

# LEGISLATIVE AUDIT COMMISSION



Review of  
Department of Corrections  
Two Years Ended June 30, 2016

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Springfield, Illinois 62706

**REVIEW: 4482  
DEPARTMENT OF CORRECTIONS  
TWO YEARS ENDED JUNE 30, 2016**

**FINDINGS/RECOMMENDATIONS - 43**

**IMPLEMENTED -19  
ACCEPTED - 24**

**REPEATED RECOMMENDATIONS - 31**

**PRIOR AUDIT FINDINGS/RECOMMENDATIONS - 46**

This review summarizes the auditors' report on the Department of Corrections. The report presented the department-wide financial audit for the year ended June 30, 2016 and compliance examination of the Department for the two years ended June 30, 2016, filed with the Legislative Audit Commission on May 23, 2017. The report was conducted in accordance with *Government Auditing Standards* and State law. The auditors stated the Department's financial statements presented fairly.

The mission of the Department of Corrections (Department/DOC) is to protect the public from criminal offenders through a system of incarcerations and supervision, which securely segregates offenders from society, assures offenders of their constitutional rights, and maintains programs to enhance the success of offenders' reentry to society.

The function of the General Office is to provide support services to all of the Department's facilities and divisions. This includes establishing and monitoring budget activities, capital planning, accounting services, and data processing. The General Office performs other functions necessary to meet the provisions of the Code and provides administrative services to the Department of Juvenile Justice as detailed in an interagency agreement.

Effective June 1, 2006, PA 94-0696 established the Department of Juvenile Justice (DJJ). DOC's School District was transferred to the Department of Juvenile Justice; however, the Department of Corrections retained the Adult Education and Vocational Services.

The function of Adult Education is to provide academic and vocational training programs in the adult institutions and to enhance the quality and scope of education for inmates so they will be better motivated and better equipped to restore themselves to constructive law-abiding lives in the community. The Department provided post-secondary academic and vocational training to enrolled inmates at 23 facilities through contractual agreements with four community colleges. However, after FY15, three of the colleges ended services leaving only one colleges serving 17 facilities.

The function of the Adult Transition Centers is to provide basic needs, custody, and program opportunities for adults sentenced by the Illinois courts. The Centers provide academic and

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vocational programs, work experience, and participation in public service projects for residents who are making the transition from prison to free society.

The Department has four major programs: Bureau of Operations; Adult Institutions/Adult Transition Centers; Parole; and Program Services.

Correctional Industries operates as a productive enterprise employing prisoners from institutions under the jurisdiction of the Department of Corrections. ICI programs are supported by revenues derived from the sale of its products and services. Tax-supported institutions and non-profit organizations comprise the majority of the market. State law requires state agencies give the Department preference when procuring items manufactured by the ICI.

During the audit period, Gladyse Taylor served as Acting Director from June 16, 2015 until August 14, 2015 when John R. Baldwin was appointed Director. Director Baldwin brings more than 35 years of overall experience to the position, and he previously served as Director of the Iowa Department of Corrections for eight years.

The number of employees at the years indicated was as follows:

	<b>2016</b>	<b>2015</b>	<b>2014</b>
General Office	249	256	240
Education Services	190	189	180
Statewide and Field Services	544	549	523
Correctional Centers (non-officers)	2,392	2,361	3,170
Correctional Centers (correctional officers)	8,014	7,662	7,492
Correctional Industries (non-inmate)	115	123	119
<b>TOTAL</b>	<b>11,504</b>	<b>11,140</b>	<b>11,724</b>

**Population and Average Cost Per Resident**

Appendix A provides a summary of average populations and yearly cost per inmate for FY16 and FY15 at each of the 25 adult institutions and community correctional centers. According to statistics provided by the Department, the average daily population of adult institutions (maximum, medium, and minimum security) decreased from 47,383 in FY15 to 44,953 in FY16. The rated capacity of adult institutions at June 30, 2016 was 31,081, or 13,872 over capacity.

The average daily population at the Adult Transition Centers was 368 in FY15 and FY16. According to the report, the rated capacity for all institutions at June 30, 2016 was 31,831 and the average number of residents was 45,817, which is 2,861 fewer residents than FY15.

The Department also maintains work camps and impact incarceration camps (boot camps) at the following locations:

**Work Camps**

East Moline  
Jacksonville (Greene County & Pittsfield)  
Shawnee (Hardin County – closed 12/31/15)  
Southwestern  
Vandalia  
Western Illinois (Clayton)

**Boot Camps**

Pinckneyville (DuQuoin)  
Vienna (Dixon Springs)

The average yearly cost per resident for adult institutions was approximately \$23,241 in FY16 and \$24,460 in FY15; and the average yearly cost per resident for Adult Transition Centers was \$18,217 in FY16 and \$19,721 in FY15. The total number of paid overtime hours and compensatory hours used in FY16 was 1.22 million at a cost of \$50.5 million. In FY15, paid overtime/compensatory hours were almost 1.6 million at a cost of \$68 million. Inmate assaults on staff numbered 597 in FY16 and 566 in FY15. There were 224 inmate assaults on staff at Pontiac in FY16.

