

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
VANDALIA CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION

For the Two Years Ended June 30, 2006

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

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

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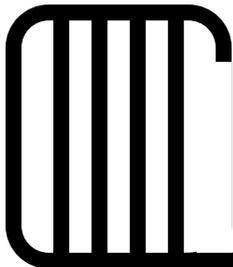
STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
VANDALIA CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2006

CENTER OFFICIALS

Warden	Mr. Steve Mensing
Assistant Warden - Programs	Ms. Patricia West
Assistant Warden - Operations	Mr. Gregory Schwartz
Acting Business Office Administrator	Ms. Belinda Francois

The Center is located at:

Vandalia Correctional Center
Rt. 51 North
P.O. Box 500
Vandalia, IL 62471



Illinois
Department of
Corrections

Rod R. Blagojevich
Governor

Roger E. Walker Jr.
Director

Vandalia Correctional Center / Rt. 51 North / P.O. Box 500 / Vandalia, IL 62471 / Telephone: (618) 283-4170 / TDD: (800) 526-0844

MANAGEMENT ASSERTION LETTER

September 29, 2006

Glass & Shuffett, Ltd.
Certified Public Accountants
1819 W. McCord, Box 489
Centralia, IL 62801

Ladies and Gentlemen:

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 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, 2006. Based on this evaluation, we assert that during the years ended June 30, 2006, and June 30, 2005, 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,

Vandalia Correctional Center

Steve Mensing, Warden

Belinda Francois, Acting Business Office Administrator

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

COMPLIANCE REPORT

SUMMARY

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

ACCOUNTANTS' REPORT

The Independent Accountants' Report on State Compliance, on Internal Control Over Compliance and on Supplementary Information for State Compliance Purposes relates only to those chapters of the "Audit Guide for Performing Financial Audits and Compliance Attestation Examinations of Illinois State Agencies" (*Audit Guide*) which are identified in the report as having compliance testing performed.

SUMMARY OF FINDINGS

<u>Number of</u>	<u>This Report</u>	<u>Prior Report</u>
Findings	1	1
Repeated findings	0	1
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>
06-1	9	Lack of segregation of duties

PRIOR FINDINGS NOT REPEATED

<u>Item No.</u>	<u>Page</u>	<u>Description</u>
06-2	10	Failure to collect debt owed to the State

EXIT CONFERENCE

“Center management waived an exit conference per a letter dated December 28, 2006.” Response to the recommendation was provided by Mary Ann Bohlen, Accounting Manager with the Department of Corrections, Division of Finance and Administration in a letter dated December 27, 2006.

GLASS AND SHUFFETT, LTD.

Certified Public Accountants

1819 West McCord

P.O. Box 489

Centralia, Illinois 62881

(618) 532-5683

FAX (618) 5684618

Associate Office

961 Fairfax

P.O. Box 322

Carlyle, Illinois 62231

594-4737

Members:
American Institute of
Certified Public Accountants
Illinois Society of
Certified Public Accountants

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

Honorable William G. Holland
Auditor General
State of Illinois

Compliance

As Special Assistant Auditors for the Auditor General, we performed a limited scope compliance examination of the State of Illinois Department of Corrections - Vandalia Correctional Center's compliance with the requirements listed below, as more fully described in the Audit Guide for Performing Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (*Audit Guide*) as adopted by the Auditor General, during the two years ended June 30, 2006. The management of the State of Illinois Department of Corrections - Vandalia Correctional Center is responsible for compliance with these requirements. Our responsibility is to express an opinion on the State of Illinois Department of Corrections - Vandalia Correctional Center's compliance based on our examination.

- A. The State of Illinois Department of Corrections - Vandalia 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 - Vandalia 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 - Vandalia Correctional Center has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. The State revenues and receipts collected by the State of Illinois Department of Corrections - Vandalia 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 - Vandalia Correctional Center on behalf of the State or held in trust by the State of Illinois Department of Corrections - Vandalia Correctional Center have been properly and legally administered and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

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

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

The areas of the *Audit Guide* not examined at the Center have had procedures performed on a Department-wide basis through the compliance examination of the Department's General Office, and accordingly, any findings from the results of those procedures have been included in the Department of Corrections - General Office compliance report. We have also performed certain procedures with respect to the accounting records of the Center to assist in the performance of the Auditor General's financial statement audit of the entire Department of Corrections for the year ended June 30, 2006. The results of these additional procedures have been communicated to the Department of Corrections - General Office auditors.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the Illinois State Auditing Act (Act); and the *Audit Guide* as adopted by the Auditor General pursuant to the Act; and, accordingly, included examining, on a test basis, evidence about the State of Illinois Department of Corrections - Vandalia 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 - Vandalia Correctional Center's compliance with specified requirements.

In our opinion, the State of Illinois Department of Corrections - Vandalia Correctional Center complied, in all material respects, with the aforementioned requirements during the two years ended June 30, 2006.

