

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

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STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
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CENTER OFFICIALS

Warden (6/1/06 to present)	Mr. Eddie Jones
Warden (10/18/04 to 5/31/06)	Mr. Guy Pierce
Acting Warden (9/28/04 to 10/17/04)	Mr. Michael Melvin
Warden (7/1/02 to 9/27/04)	Mr. Stephen Mote
Assistant Warden – Programs (4/1/05 to present)	Mr. Robert Griffen
Assistant Warden – Programs (9/22/04 to 3/31/05)	Vacant
Assistant Warden – Programs (10/1/03 to 9/21/04)	Mr. Henry Walton
Assistant Warden – Operations (6/1/06 to present)	Mr. Joseph Mathy
Assistant Warden – Operations (3/28/06 to 5/31/06)	Vacant
Assistant Warden – Operations (10/16/04 to 3/27/06)	Ms. Blair Leibach
Assistant Warden – Operations (9/29/04 to 10/15/04)	Vacant
Assistant Warden – Operations (7/1/02 to 9/28/04)	Mr. Michael Melvin
Business Office Administrator I (9/1/04 to present)	Mr. Jim Cunningham
Business Office Administrator II (7/1/02 to 8/31/04)	Mr. Michael Stalter

The Center is located at:

700 West Lincoln Street
Pontiac, IL 61764



Illinois
Department of
Corrections

Rod R. Blagojevich
Governor

Roger E. Walker Jr.
Director

Pontiac Correctional Center / 700 W. Lincoln Street / P.O. Box 99 / Pontiac, IL 61764 / Telephone: (815) 842-2816 / TDD: (800) 526-0844

MANAGEMENT ASSERTION LETTER

October 5, 2006

De Raimo Hillger & Ripp
Certified Public Accountants
655 N. LaGrange Road, Suite 102
Frankfort, IL 60423

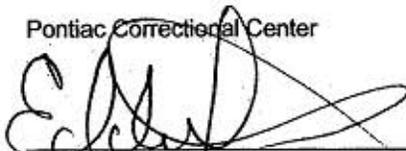
Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements 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,

Pontiac Correctional Center


Mr. Eddie Jones, Warden


Mr. Jim Cunningham, Business Administrator

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
PONTIAC 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 Engagements 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	2	0
Repeated findings	0	0
Prior recommendations implemented or not repeated	0	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	Failure to Provide Educational Programs
06-2	10	Failure to Maintain Complete Perpetual Inventory Records

PRIOR FINDINGS NOT REPEATED

None

EXIT CONFERENCE

Center management waived having an exit conference per a letter dated November 29, 2007. Responses to the recommendations were provided by Mary Ann Bohlen, Supervisor of Central Accounting for the Illinois Department of Corrections, in a letter dated January 10, 2007.

DE RAIMO HILLGER & RIPP

Certified Public Accountants & Business Consultants

655 N. La Grange Road • Suite 102 • Frankfort, IL 60423-1347 • Telephone: (815) 469-7500 • Facsimile: (815) 469-6970

JOHN J. DE RAIMO
FERNE M. HILLGER
ROBERT J. RIPP

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 – Pontiac 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 – Pontiac Correctional Center is responsible for compliance with these requirements. Our responsibility is to express an opinion on the State of Illinois Department of Corrections – Pontiac Correctional Center's compliance based on our examination.

- A. The State of Illinois Department of Corrections - Pontiac 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 - Pontiac 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 – Pontiac 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 – Pontiac 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 – Pontiac Correctional Center on behalf of the State or held in trust by the State of Illinois Department of Corrections - Pontiac 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 - Pontiac 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 – Pontiac Correctional Center's compliance with specified requirements.

In our opinion, the State of Illinois Department of Corrections – Pontiac Correctional Center complied, in all material respects, with the aforementioned requirements during the two years ended June 30, 2006. 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 06-1 and 06-2.

There were no immaterial findings relating to instances of noncompliance that have been excluded from this report.

Internal Control

The management of the State of Illinois Department of Corrections – Pontiac 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 – Pontiac 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 other matters involving internal control 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 finding 06-2.

There were no immaterial findings relating to internal control deficiencies that have been excluded from this report.

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 information on the 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 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.

De Raimo Hillger & Ripp

October 5, 2006

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

Current Findings

06-1: Failure to Provide Educational Programs

The Pontiac Correctional Center (Center) did not provide educational programs for all committed persons as required by statutory mandate.

