

REPORT DIGEST

REGIONAL OFFICE OF
EDUCATION #34

LAKE COUNTY

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	1
Repeated from last audit	1

Release Date:
November 18, 2010



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

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SYNOPSIS

- During their review of Regional Office of Education #34's expenditures, auditors noted one of eighteen (6%) program consultants did not have a contract on file.

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

REGIONAL OFFICE OF EDUCATION #34
LAKE COUNTY

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

	FY 2009	FY 2008
TOTAL REVENUES	\$6,840,745	\$6,069,731
Local Sources	\$1,980,780	\$1,725,886
% of Total Revenues	28.96%	28.43%
State Sources	\$3,485,234	\$3,494,066
% of Total Revenues	50.95%	57.57%
Federal Sources	\$1,374,731	\$849,779
% of Total Revenues	20.10%	14.00%
TOTAL EXPENDITURES	\$6,520,295	\$5,887,905
Salaries and Benefits	\$2,775,649	\$2,705,414
% of Total Expenditures	42.57%	45.95%
Purchased Services	\$1,128,889	\$1,674,866
% of Total Expenditures	17.31%	28.45%
All Other Expenditures	\$2,615,757	\$1,507,625
% of Total Expenditures	40.12%	25.61%
TOTAL NET ASSETS	\$2,623,486	\$2,303,036
INVESTMENT IN CAPITAL ASSETS	\$11,532	\$12,266
Percentages may not add due to rounding.		

REGIONAL SUPERINTENDENT
During Audit Period: Honorable Roycealee Wood
Currently: Honorable Roycealee Wood

FINDINGS, CONCLUSIONS AND
RECOMMENDATIONS

**INADEQUATE CONTROLS OVER PURCHASED
SERVICES EXPENDITURES**

During their review of expenditures, auditors noted one of eighteen (6%) program consultants did not have a contract on file.

During their review of expenditures, auditors noted one of eighteen (6%) program consultants did not have a contract on file. The amount paid to the consultant totaled \$35,832 and was paid out of Staff Development Workshop funds (\$12,938) and ROE/ISC Local funds (\$22,894).

Good internal controls require that all contracts be executed prior to services being performed and payments being made to contractors. Failure to execute contracts with independent contractors may result in services being provided that are inconsistent with program goals and activities, inadequate protection of the Regional Office's interests, and the incurring of unallowable costs.

Regional Office management stated that the services and amount of the contractual services to be provided were the same as the prior year agreement. As a result, the ROE #34 did not have on file a written contract with the independent consultant. (Finding 09-1, page 12)

The auditors recommended that the Lake County Regional Office of Education #34 establish procedures to ensure that all program costs are sufficiently documented and adequately supported. Auditors noted that all consultant agreements should be supported by a written contract with detailed scope of services and rates of compensation.

The Lake County Regional Office of Education #34 agreed with the finding. The ROE noted that contracts for said vendor will be obtained for FY 2009 and all future contracts will be executed.

AUDITORS' OPINION

Our auditors state the Regional Office of Education #34's financial statements as of June 30, 2009 are fairly presented in all material respects.

WILLIAM G. HOLLAND, Auditor General

WGH:KJM

SPECIAL ASSISTANT AUDITORS

Our special assistant auditors were James Williams & Company, LLC.