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

Internal Control

The management of the State of Illinois Department of Corrections - Vandalia Correctional Center is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws and regulations. In planning and performing our limited scope compliance examination, we considered the State of Illinois Department of Corrections - Vandalia Correctional Center's internal control over compliance with the aforementioned requirements in order to determine our examination procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the *Audit Guide*, issued by the Illinois Office of the Auditor General. We have also performed certain procedures with respect to the accounting records of the Center to assist in the performance of the Auditor General's financial statement audit of the entire Department of Corrections for the year ended June 30, 2006. The results of these additional procedures have been communicated to the Department of Corrections - General Office auditors.

Our consideration of internal control over compliance with the aforementioned requirements would not necessarily disclose all matters in internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws and regulations that would be material in relation to one or more of the aforementioned requirements being examined may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over compliance that we consider to be material weaknesses. However, the results of our procedures disclosed another matter involving internal control which is required to be reported in accordance with criteria established by the *Audit Guide*, issued by the Illinois Office of the Auditor General and which is described in the accompanying Schedule of Findings as finding 06-1.

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

Supplementary Information for State Compliance Purposes

Our examination was conducted for the purpose of forming an opinion on compliance with the requirements listed in the first paragraph of this report. The accompanying supplementary information as listed in the table of contents as Supplementary Information for State Compliance Purposes is presented for purposes of additional analysis. We have applied certain limited procedures as prescribed by the *Audit Guide*, as adopted by the Auditor General to the 2006 and 2005 Supplementary Information for State Compliance Purposes, except for the information on the Comparative Schedule of Cash Receipts, and Deposits, the Employee Overtime, the Annual Cost Statistics and Service Efforts and Accomplishments on which we did not perform any procedures. However, we do not express an opinion on the supplementary information.

We have not applied procedures to the 2004 Supplementary Information for State Compliance Purposes, and accordingly, we do not express an opinion thereon.

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

Glass & Shuffett, Ltd.

September 29, 2006

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

Current Findings

06-1 Finding - Lack of Adequate Segregation of Duties

The Center's procedures for handling cash removed from debit card machines did not provide for an effective segregation of duties.

The responsibility of collecting cash from the machines, counting and verifying the cash received to reports generated from the machines, preparing of receipt forms and deposit slips, and depositing the funds collected were all performed by one individual.

Good business practices requires the Center to maintain adequate segregation of duties in order to help ensure the safeguarding of assets, prevent improper expenditures, ensure the accuracy and reliability of accounting data, and promote operational efficiency.

Center personnel had assigned responsibility to another individual to agree the deposit amount to the receipt copy but failed to realize that the machine totals were not being independently verified.

A lack of segregation of duties increases the possibility that an irregularity could occur and would not be found in the normal course of business. Cash received through the debit card machines during fiscal years 2006 and 2005 totaled \$234,649 and \$119,414, respectively. (Finding Code 06-01)

Recommendation

We recommend the Center provide an adequate segregation of duties over debit card cash receipts. An employee independent of cash collection and depositing functions should be assigned responsibility to reconcile debit card system sales reports to actual cash received, deposited, and postings to the general ledger.

Center Response

Recommendation implemented. The facility has reassigned the duty of reconciling cash collected to an employee not responsible to collect the cash.

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

Prior Findings Not Repeated

06-2 Finding:

The Center failed to follow prescribed procedures to timely collect a debt owed to the State.

Disposition:

Recommendation implemented. The Center received payment in full of the outstanding debt on November 3, 2004. (Finding Code 04-1)

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

SUMMARY

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

Fiscal Schedules and Analysis:

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

Analysis of Operations:

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

The accountants' report on the Supplementary Information for State Compliance Purposes presented in the Compliance Report Section states the auditors have applied certain limited procedures as prescribed by the *Audit Guide*, as adopted by the Auditor General to the 2006 and 2005 Supplementary Information for State Compliance Purposes, except for the information on the Comparative Schedule of Cash Receipts and Deposits, the Employee Overtime, the Annual Cost Statistics and Service Efforts and Accomplishments on which they did not perform any procedures. However, the auditors do not express an opinion on the supplementary information. The auditors have not applied procedures to the 2004 Supplementary Information for State Compliance Purposes, and accordingly, do not express an opinion thereon.

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

	APPROPRIATIONS NET OF TRANSFERS	EXPENDITURES THROUGH JUNE 30, 2006	LAPSE PERIOD EXPENDITURES JULY 1 TO AUGUST 31, 2006	TOTAL EXPENDITURES 14 MONTHS ENDED AUGUST 31, 2006	BALANCES LAFSED AUGUST 31, 2006
	\$ 21,070,200	\$ 20,020,539	\$ 1,031,694	\$ 21,052,233	\$ 17,967
Personal services					
Employee retirement contributions paid by employer	271,600	271,413	-	271,413	187
Student, member and inmate compensation	340,100	311,552	28,513	340,065	35
State contributions to State Employees' Retirement System	1,640,700	1,559,871	80,465	1,640,336	364
State contributions to Social Security	1,553,600	1,476,853	76,659	1,553,512	88
Contractual services	4,005,400	3,190,445	814,182	4,004,627	773
Travel	5,800	5,490	221	5,711	89
Travel and allowances for committed, paroled and discharged prisoners	27,800	24,806	2,951	27,757	43
Commodities	1,990,400	1,921,980	68,344	1,990,324	76
Printing	15,400	15,132	257	15,389	11
Equipment	11,200	1,329	9,793	11,122	78
Telecommunications services	53,800	53,737	-	53,737	63
Operation of automotive equipment	130,600	115,078	15,486	130,564	36
	\$ 31,116,600	\$ 28,968,225	\$ 2,128,565	\$ 31,096,790	\$ 19,810
Total - Fiscal Year 2006					