The four teachers at the Center that provided educational programs for the inmates retired between June 2004 and August of 2005 and were not replaced. Therefore, the Center was not providing any educational programs at the correctional facility.

Unified Code of Corrections Act (730 ILCS 5/3-6-2(d)) states that the department shall provide educational programs for all committed persons so that all persons have an opportunity to attain the achievement level equivalent to the completion of the twelfth grade in the public school system in the State. The Department may establish programs of mandatory education and may establish rules and regulations for the administration of such programs. The Illinois Administrative Code (20 Ill. Admin. Code 405.20) states that the opportunity for educational programs shall be available in the Adult Division through the Department of Corrections School District #428.

Illinois Department of Corrections Administrative Directive 04.10.101 also requires the Department to ensure that academic programs are available to inmates. Illinois Department of Corrections Administrative Directive 04.10.109 requires inmates who have been committed to the Adult Division, and who demonstrate academic achievement below the acceptable level, to complete the Adult Basic Education Program in accordance with 20 Ill. Admin. Code 405.

Center management stated that deferral of educational programs occurred because resources were not provided for teachers.

Failure to provide educational programs for the inmates contradicts state statutes, administrative rules and the Department's policy of better preparing the individuals for productive lives. (Finding Code No. 06-1)

Recommendation:

We recommend that the Center seek the resources to comply with statutory mandates requiring educational programs for inmates.

Response:

Recommendation accepted. The facility is in the process of hiring educational staff to meet the requirement. Upon filling the positions, the ABE program will be offered to those inmates who meet the class requirements.

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

Current Findings (continued)

06-2: Failure to Maintain Complete Perpetual Inventory Records

The Pontiac Correctional Center (Center) did not maintain complete inventory records in a standardized inventory control system during the entire examination period.

The Center was maintaining complete perpetual inventory records in the Automated Inventory Management System (AIMS) until February 28, 2006. The Center performed a physical count of all inventory items at June 30, 2006, but could not determine the weighted-average-cost of each item nor compare the physical count with perpetual records from a standardized inventory system. Instead, the Center determined the dollar balance of the inventory at June 30, 2006 by using the item quantities as per the physical count and the current state contract prices for each item. This inventory balance at June 30, 2006 was reported as \$523,973.

Illinois Department of Corrections Administrative Directive 02.82.101 states that a standardized inventory control system shall be used for commodities throughout the Department. In addition, Illinois Department of Corrections Administrative Directives 02.82.112A-J and 02.82.114A-J provide guidance on reconciliation of the inventory count to the perpetual inventory records and the resolution of any discrepancies.

Center management stated that amounts for inventory were being tracked manually, however, due to staff retirements and transition to a new standardized automated inventory system, perpetual records with weighted-average-costs were not being maintained at June 30, 2006.

A failure to maintain the required standardized inventory control system prevents the Center from reviewing any discrepancies between perpetual records and physical counts and results in incomplete information for financial reporting. (Finding Code No. 06-2)

Recommendation:

We recommend that the Center review its internal policies and procedures for the recording of inventory additions, deletions, and costs to ensure adequate tracking and safeguarding of items and complete financial reporting in compliance with administrative directives.

Response:

Recommendation accepted. The Department is currently in the process of implementing a real time inventory system. The new system will address the issues noted in the audit.

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

Prior Findings Not Repeated

There were no findings noted during the Limited Scope Compliance Examination for the two years ended June 30, 2004.

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
PONTIAC 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

June 30, 2006

June 30, 2005

Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances

Description of Locally Held Funds

Schedule of Locally Held Funds

June 30, 2006 – Special Revenue Funds

June 30, 2005 – Special Revenue Funds

June 30, 2006 and 2005 – Cash Basis

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 (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

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 information on the 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 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
PONTIAC CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For The Year Ended June 30, 2006

	EXPENDITURES THROUGH JUNE 30, 2006	LAPSE PERIOD EXPENDITURES JULY 1 TO AUGUST 31, 2006	TOTAL EXPENDITURES 14 MONTHS ENDED AUGUST 31, 2006	BALANCES LAPSED AUGUST 31, 2006
APPROPRIATIONS NET OF TRANSFERS				
\$ 33,954,200	\$ 32,330,151	\$ 1,622,245	\$ 33,952,396	\$ 1,804
439,400	439,258	124	439,382	18
217,000	198,749	18,184	216,933	67
2,652,600	2,525,112	126,617	2,651,729	871
2,528,400	2,407,142	121,232	2,528,374	26
8,490,600	7,598,509	892,069	8,490,578	22
22,200	20,157	2,000	22,157	43
10,700	10,606	86	10,692	8
2,487,700	2,384,057	103,599	2,487,656	44
23,700	23,645	-	23,645	55
60,100	53,686	6,354	60,040	60
125,000	124,901	-	124,901	99
93,100	88,742	4,322	93,064	36
Total - Fiscal Year 2006	\$ 51,104,700	\$ 2,896,832	\$ 51,101,547	\$ 3,153