**Expenditures From Appropriations**

During FY16, the Department operated without enacted appropriations until PA99-0524 was signed into law on June 30, 2016. During the budget impasse, the Circuit Court of St. Clair County in *AFSCME Council 31 v. Munger* ordered the Comptroller to draw and issue warrants for wages of State employees at their normal rates of pay. The Department incurred non-payroll obligations which the Department was unable to pay until the passage of the Public Act listed above. Public Act 99-0524 authorized the Department to pay FY16 costs using FY17 appropriations for non-payroll expenditures.

- During FY16, fifty-one vendors participated in the Vendor Support Initiative Program (VSI) for 2,449 invoices totaling \$57,294,200.
- The Department engaged the Illinois Finance Authority to provide payment to one critical vendor who were threatening to cease food services. The vendor received payment for 100% of the amount due (\$3,674,042) from the Illinois Finance Authority. When the Department received/receives expenditure authority to pay the past due invoice it will repay the Finance Authority plus associated interest penalties.
- The Department incurred \$11,503,077 in Prompt Pay interest.
- The Department vouchered for \$201,053,188 against FY17 appropriations for FY16 expenses.
- At the end of the auditors' fieldwork, the Department was holding 7,262 in FY16 invoices totaling \$155,373,615 because it lacked sufficient FY17 expenditure authority to cover the FY16 costs.

The General Assembly appropriated a total of \$1,035,125,365 to the Department of Corrections in FY16. Appendix B summarizes appropriations and expenditures for the period under review. Total expenditures were \$955,629,869 in FY16 compared to \$1,386,353,888 in FY15, a decrease of \$430 million, or 31%. Reductions were apparent in every line item with significant decreases in contractual services (\$285 million or 94%), commodities (\$80.5 million or 76%), telecomm (\$17.5 or 99.7%), and awards and grants (\$14 million or 99.5%). Expenditures by the Correctional Centers were \$61.3 million in FY16

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compared to \$1.03 billion in FY15. Lapse period expenditures totaled about \$81.1 million for FY16, or 8.4% of total expenditures.

**Cash Receipts**

Appendix C contains a summary of cash receipts. Total cash receipts decreased from about \$74.8 million in FY15 to \$49.6 million in FY16. For the Working Capital Revolving Fund (Correctional Industries), receipts from sales of products decreased by \$26 million during FY16 because State agencies had limited resources to purchase products from the Industries. Rent from farm leases increased during FY16 due to the collection of almost \$203,000 in outstanding receivables. For the Reimbursement Fund, receipts from State agencies were reduced or non-existent due to a decrease in grant funds. Telephone commission receipts increased by \$5 million in FY16 due to an increase in average minutes per call, resulting in an increase due to the Department.

**State Property**

Appendix D provides a summary of State property in FY15-16. The balance at the end of FY16 for State property was \$1,786,854,821 compared to \$1,784,189,400 at the beginning of FY16. The increase in total property was due primarily to an increase in buildings and building improvements. More than 82%, \$1.475 billion, of the Department's property is comprised of buildings.

**Correctional Industries**

The Working Capital Revolving Fund accounts for the activities of the Correctional Industries program. Operating income for the Fund for FY16 was \$2,246,000. Asset and liability information for the Fund was as follows at June 30, 2016:

Assets	Liabilities	Net Position
\$ 44,175,000	\$ 22,563,000	\$ 24,128,000

Appendix E presents a summary of Correctional Industries' net income for each industry in FY16 and FY15. During FY16, Correctional Industries operated 33 separate industries, of which ten were found to be profitable and 23 experienced losses. Net gain was \$2.69 million in FY16 compared to \$3.95 million in FY15. During FY16, the industries with the largest losses were Centralia Sewing/Garment (-\$535,880) and Shawnee Metal Furniture (\$469,435). The industries with the greatest profit were Dixon Optical (\$1,099,721) and Hill Meat/Food Processing (\$1,039,199). The average number of inmates working in FY16 was 707 compared to 819 in FY15.

Accounts receivable, which represent amounts due from sale of goods and services to State agencies, local governments, and others, amounted to \$34.7 million at June 30, 2016. A

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receivable of almost \$33 million is due from the Department of Corrections. Accounts over 180 days old totaled \$15 million, yet only \$170,000 was considered uncollectible.