PUBLIC ACT 94-0015

GENERAL REVENUE FUND - 001

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

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
VANDALIA CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Fiscal Year Ended June 30, 2005

	APPROPRIATIONS NET OF TRANSFERS	EXPENDITURES THROUGH JUNE 30, 2005	LAPSE PERIOD EXPENDITURES JULY 1 TO AUGUST 31, 2005	TOTAL EXPENDITURES 14 MONTHS ENDED AUGUST 31, 2005	BALANCES LAPSED AUGUST 31, 2005
PUBLIC ACT 93-0842 & 93-0681					
<u>GENERAL REVENUE FUND - 001</u>					
Personal services	\$ 21,274,100	\$ 20,176,669	\$ 1,025,720	\$ 21,202,389	\$ 71,711
Employee retirement contributions paid by employer	43,623	43,622	-	43,622	1
Student, member and inmate compensation	280,000	236,608	26,676	263,284	16,716
State contributions to State Employees' Retirement System	3,307,000	3,134,510	161,001	3,295,511	11,489
State contributions to Social Security	1,513,800	1,430,528	74,095	1,504,623	9,177
Contractual services	3,679,500	3,116,665	543,136	3,659,801	19,699
Travel	16,300	3,913	372	4,285	12,015
Travel and allowances for committed, paroled and discharged prisoners	3,400	3,358	-	3,358	42
Commodities	1,796,900	1,595,889	167,902	1,763,791	33,109
Printing	22,900	16,750	390	17,140	5,760
Equipment	-	-	-	-	-
Telecommunications services	98,300	73,147	23,295	96,442	1,858
Operation of automotive equipment	122,800	101,697	16,979	118,676	4,124
Total - Fiscal Year 2005	\$ 32,158,623	\$ 29,933,356	\$ 2,039,566	\$ 31,972,922	\$ 185,701

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

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
VANDALIA CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Fiscal Years Ended June 30,

	FISCAL YEAR		
	2006	2005	2004
	P.A. 94-0015	P.A. 93-0842 & 93-0681	P.A. 93-0091
GENERAL REVENUE FUND - 001			
Appropriations (net of transfers)	\$ 31,116,600	\$ 32,158,623	\$ 34,149,900
EXPENDITURES			
Personal services	21,052,233	21,202,389	20,556,030
Employee retirement contributions paid by employer	271,413	43,622	1,817,860
Student, member and inmate compensation	340,065	263,284	359,381
State contributions to State Employees' Retirement System	1,640,336	3,295,511	1,060,221
State contributions to Social Security	1,553,512	1,504,623	1,510,879
Contractual services	4,004,627	3,659,801	4,278,202
Travel	5,711	4,285	10,500
Travel and allowances for committed, paroled and discharged prisoners	27,757	3,358	22,954
Commodities	1,990,324	1,763,791	2,564,814
Printing	15,389	17,140	14,113
Equipment	11,122	-	11,204
Telecommunications services	53,737	96,442	88,757
Operation of automotive equipment	130,564	118,676	115,378
Total Expenditures	\$ 31,096,790	\$ 31,972,922	\$ 32,410,293
LAPSED BALANCES	\$ 19,810	\$ 185,701	\$ 1,739,607

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

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

1. Governmental Funds

General Revenue Fund

The Travel and Allowance Revolving Fund is a cash imprest fund located at the Center and is used to provide travel and allowances for discharged residents/inmates. The Travel and Allowance Revolving Fund is replenished from the Center's General Revenue Fund appropriation on a monthly basis upon submission of a duly authorized voucher.

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. Most Centers maintain four special revenue funds.

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

Residents' Benefit Fund and Employees' Benefit Fund are used to provide entertainment and recreational activities for residents and employees. The Employees' Benefit Fund is also used to provide travel expense reimbursement for correctional officers while travel vouchers are being processed. During fiscal year 2006 the accounting and expenditure processing of the Residents' Benefit Fund were transferred to the Department of Corrections General Office.

2. Fiduciary Fund

Agency Fund

An agency fund is used to account for assets held as the agent for others. The Center maintains one such fund, the Residents' Trust Fund which is a depository for the residents' money. The Residents' Trust Fund is used to account for the receipts and disbursements of the resident's individual accounts.

