

# REPORT DIGEST

REGIONAL OFFICE OF  
EDUCATION #12

CLAY/CRAWFORD/  
JASPER/LAWRENCE/  
RICHLAND COUNTIES

FINANCIAL AUDIT  
(In accordance with the  
Single Audit Act and OMB  
Circular A-133)

For the Year Ended:  
June 30, 2009

### Summary of Findings:

Total this audit	1
Total last audit	2
Repeated from last audit	0

Release Date:  
March 30, 2010



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

To obtain a copy of the Report contact:  
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740 E. Ash Street  
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## SYNOPSIS

- The Regional Office of Education #12 did not have sufficient internal controls over the financial reporting process.

{Expenditures and Revenues are summarized on the reverse page.}

**REGIONAL OFFICE OF EDUCATION #12**  
**CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES**

**FINANCIAL AUDIT**  
**(In Accordance with the Single Audit Act and OMB Circular A-133)**  
**For The Year Ended June 30, 2009**

	<b>FY 2009</b>	<b>FY 2008</b>
<b>TOTAL REVENUES</b>	\$3,204,684	\$3,164,343
Local Sources	\$546,923	\$581,245
% of Total Revenues	17.07%	18.37%
State Sources	\$2,178,116	\$2,221,813
% of Total Revenues	67.97%	70.21%
Federal Sources	\$479,645	\$361,285
% of Total Revenues	14.97%	11.42%
<b>TOTAL EXPENDITURES</b>	\$3,087,253	\$2,901,501
Salaries and Benefits	\$1,830,541	\$1,695,972
% of Total Expenditures	59.29%	58.45%
Purchased Services	\$961,181	\$899,829
% of Total Expenditures	31.13%	31.01%
All Other Expenditures	\$295,531	\$305,700
% of Total Expenditures	9.57%	10.54%
<b>TOTAL NET ASSETS</b>	\$1,161,675	\$1,044,244
<b>INVESTMENT IN CAPITAL ASSETS</b>	\$92,571	\$87,125
Percentages may not add due to rounding.		

<b>REGIONAL SUPERINTENDENT</b>
During Audit Period: Honorable Carol Steinman Currently: Honorable Carol Steinman

## FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

### LACK OF SEGREGATION OF DUTIES

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**The Regional Office of Education #12 did not have sufficient internal controls over the financial reporting process.**

The Regional Office of Education #12 did not have sufficient internal controls over the financial reporting process. The Regional Office is required to maintain a system of controls, including segregation of duties, over the financial reporting process to be able to initiate, authorize, record, process, and report financial data reliably in accordance with generally accepted accounting principles (GAAP).

Auditors noted the following deficiencies in internal control:

- An individual independent of the cash receipt, disbursement, and entry into the accounting system did not receive bank statements unopened and review them for any unusual items.
- There was no reconciliation of pre-numbered receipts to the related deposit slip or bank receipt by an individual independent of the receipt and posting process.

Management or employees in the normal course of performing their assigned functions may not prevent or detect financial statement misstatements or possible fraudulent activity in a timely manner. Regional Office officials were not aware that the design of these processes constituted a lack of segregation of duties and deficiencies in internal control. (Finding 09-1, pages 12a-12b)

Auditors recommended that an individual independent of the cash receipt, disbursement, and entry into the accounting system should open bank statements and review them for any unusual items. Auditors also recommended that an individual independent of the cash receipt function should reconcile pre-numbered receipts to the related deposit slip and bank receipt.

The Regional Office of Education #12 responded that it has already implemented changes to internal controls to address the financial statement findings.

**AUDITORS' OPINION**

Our auditors state the Regional Office of Education #12's financial statements as of June 30, 2009 are fairly presented in all material respects.

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WILLIAM G. HOLLAND, Auditor General

WGH:JRB

**SPECIAL ASSISTANT AUDITORS**

Our special assistant auditors were Kemper CPA Group, LLC.