



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

William G. Holland, Auditor General

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**SUMMARY REPORT DIGEST**

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**REGIONAL OFFICE OF EDUCATION #30**  
**JACKSON AND PERRY COUNTIES**

**FINANCIAL AUDIT**  
**For the Year Ended: June 30, 2013**

**Release Date: July 10, 2014**

**Summary of Findings:**

<b>Total this audit:</b>	<b>1</b>
<b>Total last audit:</b>	<b>3</b>
<b>Repeated from last audit:</b>	<b>1</b>

**SYNOPSIS**

- The Regional Office of Education #30 did not have sufficient internal controls over the financial reporting process.

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

**REGIONAL OFFICE OF EDUCATION #30**  
**JACKSON AND PERRY COUNTIES**

**FINANCIAL AUDIT**  
**For The Year Ended June 30, 2013**

	<b>FY 2013</b>	<b>FY 2012</b>
<b>TOTAL REVENUES</b>	\$1,592,373	\$1,399,867
Local Sources	\$524,158	\$501,213
% of Total Revenues	32.92%	35.80%
State Sources	\$949,828	\$778,341
% of Total Revenues	59.65%	55.60%
Federal Sources	\$118,387	\$120,313
% of Total Revenues	7.43%	8.59%
<b>TOTAL EXPENDITURES</b>	\$1,573,993	\$1,443,227
Salaries and Benefits	\$1,024,686	\$987,784
% of Total Expenditures	65.10%	68.44%
Purchased Services	\$422,201	\$310,171
% of Total Expenditures	26.82%	21.49%
All Other Expenditures	\$127,106	\$145,272
% of Total Expenditures	8.08%	10.07%
<b>TOTAL NET POSITION</b>	\$485,012	\$466,632
<b>INVESTMENT IN CAPITAL ASSETS</b>	\$59,350	\$63,003
Percentages may not add due to rounding.		

<b>REGIONAL SUPERINTENDENT</b>
During Audit Period: Honorable Donna Boros Currently: Honorable Donna Boros

**FINDINGS, CONCLUSIONS, AND  
RECOMMENDATIONS**

**CONTROLS OVER FINANCIAL STATEMENT  
PREPARATION**

**The Regional Office of Education #30 did not have sufficient internal controls over the financial reporting process.**

The Regional Office of Education #30 is required to maintain a system of controls over the preparation of financial statements in accordance with generally accepted accounting principles (GAAP). Regional Office internal controls over GAAP financial reporting should include adequately trained personnel with the knowledge, skills, and experience to prepare GAAP based financial statements to ensure that they are free of material misstatements and include all disclosures as required by the Governmental Accounting Standards Board (GASB).

The Regional Office of Education #30 did not have sufficient internal controls over the financial reporting process. The Regional Office maintains its accounting records on the cash basis of accounting during the fiscal year and posts year-end accrual entries for financial statement purposes. While the Regional Office maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation of GAAP based financial statements for management or employees in the normal course of performing their assigned functions to prevent or detect financial statement misstatements and disclosure omissions in a timely manner.

During review of the Regional Office of Education #30's financial information prepared by the Regional Office, auditors noted the following:

- The Regional Office did not have adequate controls over individual program accounts (departments). Cash in each individual program account was not reasonably stated resulting in unbalanced funds.
- The Regional Office did not completely post a prior year adjusting entry. This resulted in the Regional Office's ending fund balance from fiscal year 2012 rolling forward to fiscal year 2013 incorrectly.

According to the Regional Office of Education #30's management, they were unaware of the fact that the individual program accounts (departments) needed to balance. Additionally, while recording adjustments for the prior audit, a journal entry was inadvertently not entered in the Regional Office's accounting software. (Finding 2013-001, pages 12-13) **This finding was first reported in 2007.**

The auditors recommended that, as part of internal control over the preparation of financial statements, the Regional Office of Education #30 should implement comprehensive preparation procedures to ensure that the financial statements are complete and accurate. These procedures should be performed by a properly trained individual(s) possessing a thorough understanding of applicable GAAP, GASB pronouncements, and knowledge of the Regional Office of Education's activities and operations.

The Regional Office of Education #30 responded that it appropriately tracked cash and fund balances in its accounting system segregated by fund. However, coding errors occurred to correct department cash and balances for departments within each fund. The Regional Office stated that it will set up separate funds for each department. The ROE also noted that they are still discovering the capabilities of the accounting software. They will continue to make every effort to ensure that the financial statements are completed and accurate. (For previous Regional Office response, see Digest Footnote #1.)

#### **AUDITORS' OPINION**

Our auditors state the Regional Office of Education #30's financial statements as of June 30, 2013 are fairly presented in all material respects.



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WILLIAM G. HOLLAND  
Auditor General

WGH:KJM

AUDITORS ASSIGNED: West & Company, LLC were our special assistant auditors.

#### **DIGEST FOOTNOTE**

##### **#1: Controls Over Financial Statement Preparation - Previous Regional Office Response**

In its prior response in 2012, the Regional Office of Education #30 responded that as a result of the previous audit findings, it sought the cooperation of the Jackson County Board to access services of the Jackson County Administrative Assistant who is a degreed accountant to assist with preparation and review. In addition, the ROE initiated the implementation of the County accounting software program. The Regional Office stated that transferring its accounts to this system has been much more difficult than any of the parties involved in the audit anticipated. There were many serious technical problems that caused untimely delays. The Regional Office noted that they are working with the County to rectify these issues. It will

continue to make every effort to ensure that the financial statements are complete and accurate.