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

	Employees' Commissary Fund	Residents' Commissary Fund	Employees' Benefit Fund	Residents' Benefit Fund (Not Examined)
<u>REVENUES</u>				
Income from Sales	\$ 87,992	\$ 1,196,694	\$ 5,656	\$ -
Interest/Investment Income	67	873	19	1,116
Miscellaneous				
Entry Fees	-	-	1,591	-
Other	1,096	-	6,970	6,872
Total Revenues	<u>89,155</u>	<u>1,197,567</u>	<u>14,236</u>	<u>7,988</u>
<u>EXPENDITURES</u>				
Purchases	81,303	965,212	-	-
General and Administrative	-	-	-	21,529
Contractual	-	-	3,042	18,130
Sponsored Events	-	-	7,384	-
Donations	-	-	175	-
Equipment	-	-	-	3,571
Other	2,365	6,229	5,699	-
Total Expenditures	<u>83,668</u>	<u>971,441</u>	<u>16,300</u>	<u>43,230</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>5,487</u>	<u>226,126</u>	<u>(2,064)</u>	<u>(35,242)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	-	-	1,099	91,662
Transfers Out	5,487	226,126	-	-
Total Other Financing Sources (Uses)	<u>(5,487)</u>	<u>(226,126)</u>	<u>1,099</u>	<u>91,662</u>
Net Change in Fund Balance	-	-	(965)	56,420
Fund Balance July 1, 2005	<u>-</u>	<u>-</u>	<u>8,892</u>	<u>170,325</u>
Fund Balance June 30, 2006	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,927</u>	<u>\$ 226,745</u>

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

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

	Employees' Commissary Fund	Residents' Commissary Fund	Employees' Benefit Fund	Residents' Benefit Fund
<u>REVENUES</u>				
Income from Sales	\$ 74,659	\$ 823,086	\$ 6,027	\$ 9,015
Investment Income	45	575	32	216
Miscellaneous				
Entry Fees	-	-	1,468	-
Write Out Income	-	-	-	28,457
Other	1,707	-	9,627	113
Total Revenues	<u>76,411</u>	<u>823,661</u>	<u>17,154</u>	<u>37,801</u>
<u>EXPENDITURES</u>				
Purchases	68,031	653,253	-	765
General and Administrative	-	-	-	3,002
Contractual	-	-	5,134	35,869
Sponsored Events	-	-	12,778	-
Non-operating Expenses	-	-	-	7,740
Equipment	-	-	60	30,262
Donations	-	-	2,766	-
Write Out Expense	-	-	-	29,850
Other	2,359	5,957	9,435	32,986
Total Expenditures	<u>70,390</u>	<u>659,210</u>	<u>30,173</u>	<u>140,474</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>6,021</u>	<u>164,451</u>	<u>(13,019)</u>	<u>(102,673)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	-	-	2,408	66,370
Transfers Out	6,021	164,451	-	-
Total Other Financing Sources (Uses)	<u>(6,021)</u>	<u>(164,451)</u>	<u>2,408</u>	<u>66,370</u>
Net Change in Fund Balance	-	-	(10,611)	(36,303)
Fund Balance July 1, 2004	<u>-</u>	<u>-</u>	<u>19,503</u>	<u>206,628</u>
Fund Balance June 30, 2005	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,892</u>	<u>\$ 170,325</u>

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

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

	2005		2006	
	Travel and Allowance Rev. Fund	Residents' Trust Fund	Travel and Allowance Rev. Fund	Residents' Trust Fund
Balance - July 1	\$ 16,153	\$ 35,239	\$ 1,139	\$ 42,852
Receipts				
Investment Income	-	589	-	1,212
Inmate Account Receipts	-	1,210,774	-	1,682,201
Appropriations from General Revenue Fund	30,142	-	85	-
TOTAL RECEIPTS	<u>30,142</u>	<u>1,211,363</u>	<u>85</u>	<u>1,683,413</u>
Disbursements				
Inmate Account Disbursements	-	1,203,161	-	1,644,875
Disbursements for Released Inmates	45,156	-	1,224	-
TOTAL DISBURSEMENTS	<u>45,156</u>	<u>1,203,161</u>	<u>1,224</u>	<u>1,644,875</u>
Fund Transfers				
Fund Transfers In	-	-	-	-
Fund Transfers (Out)	-	(589)	-	(1,212)
TOTAL TRANSFERS	<u>-</u>	<u>(589)</u>	<u>-</u>	<u>(1,212)</u>
Balance - June 30	<u>\$ 1,139</u>	<u>\$ 42,852</u>	<u>\$ -</u>	<u>\$ 80,178</u>

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

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

	2006					2005				
	Land	Buildings	Equipment	Land Improvements	Total	Land	Buildings	Equipment	Land Improvements	Total
Balance, beginning	\$ 4,707,542	\$ 28,980,150	\$ 3,434,523	-	\$ 37,122,215	\$ 4,707,542	\$ 28,980,150	\$ 3,420,448	-	\$ 37,108,140
Additions:										
Purchases	-	-	4,024	-	4,024	-	-	-	-	-
Capital Lease	-	-	22,704	-	22,704	-	-	-	-	-
Transfers-in:										
Intra-agency	-	-	136,400	-	136,400	-	-	93,089	-	93,089
Employees' Commissary Fund	-	-	-	-	-	-	-	-	-	-
Residents' Benefit Fund	-	-	6,784	-	6,784	-	-	27,026	-	27,026
Donations	-	-	-	-	-	-	-	3,736	-	3,736
Adjustments	-	-	-	-	-	-	-	299	-	299
Total Additions	-	-	169,912	-	169,912	-	-	124,150	-	124,150
Deductions:										
Transfers-out:										
Intra-agency	-	-	97,933	-	97,933	-	-	31,569	-	31,569
Scrap property	-	-	34,936	-	34,936	-	-	58,687	-	58,687
Surplus property	-	-	12,891	-	12,891	-	-	19,819	-	19,819
Demolished	-	113,910	-	-	113,910	-	-	-	-	-
Traded-In	-	-	14,175	-	14,175	-	-	-	-	-
Adjustment	-	-	-	-	-	-	-	-	-	-
Total Deductions	-	113,910	159,935	-	273,845	-	-	110,075	-	110,075
Balance, ending	\$ 4,707,542	\$ 28,866,240	\$ 3,444,500	-	\$ 37,018,282	\$ 4,707,542	\$ 28,980,150	\$ 3,434,523	-	\$ 37,122,215

