



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

William G. Holland, Auditor General

SUMMARY REPORT DIGEST

REGIONAL OFFICE OF EDUCATION #46
BROWN/CASS/MORGAN/SCOTT COUNTIES

FINANCIAL AUDIT
For the Year Ended: June 30, 2014

Release Date: February 19, 2015

FINDINGS THIS AUDIT: 1	AGING SCHEDULE OF REPEATED FINDINGS						
	New	Repeat	Total	Repeated Since	Category 1	Category 2	Category 3
Category 1:	1	0	1	No Repeat Findings			
Category 2:	0	0	0				
Category 3:	0	0	0				
TOTAL	1	0	1				
FINDINGS LAST AUDIT: 0							

SYNOPSIS

- **(14-1)** The Regional Office of Education #46 did not have sufficient internal controls over the billing process.

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 #46
BROWN/CASS/MORGAN/SCOTT COUNTIES

FINANCIAL AUDIT
For The Year Ended June 30, 2014

	FY 2014	FY 2013
TOTAL REVENUES	\$1,225,116	\$1,471,022
Local Sources	\$206,718	\$253,173
% of Total Revenues	16.87%	17.21%
State Sources	\$965,792	\$1,108,235
% of Total Revenues	78.83%	75.34%
Federal Sources	\$52,606	\$109,614
% of Total Revenues	4.29%	7.45%
TOTAL EXPENDITURES	\$1,095,531	\$1,727,259
Salaries and Benefits	\$948,418	\$1,535,313
% of Total Expenditures	86.57%	88.89%
Purchased Services	\$100,747	\$123,219
% of Total Expenditures	9.20%	7.13%
All Other Expenditures	\$46,366	\$68,727
% of Total Expenditures	4.23%	3.98%
TOTAL NET POSITION	\$192,063	\$62,478
INVESTMENT IN CAPITAL ASSETS	\$6,792	\$12,835
Percentages may not add due to rounding.		

REGIONAL SUPERINTENDENT
During Audit Period: Honorable Jeff Stephens
Currently: Honorable Jeff Stephens

**FINDINGS, CONCLUSIONS, AND
RECOMMENDATIONS**

CONTROLS OVER BILLING PROCESS

The Regional Office of Education #46 did not have sufficient internal controls over the billing process.

The Regional Office of Education #46 is required to maintain a system of controls over the billing process to prevent errors and ensure all amounts due to the Regional Office of Education #46 are subsequently collected.

The Regional Office of Education #46 did not have sufficient internal controls over the billing process. The Regional Office maintains a worksheet that lists all County billings and documents the related collections. There was no indication on the worksheet that the Regional Office of Education #46 had received the \$30,280 quarterly payment for the period of September through November of 2013. The Regional Office failed to pursue further collection of the billing.

The Regional Office of Education #46 did not ensure that amounts billed were subsequently collected. (Finding 2014-001, page 10)

The auditors recommended that the Regional Office of Education #46 should continue to utilize the worksheet that compares billings and the related collections. This worksheet should be reviewed regularly by management and the Regional Office of Education #46 should timely pursue unpaid billings.

The Regional Office of Education #46 responded that it believes it maintains appropriate oversight and controls, however, in this instance, simple human error occurred. The Regional Office stated that due to the vast levels of segregation of duties required of its office, issues like this occur because things pass through so many hands they can get lost in the shuffle.

AUDITORS' OPINION

Our auditors state the Regional Office of Education #46 financial statements as of June 30, 2014 are fairly presented in all material respects.



WILLIAM G. HOLLAND
Auditor General

WGH:KJM

AUDITORS ASSIGNED: Winkel, Parker & Foster, CPA PC were our special assistant auditors.