PUBLIC ACT 94-0015

GENERAL REVENUE FUND - 001

Personal services
Employee retirement contributions
paid by employer
Student, member and
inmate compensation
State contributions to State
Employees' Retirement System
State contributions to Social Security
Contractual services
Travel
Travel and allowances for committed,
paroled and discharged prisoners
Commodities
Printing
Equipment
Telecommunications services
Operation of automotive equipment

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
PONTIAC CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For The 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 93-0942 & 93-0681					
GENERAL REVENUE FUND - 001					
Personal services	\$ 34,549,200	\$ 32,919,020	\$ 1,607,314	\$ 34,526,334	\$ 22,866
Employee retirement contributions paid by employer	71,234	71,233	-	71,233	1
Student, member and inmate compensation	229,300	211,045	18,228	229,273	27
State contributions to State Employees' Retirement System	5,374,600	5,117,579	252,737	5,370,316	4,284
State contributions to Social Security	2,479,400	2,357,671	116,987	2,474,658	4,742
Contractual services	7,421,900	5,651,566	1,538,315	7,189,881	232,019
Travel	23,800	21,084	1,555	22,639	1,161
Travel and allowances for committed, paroled and discharged prisoners	10,000	8,667	670	9,337	663
Commodities	3,029,900	2,747,632	233,215	2,980,847	49,053
Printing	45,100	30,012	1,364	31,376	13,724
Equipment	14,200	9,170	-	9,170	5,030
Telecommunications services	183,300	164,990	17,914	182,904	396
Operation of automotive equipment	97,100	81,029	12,067	93,096	4,004
Total - Fiscal Year 2005	\$ 53,529,034	\$ 49,390,698	\$ 3,800,366	\$ 53,191,064	\$ 337,970

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
PONTIAC CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For The 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)	\$ 51,104,700	\$ 53,529,034	\$ 54,180,100
EXPENDITURES			
Personal services	\$ 33,952,396	\$ 34,526,334	\$ 33,784,604
Employee retirement contributions paid by employer	439,382	71,233	1,731,068
Student, member and inmate compensation	216,933	229,273	231,621
State contributions to State Employees' Retirement System	2,651,729	5,370,316	3,033,268
State contributions to Social Security	2,528,374	2,474,658	2,504,845
Contractual services	8,490,578	7,189,881	6,972,687
Travel	22,157	22,639	33,322
Travel and allowances for committed, paroled and discharged prisoners	10,692	9,337	13,659
Commodities	2,487,656	2,980,847	3,323,832
Printing	23,645	31,376	39,746
Equipment	60,040	9,170	133,523
Telecommunications services	124,901	182,904	180,542
Operation of automotive equipment	93,064	93,096	100,501
Total Expenditures	<u>\$ 51,101,547</u>	<u>\$ 53,191,064</u>	<u>\$ 52,083,218</u>
LAPSED BALANCES	<u>\$ 3,153</u>	<u>\$ 337,970</u>	<u>\$ 2,096,882</u>

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
PONTIAC 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 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 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. However, during fiscal year 2005, this fund was not replenished from the General Revenue Fund and is no longer held as a local fund at the Center. Travel and allowance monies for discharged residents/inmates are now provided by through the Residents' Benefit Fund.

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 three special revenue funds.

The Residents' Commissary Fund is used to maintain stores for selling food, candy, tobacco, health and beauty aids and other personal items. The residents' commissary sells solely to residents. 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 the Residents' Benefit Fund.