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

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

	FISCAL YEAR		
	2006	2005	2004
<u>RECEIPTS</u>			
Jury Duty	\$ 256	\$ 275	\$ 356
Dormant Inmate Accounts	1,154	-	-
Contraband Cash	-	495	-
Funeral Furlough	791	2,550	6,053
Medical Services	-	-	11,701
Repayment of Lump Sum	-	2,137	-
Postage	-	-	8,431
Inmate Restitution	13,610	17,701	5,865
Miscellaneous	-	51	174
TOTAL RECEIPTS	<u>\$ 15,811</u>	<u>\$ 23,209</u>	<u>\$ 32,580</u>
<u>REMITTANCES</u>			
General Revenue Fund - 001	\$ 1,410	\$ 2,490	\$ 2,781
Department of Corrections Reimbursement Fund - 523	14,401	20,719	29,799
TOTAL RECEIPTS REMITTED DIRECTLY TO STATE TREASURER	<u>\$ 15,811</u>	<u>\$ 23,209</u>	<u>\$ 32,580</u>
<u>DEPOSITS</u>			
Receipts recorded by Center	\$ 1,410	\$ 2,490	\$ 2,781
Add: Deposits in transit - Beginning of year	35	821	-
Deduct: Deposits in transit - End of year	<u>(266)</u>	<u>(35)</u>	<u>(821)</u>
DEPOSITS RECORDED BY THE STATE COMPTROLLER	<u>\$ 1,179</u>	<u>\$ 3,276</u>	<u>\$ 1,960</u>

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

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

Fiscal Year 2006

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

<u>EXPENDITURE ITEM</u>	<u>FISCAL YEAR ENDED JUNE 30</u>		<u>INCREASE (DECREASE)</u>	
	<u>2006</u>	<u>2005</u>	<u>AMOUNT</u>	<u>%</u>
Employee Retirement Contributions				
Paid by Employer	\$ 271,413	\$ 43,622	\$227,791	522.19%
Student, Member and Inmate				
Compensation	340,065	263,284	76,781	29.16%
State Contributions to State				
Employees Retirement System	1,640,336	3,295,511	(1,655,175)	(50.23)%
Travel	5,711	4,285	1,426	33.28%
Travel and Allowance for				
Committed, Paroled, and				
Discharged Prisoners	27,757	3,358	24,399	726.59%
Equipment	11,122	-	11,122	100.00%
Telecommunications Services	53,737	96,442	(42,705)	(44.28)%

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

Employee Retirement Contributions Paid by Employer

This appropriation was virtually eliminated for fiscal year 2005. Employee retirement contributions that were paid from this appropriation were charged to Personal Services in fiscal year 2005. Only a small amount was paid by the State in fiscal year 2006, as per union contract.

Student, Member and Inmate Compensation

The increase in student, member and inmate compensation was attributed to a higher inmate population in fiscal year 2006.

State Contributions to State Employees Retirement System

The significant decrease in State retirement contributions resulted from a decrease in the required employer contribution rate from 16.107% in fiscal year 2005 to 7.792% in fiscal year 2006.

Travel

Due to budgetary constraints, travel expenditures were kept at a minimum in fiscal year 2005. Some travel for mandatory training was put off until fiscal year 2006.

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

Travel and Allowances for Committed, Paroled and Discharged Prisoners

The Center utilized its discontinued travel and allowance imprest fund to pay for travel and allowances in fiscal year 2005. In fiscal year 2006, travel and allowances were vouchered from the Center's travel and allowance appropriation. Also, due to a higher inmate population, more travel and allowances were incurred in fiscal year 2006.

Equipment

Equipment expenditures are based on an amount allocated to each Center from the General Office. No money was allocated in fiscal year 2005.

Telecommunications Services

Telecommunications charges from the State Telecommunications Revolving Fund for the last quarter of fiscal year 2006 were not paid until fiscal year 2007 resulting in the significant decrease in telecommunications expenditures.