### Status of a Management Audit

The Program Audit from 2014 of the State's Procurement of Inmate Telephone Service contained one recommendation for the Department of Corrections (#6) concerning improving and monitoring the process related to the inmate collect calling contract. The auditors determined that the Department implemented the recommendation.

### Accountants' Findings and Recommendations

Condensed below are the 43 findings and recommendations included in the audit report. Of these, 28 repeat from the prior DOC audits and three repeat from the prior Correctional Industries audit. The following recommendations are classified on the basis of updated information provided by the Department of Corrections, in a memo received on March 21, 2018 via electronic mail.

#### Accepted or Implemented

- 1. Implement the new capital asset system as soon as practicable and perform tests of the capital asset transaction processing and reporting in Central Inventory System (CIS). Also, outline and implement procedures to ensure GAAP Reporting Packages and financial statements are prepared in an accurate manner. Include internal reviews in procedures as a method to identify and correct errors prior to the submission of financial information to the Illinois Office of the Comptroller and other external parties. (Repeated-2008)**

**Finding:** The Department of Correction's (Department) year-end financial reporting in accordance with generally accepted accounting principles (GAAP) to the Illinois Office of the Comptroller contained inaccuracies. These problems, if not detected and corrected, could materially misstate the Department's financial statements and negatively impact the financial statements prepared by the Illinois Office of the Comptroller (Comptroller).

During the audit of the Department's June 30, 2016 financial statements, the auditors noted the Department used manually compiled capital asset summaries and depreciation calculations to prepare GAAP Reporting forms related to capital assets and in determining the amounts reported in the financial statements. The conversion of its legacy capital asset system, the Automated Property Control System (APCS), to the Central Management Services' Central Inventory Control System (CIS), was not fully implemented at the time of financial statement preparation and the APCS was no longer being utilized as of March 2016.

**Accepted or Implemented – continued**

Auditors noted the following inaccuracies in the originally submitted GAAP Reporting forms and financial statements:

- The Department did not properly report capitalized transfers-in from the Capital Development Board (CDB) in the proper fiscal year. Transfers-in that met the capitalization threshold for capital assets totaling \$4,311,303 from Fiscal Year 2013 through Fiscal Year 2015 were not included in the capital assets balance and as capital transfers-in in the government-wide financial statements for the proper fiscal year. Accordingly, depreciation totaling \$402,267 through Fiscal Year 2016 was not reported. In addition, CDB transfers for Fiscal Year 2015 totaling \$2,349,227 were only reported in Fiscal Year 2016 (see Finding 2016-002).
- The manually summarized asset details added to the Department's APCS report contained various errors: duplicate non-equipment items totaling \$1,767,169 and equipment items totaling \$24,142; input error of \$9,503; CDB transfers not matching the turnover reports totaling \$239,917; missing capitalizable purchases amounting to \$36,240 and \$121,282 for FY15 and FY16, respectively; and missing deletions totaling \$70,523. The related accumulated depreciation errors for these items amounted to an overstatement of \$65,508 (see Finding 2016-002).
- Tests of depreciation and accumulated depreciation balances identified the following computation errors: depreciation in excess of book value totaling \$826,214 and assets not depreciated for the correct depreciation period causing a net understatement totaling \$242,614. In addition, current year depreciation totaling \$389,200 and prior year depreciation totaling \$278,481 related to FY15 asset items added to the worksheets were not included in the work forward depreciation analysis for FY16. Also, accumulated depreciation totaling \$1,105,163 on prior years' CDB transfers included in APCS in FY16 were not included in the depreciation work forward analysis (see Finding 2016-002).
- The Department did not evaluate changes in circumstances affecting capital assets to determine whether impairment occurred and did not properly account for and report capital asset impairments and disclose idle assets in the financial statements.

The Department closed the Joliet Correctional Center in February 2002 and the capital assets were still being depreciated and maintained on the books as of June 30, 2016 instead of being analyzed for impairment and adjusted to the lower of carrying value or fair value on the date the permanent impairment occurred. After the impairment issue was brought to the attention of the Department by the auditors, an assessment was performed to determine if the impairment was temporary or permanent. The Department determined the impairment to be permanent and adjusted the facility's reported amount to its fair value of \$1,887,333 instead of the carrying value of \$14,978,767.

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The Department also subsequently recorded and reported a prior period adjustment for the loss on impairment on Joliet Correction Center of \$12,751,947. The actual loss of \$13,091,434 should have instead been recorded; however, the misrecording resulted in an understatement of \$339,487. Auditors further noted the Department understated the current fiscal year depreciation reversal by \$422,235. The net effect of these errors was an \$82,748 overstatement of the FY16 net position.