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
PONTIAC CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
SCHEDULE OF LOCALLY HELD FUNDS - SPECIAL REVENUE FUNDS
For the Year ended June 30, 2006

	Residents' Commissary Fund	Employees' Benefit Fund	Residents' Benefit Fund
REVENUES			
Income from Sales	\$ 806,198	\$ -	\$ -
Interest / Investment Income	386	48	1,322
Miscellaneous			
Entry Fees	-	-	-
Postage	-	-	-
Other	-	27,324	5,629
Donations	-	-	-
Total Revenues	<u>\$ 806,584</u>	<u>\$ 27,372</u>	<u>\$ 6,951</u>
EXPENDITURES			
Purchases	662,523	-	-
General and Administrative	6,136	-	14,869
Contractual	-	-	34,093
Equipment	-	-	12,232
Postage	-	-	-
Cable Television	-	-	-
Donations	-	-	-
Other	-	29,424	-
Total Expenditures	<u>\$ 668,659</u>	<u>\$ 29,424</u>	<u>\$ 61,194</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>137,925</u>	<u>(2,052)</u>	<u>(54,243)</u>
OTHER FINANCING SOURCES			
Transfers In	-	-	55,715
Transfers (Out)	(137,925)	-	-
Total Other Financing Sources	<u>\$ (137,925)</u>	<u>\$ -</u>	<u>\$ 55,715</u>
Net Change in Fund Balance	-	(2,052)	1,472
Fund Balance July 1, 2005	-	13,661	197,303
Fund Balance June 30, 2006	<u>\$ -</u>	<u>\$ 11,609</u>	<u>\$ 198,775</u>

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

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

	Residents' Commissary Fund	Employees' Benefit Fund	Residents' Benefit Fund
<u>REVENUES</u>			
Income from Sales	\$ 735,844	\$ -	\$ -
Interest / Investment Income	606	64	182
Miscellaneous			
Entry Fees	-	-	-
Postage	-	-	-
Other	-	29,024	44,346
Donations	-	-	-
Total Revenues	<u>\$ 736,450</u>	<u>\$ 29,088</u>	<u>\$ 44,528</u>
<u>EXPENDITURES</u>			
Purchases	589,886	-	-
General and Administrative	-	-	-
Contractual	-	-	-
Equipment	-	-	22,188
Postage	-	-	-
Cable Television	-	-	-
Donations	-	-	-
Other	7,030	29,441	93,542
Total Expenditures	<u>\$ 596,916</u>	<u>\$ 29,441</u>	<u>\$ 115,730</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>139,534</u>	<u>(353)</u>	<u>(71,202)</u>
<u>OTHER FINANCING SOURCES</u>			
Transfers In	-	-	56,474
Transfers (Out)	(139,534)	-	-
Total Other Financing Sources	<u>\$ (139,534)</u>	<u>\$ -</u>	<u>\$ 56,474</u>
Net Change in Fund Balance	-	(353)	(14,728)
Fund Balance July 1, 2004	-	14,014	212,031
Fund Balance June 30, 2005	<u>\$ -</u>	<u>\$ 13,661</u>	<u>\$ 197,303</u>

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

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
PONTIAC CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
SCHEDULE OF LOCALLY HELD FUNDS - CASH BASIS
For The Years Ended June 30

	2005		2006	
	Travel and Allowance Rev. Fund	Residents' Trust Fund	Travel and Allowance Rev. Fund	Residents' Trust Fund
Balance - July 1	\$ 2,836	\$ 93,153	\$ 844	\$ 124,087
Receipts				
Investment Income	-	660	-	547
Inmate Account Receipts	-	1,094,169	-	1,094,395
Appropriations from General Revenue Fund	5,346	-	485	-
TOTAL RECEIPTS	\$ 5,346	\$ 1,094,829	\$ 485	\$ 1,094,942
Disbursements				
Inmate Account Disbursements	-	930,295	-	948,172
Disbursements for released inmates	7,338	132,940	1,029	129,212
TOTAL DISBURSEMENTS	\$ 7,338	\$ 1,063,235	\$ 1,029	\$ 1,077,384
Fund Transfers				
Fund Transfers In	-	-	-	-
Fund Transfers (Out)	-	(660)	-	(547)
TOTAL TRANSFERS	\$ -	\$ (660)	\$ -	\$ (547)
Balance - June 30	\$ 844	\$ 124,087	\$ 300	\$ 141,098