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

Fiscal Year 2005

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

<u>EXPENDITURE ITEM</u>	<u>FISCAL YEAR ENDED JUNE 30</u>		<u>INCREASE (DECREASE)</u>	
	<u>2005</u>	<u>2004</u>	<u>AMOUNT</u>	<u>%</u>
Employee Retirement Contributions				
Paid by Employer	\$ 43,622	\$1,817,860	\$(1,774,238)	(97.60)%
Student, Member and Inmate				
Compensation	263,284	359,381	(96,097)	(26.74)%
State Contributions to State				
Employees Retirement System	3,295,511	1,060,221	2,235,290	210.83%
Travel	4,285	10,500	(6,215)	(59.19)%
Travel and Allowances for				
Committed, Paroled and				
Discharged Prisoners	3,358	22,954	(19,596)	(85.37)%
Commodities	1,763,791	2,564,814	(801,023)	(31.23)%
Printing	17,140	14,113	3,027	21.45%
Equipment	-	11,204	(11,204)	(100.00)%

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

Employee Retirement Contributions Paid by Employer

This appropriation was virtually eliminated for fiscal year 2005. Employee retirement contributions that were paid from this appropriation were charged to Personal Services in fiscal year 2005.

Student, Member and Inmate Compensation

The decrease in student, member and inmate compensation was attributed to lower inmate population in fiscal year 2005.

State Contributions to State Employees Retirement System

The significant increase in State retirement contributions was the result of an increase in the required employer contribution rate from 13.439% in fiscal year 2004 to 16.107% in fiscal year 2005. Also, in fiscal year 2004, the State did not pay contributions for the last four months of the year.

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

Travel

The significant decrease in travel expenditures in fiscal year 2005 was the result of budgetary constraints requiring a reduction of discretionary travel.

Travel and Allowances for Committed, Paroled and Discharged Prisoners

In fiscal year 2005, the Center's imprest fund that was used to provide travel and allowances was discontinued. The balance of the fund was spent down in fiscal year 2005, in lieu of requesting funds from the appropriation.

Commodities

Commodities expenditures decreased significantly in fiscal year 2005 due to a lower inmate population.

Printing

Due to budgetary constraints and uncertainties regarding the possible closure of the facility at June 30, 2004, orders for printing supplies were delayed until the next year.

Equipment

Equipment expenditures are based on an amount allocated to each Center from the General Office. No equipment monies were approved for expenditure in fiscal year 2005.

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

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

<u>EXPENDITURE ITEM</u>	<u>Fiscal Year Ended June 30, 2006</u>		
	<u>TOTAL EXPENDITURES</u>	<u>LAPSE PERIOD EXPENDITURES</u>	<u>PERCENTAGE</u>
Contractual Services	\$4,004,627	\$ 814,182	20.33%
Equipment	11,122	9,793	88.05%

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

Contractual Services

The Center's medical contract requires adjustments based on the level of inmates served and types of services provided, resulting in significant payments in the lapse period.

Equipment

Purchases of equipment were delayed until the end of the year pending availability of funds.

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

Our testing of lapse period expenditures for fiscal year ended June 30, 2005, disclosed 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, 2005</u>		
	<u>TOTAL EXPENDITURES</u>	<u>LAPSE PERIOD EXPENDITURES</u>	<u>PERCENTAGE</u>
Telecommunications Services	\$96,442	\$ 23,295	24.15%

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

Telecommunications Services

Lapse period spending was due to timing of billings from the Department of Central Management Services for telecommunications services used during the fiscal year.

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

	Balance July 1, 2005	Additions	Deletions	Balance June 30, 2006
GENERAL REVENUE FUND				
General Stores	\$ 242,094	\$ 1,720,606	\$ 1,734,271	\$ 228,429
Mechanical Stores	183,502	276,578	295,255	164,825
Resident Clothing	94,978	204,859	214,597	85,240
Officers' Clothing	2,600	21,259	21,420	2,439
Office Supplies	1,207	24,593	24,634	1,166
Postage	6,119	20,013	24,256	1,876
Surplus Inventory	8,016	-	-	8,016
	<u>\$ 538,516</u>	<u>\$ 2,267,908</u>	<u>\$ 2,314,433</u>	<u>\$ 491,991</u>

LOCAL FUNDS

Employees' Commissary Fund	\$ 6,166	\$ 79,849	\$ 81,303	\$ 4,712
Residents' Commissary Fund	62,705	979,478	965,212	76,971
	<u>\$ 68,871</u>	<u>\$ 1,059,327</u>	<u>\$ 1,046,515</u>	<u>\$ 81,683</u>

	Balance July 1, 2004	Additions	Deletions	Balance June 30, 2005
--	-------------------------	-----------	-----------	--------------------------

GENERAL REVENUE FUND

General Stores	\$ 253,374	\$ 1,437,203	\$ 1,448,483	\$ 242,094
Mechanical Stores	185,042	276,123	277,663	183,502
Resident Clothing	80,284	215,900	201,206	94,978
Officers' Clothing	2,759	12,067	12,226	2,600
Office Supplies	3,174	32,317	34,284	1,207
Postage	16,573	18,600	29,054	6,119
Surplus Inventory	17,623	2,789	12,396	8,016
	<u>\$ 558,829</u>	<u>\$ 1,994,999</u>	<u>\$ 2,015,312</u>	<u>\$ 538,516</u>

LOCAL FUNDS

Employees' Commissary Fund	\$ 3,848	\$ 70,349	\$ 68,031	\$ 6,166
Residents' Commissary Fund	55,696	660,262	653,253	62,705
	<u>\$ 59,544</u>	<u>\$ 730,611</u>	<u>\$ 721,284</u>	<u>\$ 68,871</u>

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

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

CENTER FUNCTIONS AND PLANNING PROGRAM

The Vandalia Correctional Center is a minimum security correctional institution for adult male offenders, which opened in 1921 and is located on 1,715 acres of land in Vandalia, Illinois. In 1980, the Center opened a work camp, which housed up to 50 inmates, and was expanded in 1996 to a 400 bed site. Inmates at the work camp provide services such as mowing, clean-up projects, and public service projects on institutional grounds and to nearby state and local governmental agencies and nonprofit organizations.

