<u>1,304</u>	<u>1,304</u>	<u>974</u>
Inmate population (as of May 31)	<u>929</u>	<u>948</u>	<u>854</u>
Average number of inmates	<u>943</u>	<u>808</u>	<u>857</u>
Expenditures from appropriations	\$41,121,301	\$37,177,405	\$34,654,087
Less-equipment and capital improvements	<u>26,370</u>	<u>6,910</u>	<u>16,697</u>
Net expenditures	<u>\$41,094,931</u>	<u>\$37,170,495</u>	<u>\$34,637,390</u>
Net inmate cost per year	<u>\$ 43,579</u>	<u>\$ 46,003</u>	<u>\$ 40,417</u>

Net expenditures for computing net inmate cost per year represent total expenditures from appropriations less equipment expenditures divided by average number of inmates.

The rated population and inmate population noted above was taken from the Department of Corrections quarterly reports to the State legislature.

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CENTER EMPLOYEE STATISTICS (not examined)

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Average number of employees	<u>277</u>	<u>280</u>	<u>291</u>
Average number of correctional officers	<u>199</u>	<u>202</u>	<u>209</u>
Average number of inmates	<u>943</u>	<u>808</u>	<u>857</u>
Ratio of employees to inmates	<u>1 to 3.4</u>	<u>1 to 2.9</u>	<u>1 to 2.9</u>
Ratio of correctional officers to inmates	<u>1 to 4.7</u>	<u>1 to 4.0</u>	<u>1 to 4.1</u>

The following comparison of reported inmate assaults on staff is prepared from Department of Corrections records for the fiscal years ending June 30:

	<u>Fiscal Year</u>	
	<u>2008</u>	<u>2007</u>
Number of assaults on staff	3	5

CELL SQUARE FEET PER INMATE (not examined)

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Approximate Square Foot Per Inmate	<u>67</u>	<u>65</u>	<u>57</u>

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FOOD SERVICES (not examined)

The following table, prepared from the Center records, summarizes the number of meals served and the average cost per meal.

	Fiscal Year		
	<u>2008</u>	<u>2007</u>	<u>2006</u>
Breakfast	104,446	100,800	110,262
Lunch	334,500	305,600	330,786
Dinner	334,000	305,000	330,786
1:00 a.m. meal	0	0	0
Staff meals	70,122	66,000	60,320
Vocational School Meals	<u>15,000</u>	<u>18,000</u>	<u>23,400</u>
Total Meals Served	<u>858,068</u>	<u>795,400</u>	<u>855,554</u>
Food Cost	<u>\$ 910,913</u>	<u>\$ 838,650</u>	<u>\$848,843</u>
Cost Per Meal	<u>\$ 1.06</u>	<u>\$ 1.05</u>	<u>\$ 0.99</u>

MEDICAL AND CLERGY SERVICE CONTRACTS (not examined)

The following table, prepared from Center records, summarizes what was paid to vendors for medical and clergy contractual services for fiscal years 2008, 2007 and 2006.

	Fiscal Year		
	<u>2008</u>	<u>2007</u>	<u>2006</u>
Medical Services:			
Wexford Health Service, Inc.	\$1,919,073	\$2,020,783	\$1,120,691
Health Professionals LTD	0	0	980,110
Chicago Consulting Physicians	0	400	0
DeKalb County	<u>800</u>	<u>0</u>	<u>0</u>
Total -	<u>\$1,919,873</u>	<u>\$2,021,183</u>	<u>\$2,100,801</u>
Clergy Services:			
Total -	<u>*</u>	<u>*</u>	<u>*</u>

*Center stated that clergy services for fiscal year 2008, 2007, and 2006 were paid by the Department of Corrections – Central Office.

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SERVICE EFFORTS AND ACCOMPLISHMENTS (not examined)

The following mission statement has been established by the Warden's Office at Sheridan Correctional Center:

- Protect the public through incarceration and to provide a safe, secure environment in which men can receive state of the art substance abuse treatment services through a therapeutic community model, which integrates job preparation programming, clinical re-entry management services, and community re-integration. The reduction of recidivism, restoration of justice, and individual recovery are key elements of the program.

The following goals were established by the Center during the examination period:

- Provide state of the art substance abuse treatment programming to all offenders of the Sheridan Correctional Center.
- Work in partnership with staff and offenders to create a therapeutic environment.
- Increase substance abuse awareness on behalf of the staff and the offenders at Sheridan Correctional Center.
- Improve substance abuse treatment outcomes for those offenders involved in substance abuse treatment at Sheridan Correctional Center.
- Increase the amount of offenders involved in substance abuse treatment continuing care/aftercare services in the community.
- Decrease the amount of recidivism for substance abuse violators.
- Improve the treatment outcomes for Sheridan paroling offenders.

The Center also sets long-term and short-term goals for renovating and updating property and equipment. Projects are submitted to the Department of Corrections for approval.

Goals are assessed through periodic accreditation reviews, employee performance evaluations, and updating goals at least annually.