Note: Schedule is presented on the cash basis of accounting

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
PONTIAC 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	\$ 4,437,124	\$ 63,283,343	\$ 4,044,614	\$ -	\$ 71,765,081	\$ 4,437,124	\$ 63,031,801	\$ 4,166,511	\$ -	\$ 71,635,436
Additions:										
Purchases	-	-	95,377	-	95,377	-	-	110,801	-	110,801
Transfers-in:										
Intra-agency	-	-	62,570	-	62,570	-	-	121,844	-	121,844
Inter-agency	-	-	-	-	-	-	-	38,791	-	38,791
Capital Development Board	-	117,562	-	-	117,562	-	251,542	-	-	251,542
Employees' Commissary Fund	-	-	-	-	-	-	-	-	-	-
Employees' Benefit Fund	-	-	-	-	-	-	-	-	-	-
Residents' Commissary Fund	-	-	22,825	-	22,825	-	-	12,535	-	12,535
Residents' Benefit Fund	-	-	104	-	104	-	-	-	-	-
Donations	-	-	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-	-	-
Adjustments	-	-	3,375	-	3,375	-	-	950	-	950
Total Additions	-	117,562	184,251	-	301,813	-	251,542	284,921	-	536,463
Deductions:										
Transfers-out:										
Intra-agency	-	-	44,717	-	44,717	-	-	-	-	-
Inter-agency	-	-	-	-	-	-	-	31,173	-	31,173
Scrap property	-	-	101,318	-	101,318	-	-	240,663	-	240,663
Surplus property	-	-	26,021	-	26,021	-	-	134,982	-	134,982
Condemned and lost property	-	-	1,389	-	1,389	-	-	-	-	-
Adjustment	-	-	141	-	141	-	-	-	-	-
Total Deductions	-	-	173,586	-	173,586	-	-	406,818	-	406,818
Balance, ending	\$ 4,437,124	\$ 63,400,905	\$ 4,055,279	\$ -	\$ 71,893,308	\$ 4,437,124	\$ 63,283,343	\$ 4,044,614	\$ -	\$ 71,765,081

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
PONTIAC CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
COMPARATIVE SCHEDULE OF CASH RECEIPTS AND DEPOSITS
(NOT EXAMINED)
For The Years Ended June 30,

	FISCAL YEAR		
	2006	2005	2004
<u>RECEIPTS</u>			
Jury Duty	\$ 310	\$ 501	\$ 485
Inmate Restitution	-	332	1,417
Dormant Inmate Accounts	1,436	121	-
Funeral Furlough		273	386
Staff Witness Fees	58	-	-
Contraband Cash	-	20	-
Copying Fees	500	353	-
Miscellaneous	<u>21,367</u>	<u>55,333</u>	<u>50,618</u>
TOTAL RECEIPTS	<u>\$ 23,671</u>	<u>\$ 56,933</u>	<u>\$ 52,906</u>
<u>REMITTANCES</u>			
General Revenue Fund - 001	\$ 4,938	\$ 2,897	\$ 3,619
Department of Corrections Reimbursement Fund - 523	<u>18,733</u>	<u>54,036</u>	<u>49,287</u>
TOTAL RECEIPTS REMITTED DIRECTLY TO STATE TREASURER	<u>\$ 23,671</u>	<u>\$ 56,933</u>	<u>\$ 52,906</u>
<u>DEPOSITS</u>			
Receipts recorded by Center	4,938	2,897	3,619
Add: Deposits in transit - Beginning of year	64	-	-
Deduct: Deposits in transit - End of year	<u>(205)</u>	<u>(64)</u>	<u>-</u>
DEPOSITS RECORDED BY THE STATE COMPTROLLER	<u>\$ 4,797</u>	<u>\$ 2,833</u>	<u>\$ 3,619</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
PONTIAC 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 contribution paid by employer	\$ 439,382	\$ 71,233	\$ 368,149	516.82%
State contributions to State Employees' Retirement System	\$ 2,651,729	\$ 5,370,316	\$ (2,718,587)	(50.62)%
Printing	\$ 23,645	\$ 31,376	\$ (7,731)	(24.64)%
Equipment	\$ 60,040	\$ 9,170	\$ 50,870	554.74%
Telecommunications services	\$ 124,901	\$ 182,904	\$ (58,003)	31.71%

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

Employee retirement contribution paid by employer

During fiscal year 2006, the Employee retirement contributions paid by employer increased as these amounts were paid by the State from July 2005 through December 2005. During fiscal year 2005 the amounts had been only paid for the first pay period in July of 2005. The expenses for the remainder of the years were funded from personal services as per union contract requirements.

State contributions to State Employees' Retirement System

The State contributions to State Employees' Retirement System decreased from fiscal year 2005 to fiscal year 2006 as a result of the annual revision of the employer contribution rate. Contribution rate was 16.107% in fiscal year 2005 and 7.792% in fiscal year 2006.

Printing

Printing expenditures decreased in fiscal year 2006 because the Center was able to submit information using online forms and did not have to order printed forms.

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

Fiscal Year 2006 (continued)

Equipment

Equipment expenditures increased during fiscal year 2006 as additional funding was provided for these expenditures to meet the needs of the Center.