The Center was last accredited in 1999 by the Commission on Accreditation for Corrections of the American Correctional Association for a three-year period.

Authority

The Unified Code of Corrections (Chapter 730 ILCS 5/3-2-2) mandates the Department to “accept persons committed to it by the courts of this State for care, custody, treatment and rehabilitation”. Within this framework, the Department offers the residents a variety of programs designed to return them to the community with skills to make them useful and productive citizens. These programs include GED classes, vocational training and Junior College level academic courses offered by Correctional School District #428. In addition, the Department strives to create a healthful environment by providing a variety of services such as medical, dental, religious, counseling and library services as well as recreation programs.

Planning Program

The Center has established formal written long and short-term goals with respect to its functions and programs. The formal plan contains a statement concerning the Center’s operational and program philosophy. In accordance with this philosophy, the Center has established specific intentions and objectives with which to achieve each goal.

On an annual basis, key personnel responsible for implementation meet to update the plan, assess progress in the attainment of goals and objectives previously established, and to determine if plans are being implemented in accordance with the time schedule set forth. The annual goals and objectives of the administrative staff, as well as department heads, are formulated to comply with the Center’s functions and planning program. The goals and objectives of these employees are reviewed and revised as necessary on a quarterly basis.

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

CENTER FUNCTIONS AND PLANNING PROGRAM (CONTINUED)

Our discussions with Center personnel indicated that alternative approaches are considered in developing goals and objectives, and that plans adopted are geared to authorizing legislation and the needs of State citizens. Center officials feel their goals and objectives are coordinated with those of other Centers providing similar services and that considerable progress has been made at implementing programs pursuant to plans.

Auditors' Assessment of Center's Planning Program

Vandalia Correctional Center appears to be effectively using their planning program to improve their current management of the Center and has established adequate operating programs to meet their defined goals and objectives.

Agency Head and Location

Steve Mensing, Warden
Vandalia Correctional Center
Rt. 51 North
P.O. Box 500
Vandalia, IL 62471

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

AVERAGE NUMBER OF EMPLOYEES

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

	Fiscal Year		
	2006	2005	2004
Administrative	7	7	6
Business office and stores	12	12	17
Clinical services	16	15	13
Work Camp	20	23	23
Recreation	2	2	3
Maintenance	12	12	13
Utilities	8	7	4
Laundry	1	1	1
Correctional Officers	305	312	334
Dietary	10	12	10
Medical/Psychiatric	13	13	12
Religion	1	1	1
Total	<u>407</u>	<u>417</u>	<u>437</u>

EMPLOYEE OVERTIME (not examined)

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

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

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

EMPLOYEE OVERTIME (cont.)

The following table, prepared from Department records presents the paid overtime and earned compensatory time incurred during the fiscal year 2006 and 2005.

	<u>2006</u>	<u>2005</u>
Paid overtime hours worked during fiscal year	<u>3,703</u>	<u>9,085</u>
Value of overtime hours worked during fiscal year	<u>146,953</u>	<u>\$287,445</u>
Compensatory hours earned during fiscal year	<u>11,141</u>	<u>6,967</u>
Value of compensatory hours earned during fiscal year	<u>\$292,575</u>	<u>\$169,592</u>
Total paid overtime hours earned compensatory hours during fiscal year	<u>14,844</u>	<u>16,052</u>
Total value of paid overtime hours and earned compensatory hours during fiscal year	<u>\$439,528</u>	<u>\$457,037</u>

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.

The financial transactions of the Inmate commissary are recorded in the Residents' Commissary Fund. A summary of the financial activity of the Residents' Commissary Fund for the years ended June 30, 2006 and 2005 are presented on pages 16 and 17 of this report.

As part of our testing, 50 inmate commissary products were selected and their sale price recomputed to determine compliance with the Unified Code of Corrections regarding the statutorily required mark-up. As a result of our testing we noted that all 50 inmate commissary products tested were marked up the required amount.

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

COSTS PER YEAR PER INMATE (not examined)

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

	Fiscal Year		
	<u>2006</u>	<u>2005</u>	<u>2004</u>
Rated population	<u>1,100</u>	<u>1,100</u>	<u>1,100</u>
Inmate population (as of May 31)	<u>1,505</u>	<u>1,445</u>	<u>1,133</u>
Average number of inmates	<u>1,488</u>	<u>1,106</u>	<u>1,436</u>
Expenditures from appropriations	\$31,096,790	\$31,972,922	\$32,410,293
Less-equipment and capital improvements	<u>11,122</u>	<u>-</u>	<u>11,204</u>
Net expenditures	<u>\$31,085,668</u>	<u>\$31,972,922</u>	<u>\$32,399,089</u>
Net inmate cost per year	<u>\$ 20,890</u>	<u>\$ 28,909</u>	<u>\$ 22,562</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 Illinois Department of Corrections' quarterly reports to the State legislature.

