



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

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

REGIONAL OFFICE OF EDUCATION #33
HENDERSON, KNOX, MERCER AND WARREN COUNTIES

FINANCIAL AUDIT (In Accordance with the
 Uniform Guidance)
 For the Year Ended: June 30, 2022

Release Date: May 24, 2023

FINDINGS THIS AUDIT: 1				AGING SCHEDULE OF REPEATED FINDINGS			
				Repeated Since	Category 1	Category 2	Category 3
	<u>New</u>	<u>Repeat</u>	<u>Total</u>	2016		22-1	
Category 1:	0	0	0				
Category 2:	0	1	1				
Category 3:	0	0	0				
TOTAL	0	1	1				
FINDINGS LAST AUDIT: 4							

SYNOPSIS

- (22-1) The Regional Office of Education #33 did not have adequate internal control procedures.

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.

REGIONAL OFFICE OF EDUCATION #33
HENDERSON, KNOX, MERCER AND WARREN COUNTIES

FINANCIAL AUDIT
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For The Year Ended June 30, 2022

	FY 2022	FY 2021
TOTAL REVENUES	\$9,559,682	\$10,383,134
Local Sources	\$1,332,833	\$805,085
% of Total Revenues	13.94%	7.75%
State Sources	\$7,069,001	\$8,403,697
% of Total Revenues	73.95%	80.94%
Federal Sources	\$1,157,848	\$1,174,352
% of Total Revenues	12.11%	11.31%
TOTAL EXPENDITURES	\$9,473,227	\$10,048,775
Salaries and Benefits	\$4,406,515	\$4,946,332
% of Total Expenditures	46.52%	49.22%
Purchased Services	\$751,844	\$665,454
% of Total Expenditures	7.94%	6.62%
All Other Expenditures	\$4,314,868	\$4,436,989
% of Total Expenditures	45.55%	44.15%
TOTAL NET POSITION	\$5,140,865 ¹	\$2,574,432
INVESTMENT IN CAPITAL ASSETS	\$0	\$262,013
¹ The FY 2022 beginning net position was restated by \$2,479,978 due to converting the financial statements to the cash basis of accounting. Percentages may not add due to rounding.		

REGIONAL SUPERINTENDENT
During Audit Period: Honorable Jodi Scott Currently: Honorable Jodi Scott

**FINDINGS, CONCLUSIONS, AND
RECOMMENDATIONS**

INADEQUATE INTERNAL CONTROL PROCEDURES

The Regional Office of Education #33 did not have adequate internal control procedures.

The Regional Office of Education #33 (ROE) did not have adequate internal control procedures. The ROE maintains 4 bank accounts. During the audit, auditors noted that in 2 bank accounts, dates were not evident as to when the monthly reconciliations were performed. As a result, auditors could not determine it was done timely for 12 out of 12 months (100%). In addition, 22 of 24 monthly bank reconciliations (92%) were reviewed more than 30 days after month-end (4 to 307 days late).

Effective internal control policies require complete and accurate accounting records of all transactions of the entity. Sound internal controls require bank reconciliations to be performed accurately and promptly. Reconciling items should be investigated immediately, and adjustments made to the general ledger. Bank reconciliations should also be reviewed and approved by a person independent of the preparer in a timely manner.

Regional Office officials indicated that a contractor's resignation and competing priorities resulted in the conditions noted above. (Finding 22-001, pages 15 – 16) **This finding was first reported in 2016.**

The auditors recommended the ROE should prepare and review monthly bank reconciliations on a timely basis. This would ensure that the cash balance per ledger is correct and cash transactions are fully accounted for.

ROE Response: *The ROE has added additional bookkeeping staff. The accounts receivable staff member is specifically responsible for ensuring that the cash balance is correct and cash transactions are fully accounted for and approved by the Regional Superintendent in a timely manner. This finding has been corrected.*

AUDITORS' OPINION

Our auditors state the Regional Office of Education #33's financial statements as of June 30, 2022 are fairly presented in all material respects.

This financial audit was conducted by the firm of Adelfia LLC.

SIGNED ORIGINAL ON FILE

JOE BUTCHER
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

FJM:BAO