Telecommunications services

Telecommunications services expenditures decreased in fiscal year 2006 because the facility was instructed to prioritize payments to non state providers. Internal service fund providers were paid as funds were available.

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
PONTIAC 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</u> <u>JUNE 30</u>		<u>INCREASE</u> <u>(DECREASE)</u>	
	<u>2005</u>	<u>2004</u>	<u>AMOUNT</u>	<u>%</u>
Employees retirement contributions paid by employer	\$ 71,233	\$ 1,731,068	\$(1,659,835)	(95.89)%
State contributions to State Employees' Retirement System	\$ 5,370,316	\$ 3,033,268	\$ 2,337,048	77.05%
Travel	\$ 22,639	\$ 33,322	\$ (10,683)	(32.06)%
Travel and allowance for committed, paroled and discharged prisoners	\$ 9,337	\$ 13,659	\$ (4,322)	(31.64)%
Printing	\$ 31,376	\$ 39,746	\$ (8,370)	(21.06)%
Equipment	\$ 9,170	\$ 133,523	\$ (124,353)	(93.13)%

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

Employees retirement contributions paid by employer

During fiscal year 2005, the Employee retirement contributions paid by employer were less as this expense was only funded for the first pay period in July of 2005. The expense for the remainder of the year was funded from personal services as per union contract requirements.

State contributions to State Employees' Retirement System

The State contributions to State Employees' Retirement System increased from fiscal year 2004 to fiscal year 2005 as a result of the annual revision of the employer contribution rate. Contribution rate was 13.439% in fiscal year 2004 and 16.107% in fiscal year 2005. In addition, the State did not pay contributions for the pay period from March 2004 through June 2004.

Travel

Travel expenditures decreased in fiscal year 2005 because employees attending training stayed in State dorms.

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PONTIAC CORRECTIONAL CENTER
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ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2006

Fiscal Year 2005 (continued)

Travel and allowance for committed, paroled and discharged prisoners

In fiscal year 2005, expenditures decreased as the release of fewer offenders resulted in less transportation costs that had to be provided.

Printing

In fiscal year 2005, printing expenditures decreased because the facility purchased a duplicator which was used for the institution's printing.

Equipment

Equipment expenditures decreased during fiscal year 2005 as reduced funding was provided for these expenditures.

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DEPARTMENT OF CORRECTIONS
PONTIAC 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 did not disclose any appropriation line items with significant (20% or more) lapse period expenditures.

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
PONTIAC 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>
Contractual Services	\$ 7,189,881	\$ 1,538,315	21.40%

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

Contractual Services

Invoices for medical services provided under the Wexford Health Services contract were not paid until lapse period because the vendor had to agree with the Center's reconciliation report before final payments could be made.

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
PONTIAC 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	\$ 335,032	\$ 2,384,822	\$ 2,383,987	\$ 335,867
Mechanical Stores	201,660	303,727	329,071	176,316
Officers' Clothing	1,551	75,001	74,576	1,976
Postage	8,258	35,844	35,125	8,977
Surplus Inventory	2,943	318	2,424	837
	<u>\$ 549,444</u>	<u>\$ 2,799,712</u>	<u>\$ 2,825,183</u>	<u>\$ 523,973</u>
LOCAL FUNDS				
Residents' Commissary Fund	68,653	675,808	663,201	81,260
	<u>\$ 68,653</u>	<u>\$ 675,808</u>	<u>\$ 663,201</u>	<u>\$ 81,260</u>
	Balance July 1, 2004	Additions	Deletions	Balance June 30, 2005
GENERAL REVENUE FUND				
General Stores	\$ 336,062	\$ 2,845,277	\$ 2,846,307	\$ 335,032
Mechanical Stores	223,315	350,433	372,088	201,660
Officers' Clothing	304	67,750	66,503	1,551
Postage	9,781	41,000	42,523	8,258
Surplus Inventory	5,913	1,868	4,838	2,943
	<u>\$ 575,375</u>	<u>\$ 3,306,328</u>	<u>\$ 3,332,259</u>	<u>\$ 549,444</u>
LOCAL FUNDS				
Residents' Commissary Fund	77,904	590,086	599,337	68,653
	<u>\$ 77,904</u>	<u>\$ 590,086</u>	<u>\$ 599,337</u>	<u>\$ 68,653</u>

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

CENTER FUNCTIONS AND PLANNING PROGRAM

Pontiac Correctional Center (Center) located in Livingston County is one of the five maximum-security facilities within the Illinois Department of Corrections (Department). The Center, established in 1871 as a juvenile facility, is now an adult facility designed to house 2,000 inmates and is a maximum-security disciplinary segregation institution with a medium security unit.

