



STATE OF ILLINOIS
**OFFICE OF THE
 AUDITOR GENERAL**

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

REGIONAL OFFICE OF EDUCATION #17
DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES

FINANCIAL AUDIT (In Accordance with the
 Uniform Guidance)
 For the Year Ended: June 30, 2017

Release Date: March 6, 2018

FINDINGS THIS AUDIT: 1	AGING SCHEDULE OF REPEATED FINDINGS																							
	Repeated Since	Category 1	Category 2	Category 3																				
<table border="1"> <thead> <tr> <th></th> <th>New</th> <th>Repeat</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Category 1:</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>Category 2:</td> <td>1</td> <td>0</td> <td>1</td> </tr> <tr> <td>Category 3:</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>TOTAL</td> <td>1</td> <td>0</td> <td>1</td> </tr> </tbody> </table>		New	Repeat	Total	Category 1:	0	0	0	Category 2:	1	0	1	Category 3:	0	0	0	TOTAL	1	0	1	No Repeat Findings			
	New	Repeat	Total																					
Category 1:	0	0	0																					
Category 2:	1	0	1																					
Category 3:	0	0	0																					
TOTAL	1	0	1																					
FINDINGS LAST AUDIT: 0																								

SYNOPSIS

- **(17-1)** The Regional Office of Education #17 was in noncompliance with grant accounting, reporting requirements, and Uniform Guidance.

Category 1:	Findings that are material weaknesses in internal control and/or a qualification on compliance with State laws and regulations (material noncompliance).
Category 2:	Findings that are significant deficiencies in internal control and/or noncompliance with State laws and regulations.
Category 3:	Findings that have no internal control issues but are in noncompliance with federal and/or State laws and regulations.

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

REGIONAL OFFICE OF EDUCATION #17
DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES

FINANCIAL AUDIT
(In accordance with the Uniform Guidance)
For The Year Ended June 30, 2017

	FY 2017	FY 2016
TOTAL REVENUES	\$5,934,817	\$5,060,582
Local Sources	\$1,551,377	\$1,557,919
% of Total Revenues	26.14%	30.79%
State Sources	\$3,478,883	\$2,621,004
% of Total Revenues	58.62%	51.79%
Federal Sources	\$904,557	\$881,659
% of Total Revenues	15.24%	17.42%
TOTAL EXPENDITURES	\$6,339,795	\$5,632,504
Salaries and Benefits	\$5,132,580	\$4,213,286
% of Total Expenditures	80.96%	74.80%
Purchased Services	\$720,770	\$999,792
% of Total Expenditures	11.37%	17.75%
All Other Expenditures	\$486,445	\$419,426
% of Total Expenditures	7.67%	7.45%
TOTAL NET POSITION	\$1,588,909	\$1,993,887
INVESTMENT IN CAPITAL ASSETS	\$417,710 ¹	\$407,070
Percentages may not add due to rounding.		
¹ Capital asset amounts include debt associated with a capital lease.		

REGIONAL SUPERINTENDENT
During Audit Period: Honorable Mark Jontry
Currently: Honorable Mark Jontry

**FINDINGS, CONCLUSIONS, AND
RECOMMENDATIONS**

**NONCOMPLIANCE WITH GRANT REQUIREMENTS
AND UNIFORM GUIDANCE**

The Regional Office of Education #17 was in noncompliance with grant accounting, reporting requirements, and Uniform Guidance.

The Regional Office of Education #17 (ROE) purchased toner and two printers using a federal grant which were not utilized for the exclusive purposes of the grant. The questioned costs for these items were \$3,538. In addition, the ROE did not submit the 2nd quarter expenditure report until January 30, 2017, 10 days after the required submission date. The ROE also did not have formal documented procedures for assessing the level of risk of noncompliance for each subrecipient as required by Uniform Guidance.

The ROE must comply with grant accounting and reporting requirements established by grant agreements with the Illinois State Board of Education (ISBE) and other grantors in addition to the requirements established by the Uniform Guidance. Among these requirements are accurate, complete disclosure of grant financial activity that demonstrates the grant funds are expended for the purpose and support of the grant program's established mission, and submission of quarterly expenditure reports by the 20th day of the month following the close of the quarter.

The ROE was not aware of the requirement that the printers were only to be utilized for the federal grant program, and the late expenditure reports were an inadvertent oversight by personnel. The ROE was unable to dedicate the time needed to fully implement the Uniform Guidance due to competing priorities. (Finding 17-001, pages 14a-14b)

The auditors recommended that the ROE expend grant funds in accordance with the grant requirements and for the purpose of fulfilling the grant program mission. They also recommended the ROE implement procedures to ensure all grant expenditure reports are submitted to the grantor by the due dates. In addition, the auditors recommended that the ROE formalize, in writing, its subrecipient monitoring procedures, which would include a formal risk assessment of each subrecipient, as required and described in 2 CFR 200.331(b).

ROE Response: *The Regional Office of Education has reviewed policies and procedures to ensure that grant parameters are followed and expenditure reports are filed in a timely manner in addition to the implementation of subrecipient monitoring procedures, which would include a formal risk assessment of each subrecipient.*

AUDITORS' OPINION

Our auditors state the Regional Office of Education #17's financial statements as of June 30, 2017 are fairly presented in all material respects.

This financial report was conducted by the firm of Kemper CPA Group LLP.

SIGNED ORIGINAL ON FILE

AMEEN DADA
Division Director

This report is transmitted in accordance with Section 3-14 of the Illinois State Auditing Act.

SIGNED ORIGINAL ON FILE

FRANK J. MAUTINO
Auditor General

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