The Department also assessed three additional closed facilities (Rushville, Dwight, and Tamms) to determine if those capital assets were temporarily or permanently impaired. The final determination by the Department was to consider the centers as temporarily impaired and continue to assess in future reporting periods.

- The Department did not record and properly report pension expenses for FY15 totaling \$4,164,263 and FY16 on-behalf of payments made by the State of Illinois for pension amounting to \$344,584,944.

The Department subsequently adjusted the financial statements to correct these errors and also revised the notes to the financial statements to properly disclose the idle facilities.

The Department attributed the exceptions to inherent limitations of the Department's legacy APCS, which changed during March 2016, staff turnovers, staff limitations, competing priorities, human error, and employee oversight.

Because of the significance of the exceptions noted, auditors consider this to be a material weakness in the Department's internal control over financial and fiscal operations. A material weakness is a deficiency or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements or material noncompliance will occur and not be prevented or detected and corrected on a timely basis.

**Response:** Accepted. IL Department of Corrections (IDOC) will continue devoting the resources necessary to complete the GAAP reporting as required by taking all possible steps to ensure the GAAP Reporting Packages and financial statements are prepared in an accurate manner.

**Updated Response:** Implemented. The Department is reviewing any change in circumstances regarding closed and idle facilities as appropriate to ensure property value is accurately reported. The Department also works with the Capital Development Board each quarter to ensure that transfers-in are properly recorded from the turnover reports.

- 2. Strengthen procedures over property and equipment to ensure accurate and timely recordkeeping and accountability for all State assets. Also, incorporate internal review procedures within the fixed assets reporting function that ensures the capital asset information is complete and properly recorded and accounted for to permit the preparation of reliable financial information and reports to the Illinois Office of the Comptroller. (Repeated-2008)**

**Accepted or Implemented – continued**

**Finding:** The Department did not maintain accurate and adequate property/fixed asset records and did not accurately record all capital asset information in its financial records. The Department had property and equipment totaling approximately \$1.8 billion as reported on the Form C-15 at June 30, 2016 decentralized throughout the State.

The auditors identified the following errors and inadequacies in the Department's property/fixed asset recordkeeping process and reporting in the GAAP Packages:

- The Capital Development Board (CDB) capitalizable transfers were not included in either the Automated Property Control System (APCS) records as of March 2016 or the manually summarized property transactions as of June 30, 2016. As a result, transfers totaling \$402,267 were not reported in the capital asset balances in the proper fiscal years and the related current depreciation and prior year accumulated depreciation amounts were understated.
- The Department did not update its property records timely. Auditors noted additions/corrections totaling \$1,492,150, deletions/transfers to surplus totaling \$1,680,860 and CDB capitalized transfers totaling \$12,291,525 that were reflected in the capital asset amounts in the financial statements but not entered in APCS or to the Central Management Services' Central Inventory Control System (CIS).
- Some of the problems noted by auditors in the manually summarized asset details added to the APCS report were as follows:
  - Asset items already recorded in APCS totaling \$1,767,169 were still included in the items added to the June 30, 2016 capital asset balances.
  - CDB transfers totaling \$239,917 were not supported by CDB turnover reports.
- In addition, tests of the recorded depreciation and accumulated depreciation balances as of FY16, noted the following:
  - Some property items were depreciated more than their remaining net book value in FY16 resulting in an overstatement of depreciation and accumulated depreciation totaling \$826,214.
  - The depreciation calculations were incorrect. The net depreciation understatement totaled \$242,614.
  - Accumulated depreciation totaling \$1,105,163 on prior years' CDB transfers included in APCS in Fiscal Year 2016 were not included in the depreciation work-forward analysis.

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- Transfers-in from the Capital Development Board (CDB) in FY15 of \$2,349,227 that met the capitalization threshold for capital assets in the SCO-538 capital assets balance were reported only in FY16.

In relation to detailed testing of State property items, auditors noted many exceptions on the C-15 State Property reports, annual inventory report, and property testing at Concordia, Correctional Industries, the Correctional Centers, and Adult Transition Centers

The Department attributed the exceptions to inherent limitations of the Department's APCS, which changed during March 2016, staff turnovers, staff limitations, competing priorities, human error, and employee oversight.

**Response:** Accepted. IL Department of Corrections (IDOC) will continue devoting the resources necessary, within the limitations of the current technology and budget constraints to ensure that capital asset information is properly recorded and maintained. IDOC is working to update the current Central Inventory Control System (CIS) to reflect accurate amounts. Fiscal will also work with Capital Development Board (CDB) to try to make sure all necessary information will be captured in the future.

**Updated Response:** Implemented. The Department is continuously striving to improve the paperwork processing timeframes and has improved communication with field staff regarding proper procedures and required paperwork. Some items identified in this finding were specifically caused by the property system conversion process and should be isolated issues related to that event.