The Center's purpose is to confine its inmates in a safe, secure, humane manner, to promote individual rights and responsibilities, and, in turn, to ensure the ultimate protection of society. Inherent in this purpose is the offering of a variety of program activities for all inmates by complying with Department Rules and Directives. All inmates are afforded the opportunity to explore and participate in programs designed to assist them towards a successful reintegration into society and to reduce the negative effects of incarceration. However, because of the conversion to a segregation facility, the need for classes, jobs, and much of the recreational programming was generally eliminated. Greater influence is now given to library services since the majority of the population has restricted out-of-cell activities.

Mr. Eddie Jones is the Warden of the Center. The Department maintains its General Office in Springfield. The address of the Center is Pontiac Correctional Center, 700 West Lincoln, Pontiac, IL 61764.

AUDITOR'S ASSESSMENT OF PLANNING SYSTEM

The Center has developed a planning program, which includes the establishment of specific goals and objectives and the development of methods by which to monitor and report on progress towards implementation of those goals.

The planning program appears to be adequate for the Center's needs.

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PONTIAC CORRECTIONAL CENTER
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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		
	<u>2006</u>	<u>2005</u>	<u>2004</u>
Administrative	18	17	20
Business office and stores	18	19	20
Clinical services	25	25	27
Work Camp	0	0	0
Recreation	1	1	1
Maintenance	14	13	11
Utilities	5	5	5
Laundry	1	1	0
Correctional Officers	523	552	597
Dietary	23	22	23
Medical/Psychiatric	14	16	12
Religion	1	1	1
Records	0	0	0
Secretary/Clerical Misc.	0	0	0
Total	<u>643</u>	<u>672</u>	<u>717</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.

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EMPLOYEE OVERTIME (cont.)

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

	<u>2006</u>	<u>2005</u>
Paid overtime hours worked during fiscal year	<u>12,472</u>	<u>19,590</u>
Value of overtime hours worked during fiscal year	<u>\$ 500,469</u>	<u>\$ 732,978</u>
Compensatory hours earned during fiscal year	<u>13,929</u>	<u>14,362</u>
Value of compensatory hours earned during fiscal year	<u>\$ 359,218</u>	<u>\$ 342,133</u>
Total paid overtime hours and earned compensatory hours during fiscal year	<u>26,401</u>	<u>33,952</u>
Total value of paid overtime hours and earned compensatory hours during fiscal year	<u>\$ 859,687</u>	<u>\$1,075,111</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 17 and 18 of this report.

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INMATE COMMISSARY OPERATION (cont.)

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. Our testing did not disclose any significant problems with mark-ups.

SHARED RESOURCES (not examined)

<u>Position</u>	<u>Date of Assignment</u>	<u>Percentage of Time</u>
Public Service Administrator	July 1, 2004 to February 28, 2006	100%

A Public Service Administrator was paid by Pontiac Correctional Center during fiscal year 2005 and the first months of fiscal year 2006, however was performing duties at Thompson Center, Chicago.

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:

	<u>Fiscal Year</u>		
	<u>2006</u>	<u>2005</u>	<u>2004</u>
Rated population	<u>1,800</u>	<u>1,800</u>	<u>1,800</u>
Inmate population (as of May 31)	<u>1,601</u>	<u>1,571</u>	<u>1,671</u>
Average number of inmates	<u>1,542</u>	<u>1,634</u>	<u>1,659</u>
Expenditures from appropriations	\$ 51,101,547	\$ 53,191,064	\$ 52,083,218
Less-equipment and capital improvements	<u>60,040</u>	<u>9,170</u>	<u>133,523</u>
Net expenditures	<u>\$ 51,041,507</u>	<u>\$ 53,181,894</u>	<u>\$ 51,949,695</u>
Net inmate cost per year	<u>\$ 33,101</u>	<u>\$ 32,547</u>	<u>\$ 31,314</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.

