
REPORT DIGEST

ILLINOIS SCHOOL FOR THE VISUALLY IMPAIRED

LIMITED SCOPE COMPLIANCE EXAMINATION

For the Two Years Ended:
June 30, 2009

Summary of Findings:

Total this report	2
Total last report	3
Repeated from last audit	0

Release Date:
June 29, 2010



State of Illinois
Office of the Auditor General
WILLIAM G. HOLLAND
AUDITOR GENERAL

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SYNOPSIS

- ◆ The School does not have an acceptable commodities inventory valuation method.
- ◆ The School prepared and submitted inaccurate Locally Held Fund Reports to the Office of the State Comptroller.

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

**FINDING, CONCLUSIONS AND
RECOMMENDATION**

UNACCEPTABLE INVENTORY VALUATION

The Illinois School for the Visually Impaired (School) does not have an acceptable commodities inventory valuation method.

All of the School's commodities inventory on hand are valued at the most recent purchase price, which is not an acceptable valuation method. As a result, we could not determine whether the June 30, 2009 commodities inventory values were reasonable. (Finding 1, page 9)

We recommended the School establish an acceptable method for valuing its commodities inventory to help maintain accurate inventory records as required by the Statewide Accounting Management System.

Officials agreed with our recommendation and stated the School will work on replacing the current inventory system with the Commodity Control System that the Department of Human Services is currently using.

Could not determine June 30, 2009 inventory balances were reasonable

Officials agree with Auditor recommendation

INADEQUATE CONTROLS OVER LOCALLY HELD FUNDS

The Illinois School for the Visually Impaired (School) prepared and submitted inaccurate June 30, 2008 and 2009 Locally Held Funds Reports (C-17 Reports) to the Office of the State Comptroller.

We noted the following errors with the Locally Held Fund Reports submitted to the Office of the State Comptroller:

- The June 30, 2008 DHS/DORS Agency Fund C-17 Report overstated receipts \$4,162 and overstated disbursements \$4,345 and the DHS/DORS Special Revenue Fund overstated receipts \$3,425 and overstated disbursements \$3,212. The receipts and disbursements in both funds were overstated due to the School including DHS/DORS Special Revenue

June 2008 and 2009 receipts and disbursements overstated due to the School recording refunds as receipts instead of a reduction of disbursements

Fund transactions in with the Agency Fund transactions. In addition, the School records cash refunds as a receipt instead of recognizing the refund as a reduction of disbursements.

- The June 30, 2009 DHS/DORS Agency Fund C-17 Report overstated receipts \$1,494 and overstated disbursements \$1,560 and the DHS/DORS Special Revenue Fund overstated receipts \$5,001 and overstated disbursements \$4,982. The receipts and disbursements in both funds were overstated due to the School recording cash refunds as a receipt instead of recognizing the refund as a reduction of disbursements. (Finding 2, pages 10-11)
- The June 30, 2008 DHS/DORS Permanent Trust Fund receipts were not reported correctly. The School recorded a donation totaling \$113,835 as investment income instead of a private donation on the C-17 Report.

\$113,835 recorded as interest instead of private donations

We recommended the School strengthen its controls over the reporting of locally held funds maintained by the School by ensuring all funds are properly reported to the Office of the State Comptroller as required by SAMS.

Officials agree with Auditor recommendation

Officials agreed with our recommendation and stated the School will implement a system to only record the actual amount expended during the fiscal year from locally held funds. This process will start on the next Report of Receipts and Disbursements for Locally Held Funds (C-17 Report) due in January 2010 for quarter ending 12/31/09.

AUDITORS' OPINION

We conducted a limited scope compliance examination of the School as required by the Illinois State Auditing Act. Financial statements will be presented in the report for the Department of Human Services.

STATE COMPLIANCE EXAMINATION –
ACCOUNTANTS' REPORT

The auditors qualified their report on State Compliance for finding 09-1. Except for the noncompliance described in this finding, the auditors state the School complied, in all material respects, with the requirements described in the report.

WILLIAM G. HOLLAND, Auditor General

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AUDITORS ASSIGNED

This examination was performed by the Office of the Auditor General's staff.