### **3. Implement and document the controls over the computing environment and ensure the controls provide sufficient protection. (Repeated-2012)**

**Finding:** The Department failed to implement or document the controls over its computing environment to ensure sufficient protection.

In the prior audit, the auditors determined the Department had not implemented adequate controls over its computing environment. During the current audit, the auditors determined the Department had not taken appropriate actions to correct these weaknesses.

During testing, the auditors noted:

- The Department had not implemented a formal change management process to control changes to its environment and applications.
- The Department had not developed a disaster recovery plan or conducted testing.
- The Department did not have controls in place to ensure only authorized individuals had access or had appropriate access to its applications.

Department management stated that the exceptions were due to oversight and understaffing of support personnel to monitor and document the controls for the computer systems.

**Accepted or Implemented – continued**

**Response:** Accepted. Department of Corrections (IDOC) will continue working to ensure that IT internal controls are implemented and documented over its computing environment to provide for sufficient protection. This work will include collaborating with DoIT to formally update all of the policies and procedures covering the controls over the computer environment.

**Updated Response:** Partially Implemented. To date, the following procedures have been implemented to document controls over the computing environment:

- IDOC has implemented an on-line Help Desk Ticketing Management System that enables O360/Y360 users to report on system processing errors and request changes to the system. Tickets are triaged daily; system updates to O360/Y360 are documented based on authorized and approved changes from the Help Desk Ticketing System.
- IDOC is establishing controls to ensure that only authorized individuals have access to applications.
  - IDOC is establishing two positions to manage authorized access to computer applications. Position 1 is being created in the IDOC hosted Public Safety Shared Services Center for a staff person that will be exclusively responsible for submitting an ESR (Enterprise Service Request) to ISU identifying new hires, terminations and/or assignment changes. Position 2 will be hired for the IDOC ISU Team that reviews and authorizes appropriate application security roles and access for O360/Y360 and other mainframe applications.
  - The IDOC/IDJJ CIO is currently working with DoIT's Public Safety CIO to validate/terminate the 11,000 users with access to both the State's active directory and other computer applications.
  - These procedures will be incorporated into IDOC Administrative Directives governing all future internal and State computing system access.
  - This project should be completed by June 30, 2018.
- See Response to Finding 2016-040 on Disaster Recovery Response

**4. Remind Center staff of the requirements set forth within the Administrative Directives and statutes related to the operation and maintenance of the locally held funds. (Repeated-2008)**

**Finding:** The Department's Correctional Centers inadequately administered locally held funds (bank accounts) during the audit period.

Auditors identified several exceptions and weaknesses related to the controls over the Correctional Centers' locally held funds as follows:

- Centers could not provide minutes from the committee meetings or committee meeting minutes did not include approval of the expenditures.
- Centers did not properly perform monthly reconciliations on some of their locally held

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- funds. Outstanding checks were not timely voided.
- Auditors noted exceptions related to accrual of profits and required transfers in compliance with the Unified Code of Corrections (Code). The Department utilizes a Commissary Fund Cash Review Form (DOC 0075) to calculate and effectuate the transfers.
  - Auditors noted exceptions at the Correction Centers related to the recording of financial transactions.
  - Auditors noted weaknesses in segregation of duties.
    - Signature authority not timely cancelled or updated.
    - The same employee was responsible for bank reconciliations and signing checks.
  - Auditors noted exceptions related to disbursements and receipts:
    - 38 of 143 (27%) disbursements totaling \$53,384 were not adequately supported.
    - 25 of 61 (41%) receipts totaling \$35,222 were not adequately supported.
  - During receipts testing, auditors noted that 9 of 10 transfers totaling \$1,277,568, to the Inmate Commissary Fund from the Inmate Trust Fund were made 16 to 55 days late. The auditors also noted a similar exception at Shawnee Correctional Center.
  - Auditors noted disbursements included the payment of sales tax at Decatur, East Moline, and Vandalia Correctional Centers.
  - Auditors noted disbursements did not have the required authorization signatures at Danville, Decatur, Logan, Vandalia, and Western Illinois Correctional Centers.
  - Auditors noted the Center loaned money from the Inmate Commissary Fund to the Travel and Allowance Fund without obtaining written approval of the Chief Administrative Officer at Jacksonville and Vienna Correctional Centers.

The Department indicated the exceptions noted were due to staff turnovers, staff limitations, competing priorities, human error, and employee oversight at the Correctional Centers. Further, due to the statewide budget crisis, commissary profit transfers were ceased or delayed to help balance and maintain cash flows among the locally held funds.