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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>643</u>	<u>672</u>	<u>717</u>
Average number of correctional officers	<u>523</u>	<u>552</u>	<u>597</u>
Average number of inmates	<u>1,542</u>	<u>1,634</u>	<u>1,659</u>
Ratio of employees to inmates	<u>1 to 2.4</u>	<u>1 to 2.4</u>	<u>1 to 2.3</u>
Ratio of correctional officers to inmates	<u>1 to 2.9</u>	<u>1 to 3.0</u>	<u>1 to 2.8</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>58</u>	<u>59</u>	<u>55</u>

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>2006</u>	<u>2005</u>	<u>2004</u>
Breakfast	510,270	490,560	602,250
Lunch	583,270	563,560	602,250
Dinner	583,270	563,560	602,250
1:00 a.m. meal	0	0	0
Staff meals	127,750	127,750	118,625
Vocational School Meals	4,160	4,160	5,200
Total Meals Served	<u>1,808,720</u>	<u>1,749,590</u>	<u>1,930,575</u>
Food Cost	<u>\$1,633,123</u>	<u>\$2,066,200</u>	<u>\$2,506,654</u>
Cost Per Meal	<u>\$.90</u>	<u>\$ 1.18</u>	<u>\$ 1.30</u>

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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		
	<u>2006</u>	<u>2005</u>	<u>2004</u>
Medical Services:			
Wexford Health Sources, Inc.	\$ 2,261,818	\$ 4,012,519	\$ 3,920,872
Health Professionals, Ltd.	2,375,891	0	0
Others	5,941	4,083	6,019
	<u>\$ 4,643,650</u>	<u>\$ 4,016,602</u>	<u>\$ 3,926,891</u>
Clergy Services:			
M. Aqueel A. Khan	\$ 0	\$ 13,369	\$ 11,675
Lubavitch Chabad	0	1,314	1,183
	<u>\$ 0</u>	<u>\$ 14,683</u>	<u>\$ 12,858</u>

During fiscal year 2006, clergy services were paid from the Department of Corrections' General Office.

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

SERVICE EFFORTS AND ACCOMPLISHMENTS (not examined)

Pontiac Correctional Center, established in 1871 as a juvenile facility, is now an adult facility and a maximum-security disciplinary segregation institution with a medium security unit. The Center also houses maximum-security protective custody status inmates and is one of three (3) facilities within the Department of Corrections that houses inmates who received the death penalty. This facility, with an average population of 1,634 inmates in FY05, and 1,542 in FY06, operates under the Department of Corrections' rules and regulations promulgated in Chapter 730 of the Illinois Criminal Law and Procedures codified under Act 5 of the Unified Code of Corrections.

The institutional audit process is ongoing. Staff is assigned to conduct follow-up inspections and assist to ensure audit findings are correct. Members of the Pontiac Correctional Center Audit Team tour the facility on a regular basis to identify potential problems.

Pontiac Correctional Center was involved with the local communities by participating in the Livingston County Relay for Life. It continues to provide inmate labor to assist in cleaning along the highways in the community. Staff members also volunteer many community hours of service by coaching football, softball, baseball, and basketball; as well as participating in the Big Brother and Big Sister programs.

The Center's Employee Benefit Fund has donated money to local charities, such as the United Way, the Boys and Girls Club, and Adopt a Family program.

The Mental Health Unit at Pontiac Correctional Center is a 94-bed specialized placement treatment unit. This Unit provides professional mental health intervention, including psychiatry and psychology services, medication management, case management, individual and group counseling, and crisis intervention. This unit is for a target population of long-term segregation offenders who are experiencing chronic, severe mental illnesses. The unit was partially opened in March 2001 and was fully implemented when additional offenders were admitted in September 2001.

The Unit is located on the second and fourth galleries in the South cell house. The structure of the cell house was initially remodeled with updated plumbing and electrical systems as part of scheduled cell house renovations. The cell doors and cell fronts were modified to provide graded placements that could be used dependent upon individual offender's adjustment and behavior. The cell doors and fronts on the fourth gallery are bars that are used for more stable offenders with improved adjustment and disciplinary records. The cell doors and fronts on the second gallery are perforated which provide both visibility into the cell and, at the same time, additional security and control measures for offenders who are exhibiting more disruptive behavior or have more severe symptoms. In addition, the first six cells on the second gallery were constructed to provide a secure environment for offenders on special watch status. These cells have secure bedding and plumbing facility, and provide exceptional staff visibility through plexi-glass cell doors and fronts.

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SERVICE EFFORTS AND ACCOMPLISHMENTS (not examined) – (continued)

The Pontiac Mental Health Unit has been a significant program for the Pontiac facility, as well as the Department of Corrections. Long considered a most difficult population, the chronically mentally ill segregation offenders are being managed more effectively and treated more efficaciously in this specialized unit.

Finally, Pontiac Correctional Center was a centralized collection facility for blankets and other surplus items shipped to Hurricane Katrina victims in a Departmental effort to provide relief. Individual offenders and staff made personal contributions during this emergency situation.