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

RATIO OF EMPLOYEES TO INMATES (not examined)

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

	<u>2006</u>	<u>2005</u>	<u>2004</u>
Average number of employees	<u>407</u>	<u>417</u>	<u>437</u>
Average number of correction officers	<u>305</u>	<u>312</u>	<u>334</u>
Average number of inmates	<u>1,488</u>	<u>1,106</u>	<u>1,436</u>
Ratio of employees to inmates	<u>1 to 3.7</u>	<u>1 to 2.7</u>	<u>1 to 3.3</u>
Ratio of correctional officer to inmates	<u>1 to 4.9</u>	<u>1 to 3.5</u>	<u>1 to 4.3</u>

CELL SQUARE FEET PER INMATE (not examined)

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

	<u>2006</u>	<u>2005</u>	<u>2004</u>
Approximate Square Foot Per Inmate	<u>28</u>	<u>30</u>	<u>38</u>

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

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		
	2006	2005	2004
Breakfast	196,138	179,519	219,302
Lunch	471,470	449,291	482,465
Dinner	346,764	342,884	382,795
Staff Meals	147,966	145,967	163,644
Vocational School Meals	4,432	4,367	4,949
Total Meals Served	<u>1,166,770</u>	<u>1,122,028</u>	<u>1,253,155</u>
Food Cost	<u>\$1,470,700</u>	<u>\$1,192,985</u>	<u>\$1,891,379</u>
Cost Per Meal	<u>\$1.26</u>	<u>\$1.06</u>	<u>\$1.51</u>

MEDICAL AND CLERGY SERVICE CONTRACTS (not examined)

The following table, prepared from Center records, summarizes what was paid to vendors for medical and clergy contractual services for fiscal years 2006, 2005 and 2004.

	Fiscal Year		
	2006	2005	2004
Medical Services:			
Wexford Health Services	\$ -	\$ 625,419	\$ 2,376,632
Health Professionals, Ltd.	<u>1,808,287</u>	<u>966,999</u>	<u>-</u>
	<u>\$1,808,287</u>	<u>\$1,592,418</u>	<u>\$2,376,632</u>
Clergy Services:			
Masjid Wali Hasan	\$ 3,141	\$ 7,163	\$ 7,119
Lubabitch Chedar	<u>540</u>	<u>1,125</u>	<u>1,375</u>
	<u>\$ 3,681</u>	<u>\$ 8,288</u>	<u>\$ 8,494</u>

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ANALYSIS OF OPERATIONS
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SERVICE EFFORTS AND ACCOMPLISHMENTS (not examined)

	FISCAL YEAR		
	2006	2005	2004
WORK CAMP SERVICES			
Days of Work Completed by Residents:			
Outside Institution	17,770	20,716	20,708
Inside Institution	8,767	8,321	8,362
	<u>26,537</u>	<u>29,037</u>	<u>29,070</u>
Total Days of Work Completed			
	<u><u>26,537</u></u>	<u><u>29,037</u></u>	<u><u>29,070</u></u>
Outside Institution:			
Hours of Work Performed by Entity Type:			
Disaster	444	-	576
Governmental Agencies	44,480	66,244	55,578
Local & State Parks	23,449	27,724	36,781
Non-Profit	29,908	21,063	21,842
Highway	1,890	3,510	9,129
Youth Services	973	3,513	339
Special Projects	5,480	2,244	-
	<u>106,624</u>	<u>124,298</u>	<u>124,245</u>
Total Hours of Work Performed			
	<u>106,624</u>	<u>124,298</u>	<u>124,245</u>
Inside Institution:			
	<u>52,602</u>	<u>49,930</u>	<u>62,715</u>
Total Hours of Work Performed			
	<u>52,602</u>	<u>49,930</u>	<u>62,715</u>
Total Hours of Work Camp Services			
	<u><u>159,226</u></u>	<u><u>174,228</u></u>	<u><u>186,960</u></u>

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SERVICE EFFORTS AND ACCOMPLISHMENTS (not examined) - Continued

	FISCAL YEAR		
	2006	2005	2004
CLINICAL SERVICES			
Work Release Applications Processed	3,002	3,086	3,118
Transfer Reports Processed	1,159	1,182	1,198
Mandatory Supervisory Release Placements	2,463	2,482	2,525
HEALTH CARE UNIT SERVICES			
Inmates Seen for Treatment, Sick Call, Etc.	36,008	26,572	19,130
On Site Specialty Services (Clinics, Dental, Etc.)	7,334	4,542	2,519
EDUCATIONAL SERVICES			
Full and Part Time Students Served	2,377	2,079	1,760
Inmates Receiving GED Certificate	93	45	139
Inmates Receiving College Vocational Certificates	74	69	77
Inmates Receiving Associate Degrees	-	-	12
WORK CAMP AND GARDEN HOUSE			
Value of Fresh Garden Vegetable Grown and Provided for Daily Meals	\$ 32,497	\$ 32,355	\$ 33,125