**Response:** Accepted. IL Department of Corrections (IDOC) will continue working with Center staff on the requirements related to the operation and maintenance of locally held funds and is striving for continual improvements in the IDOC's centralized oversight and audit function by recommending improvements and the maintaining of accuracy of locally held funds at the Centers. The IDOC is currently reviewing directives related to locally held funds and is processing revisions as necessary. In addition, Fiscal Accounting Compliance is reviewing and revising the FACTS manual. Fiscal staff conducts monthly conference calls

**Accepted or Implemented – continued**

with business office staff to discuss relevant issues and concerns to assist in communicating proper procedures and ensuring understanding among staff.

**Updated Response:** Implemented. The Department has reminded staff of the various policies that apply to the LHF's regarding receipts, disbursements, and record keeping. The FDIC limits are beginning to once again be tracked by Central Office. When staffing issues arise and prevent segregation of duties, the facilities have been reminded to seek out the best separation of duties by reporting these instances to the CFO as they occur. Staffs have also been reminded periodically to seek approval before getting a loan between ICOM and Travel Fund. Meetings minutes and gift card procedures have been stressed over numerous phone calls and emails to staff.

**5. Improve centralized oversight function related to inventory to allow for improved controls. (Repeated-2008)**

**Finding:** The Department failed to maintain adequate controls over its commodity and commissary inventory.

The inventory balance reported by the Department at June 30, 2016 totaled \$14.4 million, excluding the inventory balance of the Department's Correctional Industries. Each Correctional Center maintained at least a portion of that inventory balance in commodity and/or commissary inventory.

Auditors identified numerous exceptions and weaknesses related to the controls over commodity and commissary inventory operations. A summary of the exceptions identified is as follows:

- The inventory counts completed by Center personnel did not agree to the accounting records in The Inventory Management System (TIMS) or the Fund Accounting and Commissary Trading System (FACTS).
- Auditor test counts did not agree or were unable to agree to agency records at 11 Correctional Centers.
- Four Centers failed to include items in inventory in the proper period.
- One Correctional Center did not complete the year-end commodities inventory on June 30, 2016.
- Retired employees and employees whose job responsibilities did not require access to the application were noted to have access to TIMS at four Centers. Auditors also noted that employees utilizing TIMS were not given adequate training on TIMS at one Correctional Center.

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- Auditors noted weaknesses in segregation of duties for inventory procedures at one Correctional Center.
- Two Centers were unable to provide the Item Status Report for Fiscal Year 2015 relating to the commissary or the commodities.
- Auditors noted exceptions related to inventory receiving documents.
- Auditors noted that final priced inventory balances did not match the Trial Balance in FACTS for June 30, 2015 or 2016 at two Correctional Centers.
- Auditors noted stockpiling of inventory totaling \$216,683 at seven Correctional Centers.
- One Correctional Center made inventory adjustments in TIMS totaling a net decrease amount of \$5,672 that were not adequately supported and properly approved. In addition, the Center also made a large quantity of adjustments to agree its records within TIMS and FACTS.
- One Correctional Center did not distribute and follow written procedures during year-end inventory for the inmate commissary, employee commissary, and commodities inventory. During inventory counts, auditors noted inventory was not arranged in an orderly manner to facilitate an accurate count. Further, the commodities inventory was not labeled or organized. Items were sporadically placed throughout the warehouse with the count from the inventory system on the front of skids.

The Department indicated the exceptions noted were due to staff turnovers, staff limitations, competing priorities, human error, and employee oversight at the Correctional Centers.

**Response:** Accepted. IL Department of Corrections (IDOC) continues working with Centers in maintaining and accounting for inventory with the Inventory Management System (TIMS) and Fund Accounting and Commissary Trading System (FACTS) and is striving to continue making improvements in the IDOC's centralized oversight function and the inventory accounting and maintenance within the Centers.

**Updated Response:** Implemented. The Department has been reminding staff about the importance of performing timely and accurate counts while maintaining only the necessary amount of inventory. Stock piling has been specifically addressed several times throughout the year.

- 6. Ensure that audits of all major systems of internal accounting and administrative control are conducted at least once every two years as required by the Fiscal Control and Internal Auditing Act. Further, develop an effective process to identify new major computer systems or major modifications of existing computer systems. (Repeated-2012)**

**Accepted or Implemented – continued**

**Finding:** The Department's Office of Internal Audit did not comply with the Fiscal Control and Internal Auditing Act.

During Fiscal Years 2015 and 2016, the Office of Internal Audit has not performed internal audits for all major systems for the past two fiscal years. The Department failed to conduct a review of the design of the new major electronic data processing system, Offender 360.

Department officials stated they were unable to comply fully with the Act because of limited internal audit resources and the Department not having Information Technology audit staff during most of the two-year period ending June 30, 2016.

**Updated Response:** Partially Implemented. Since this audit was conducted, the Department of Corrections internal audit resources have become more limited as we have lost more internal audit staff. The remaining staff has continued to work diligently to conduct audits and provide audit coverage on as many of the systems of internal controls as possible. The agency is currently working with DoIT internal audit staff to determine which IT audit responsibilities remain with the agency and which ones are the responsibility of DoIT.

**7. Properly conduct metal detector searches of inmates who are assigned to mechanical areas where tools and metals are present, in accordance with the Department's Administrative Directive. (Repeated-2014)**

**Finding:** The Department failed to properly conduct metal detector searches of inmates.

During on-site audits of Correctional Centers, auditors noted at Danville, Dixon, Hill, Lincoln, Logan, Menard, Sheridan Vandalia, and Western Illinois Correctional Centers that inmates assigned to mechanical areas where tools and metal are present were not subjected to searches with metal detectors upon exiting the area.

Department management stated the exceptions noted were due to oversight. Inmates are subject to pat downs when exiting the area instead of being searched with a metal detector. Some Centers do not have metal detectors due to budget constraints and attempt to comply by utilizing hand-held wands.

**Response:** Accepted. The Department will make every effort to ensure searches of inmates are being performed per the Department's Administrative Directive. To that measure, the Department will identify any needs for acquisition of additional pass-through or handheld metal detector equipment and is also planning a system-wide security check in which this issue will be tested among other potential vulnerabilities. Additionally, the Department is reviewing Administrative Directives pertaining to tools to better identify tools and assignments that would require pass-through or handheld metal detectors.

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**Updated Response:** Implemented. The Department has replaced some of the non-functioning metal detectors with new ones, fixed some that were previously inoperable, and started utilizing hand-held models where/when appropriate.

**8. Properly manage the addiction recovery services and comply with the State mandate and Department Directives. (Repeated-2010)**

**Finding:** The Department did not properly manage the addiction recovery services as required by the Unified Code of Corrections (Code).

During on-site audits of Correctional Centers, auditors identified the following deficiencies in testing the addiction recovery services provided:

- Logan Correctional Center was unable to provide a complete population of offenders enrolled in addiction recovery programs for FY15 and FY16. In addition, the Center was unable to provide attendance sign-in sheets from FY15. Center officials stated the attendance records had been moved and they were unable to be located.
- Voluntary addiction recovery meetings held at Logan and Jacksonville Correctional Center exceeded the statutory limit of 40 attendees per meeting. Attendees exceeded the statutory limit ranged from 15 to 29 for the meetings tested.
- Sheridan Correctional Center did not maintain documentation on volunteers participating in addiction recovery services.

Department management stated the exceptions were due to oversight and staff changes.

**Response:** Accepted. The Department will make every effort to ensure addiction recovery services are provided and properly documented at facilities as required.

**Updated Response:** Partially Implemented. To date the Department has implemented procedures for the collection of data for current/formerly enrolled offenders in the Addiction Recovery Program at Logan Correctional Center and has established a statewide protocol for voluntary addiction recovery meetings to be within the statutory limit and set to 25 attendees. The Department will:

- 1) Implement protocol for data collection and retention of participants currently enrolled in the Addiction Recovery Programs at Logan Correctional Center.
- 2) Create a password protected shared drive for collecting and archiving of all attendance documentation for Addiction Recovery Programs at Sheridan Correctional Center.
- 3) Create a password protected shared drive for all documentation regarding volunteers for the Addiction Recovery Program at Sheridan Correctional Center to include: volunteer application, background investigation, and TB test/results.
- 4) Adopt orientation training protocol for volunteers at Sheridan Correctional Center as used in other facilities providing Addiction Recovery Programs.

**Accepted or Implemented – continued**

**9. Take action to review offenders' records to ensure their information is accurate in order to comply with the Sex Offender Registration Act.**

**Finding:** The Department lacked controls over offender records.

As part of their examination of Correctional Centers, the auditors tested the Department's compliance with the Sex Offender Registration Act. The Act requires the Department to inform offenders who have been deemed a sexual predator or sexual offender of their responsibility to register as a sex offender. On December 14, 2016, the Department replaced their legacy applications with Offender 360; which maintains offenders' records. Due to information within the offenders' records being incorrectly migrated from the legacy system to Offender 360, the auditors could not conduct testing due to offenders being flagged as sexual predators, when they were not.

The Act also requires offenders to register as a sex offender for life. This is required for offenders who had previously been registered as a sex offender, completed the registration period requirements, but were recommitted for sexual offenses. However, Offender 360 did not allow the Department to override the expiration of the previous registration in order to reactivate the lifetime registration requirement.

As a result, the auditors requested from the Department a dataset of all offenders' records from Offender 360 as of June 30, 2016. Although the auditor could not verify the completeness and accuracy of the information, they tested all offenders to determine if required offenders were registered as a sex offender within the Sex Offender Registry. The auditors noted 441 of 2,526 offenders appeared in the registry data, but did not appear to have offenses which required registration.

In addition, the Murderer and Violent Offender Against Youth Registration Act requires offenders who were charged with a violent offense against a youth to be informed of their duties to register as a violent offender against youths. In the legacy system, if the victim's age was not known, the system indicated "unknown". However, during the migration of the offenders' records into Offender 360, the offenders' records were flagged as a violent offender against youth, even though the victim's age was unknown and the offender may not have been required to register.

Furthermore, during the migration, required offenders' records were not flagged as a violent offender against youth; therefore, the offender was not notified of their duty to register.

Department management stated that competing priorities and employee oversight were contributing factors to these exceptions.

**Updated Response:** Partially Implemented. The Department will make every effort to ensure compliance with the Department's responsibilities regarding the Sex Offender Registration Act. The Department will work with the Illinois State Police to ensure that the Department's Offender 360 records comply with the Sex Offender Registration Act.

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- As noted in this audit finding, IDOC has worked to resolve inaccurate data records for those offenders' subject to the Sex Offender Registration Act (730 ILCS150/4) and the Murderer and Violent Offender Against Youth Registration Act (730ILCS 154/15). This was not a data migration issue; primarily a mainframe user data entry issue that surfaced during the migration of data from the former mainframe "System of Record" Offender Tracking System (OTS) to IDOC's new Offender 360 application.
- IDOC has created the necessary indicators within O360 to allow the Reception and Classification and facility staff to override the expiration of the previous sex offender registrations and to reactivate the lifetime registration requirements of the Sex Offender Registration Act (730 ILCS 150/7)
- IDOC has created the necessary indicator within O360 for the Murderer and Violent Offender Against Youth Registration Act (730ILCS 154/15) requirements that inform facility staff to notify offenders of their responsibility to register.

**10. Implement controls to ensure expenditures are made in accordance with statute and are properly reviewed and documented. In addition, seek reimbursement of overpayments to the vendor and follow the contract terms and avoid making advance payments. (Repeated-2014)**

**Finding:** The Department continued to lack controls to ensure fiscal requirements were controlled and documented. In June 2010, the Department embarked on the development of Offender 360 in order to meet the statutory requirements of Public Act 097-0697 to manage the awarding of sentence credits to eligible offenders.

During testing, the auditors requested from the Department documentation supporting the total cost of the Offender 360 project. According to Department management, documentation was not maintained in order to determine the total cost. The Department provided an Excel spreadsheet that indicated approximately \$23,508,453 had been paid for vendor services since FY12.

The auditors reviewed contracts, statements of work, schedules, and amendments related to the vendor's service for the development of the Offender 360 project, noting:

- Statements of work and schedules were not signed by the Department.
- Statements of work and an amendment were indicated as draft.
- A Schedule was signed on June 30, 2015 and also expired on June 30, 2015.
- A Schedule did not have an expiration date and did not document the hours associated with the services.
- The licensing agreements did not indicate the price for licenses and cloud services.

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### Accepted or Implemented – continued

- The agreements, schedules, and work orders did not outline the detailed hours associated with each service.

Based on the invoices provided by the Department, the auditors noted:

- Sufficient detail was not provided for eight invoices, totaling \$6,678,461, to determine the accuracy of the payment.
- Two invoices, totaling \$730,588 were paid by the Capital Development Board on behalf of the Department; however, were not approved by the Department.

In addition, per the auditor's review of ten invoices, the Department over paid the vendor \$1,399,911 based on the terms of the agreements.

Furthermore, the auditors noted the Department had prepaid the vendor for services even though the Master Contract and the Contract Obligation Document stated advance payments were not allowed. Additionally, the invoices did not provide sufficient documentation to determine if all services were utilized prior to the expiration of the lapse period.

Department management stated that competing priorities and employee oversight were contributing factors to these exceptions.

**Updated Response:** Partially implemented. The Department will make every effort to ensure expenditures are made in accordance to State statute and are properly reviewed and documented. The Department has completed a comprehensive review of all records related to Offender 360 development.

- IDOC is very near completing a full accounting of development costs, fully executed Statements of Work including all amendments to the Statements of work indicating expiration dates and documentation of hours associated with the services.
- These records will be provided in a binder for IDOC Fiscal Operations and Procurement Operations
- IDOC does acknowledge that one amendment was signed as a draft however resulting from this finding will ensure that once final approval on proposed system activity is established; IDOC will only execute Statements of Work that are final.
- In addition, IDOC has created a SharePoint site categorized for future ease of reference and use. The SharePoint site will be available for authorized access and use on March 31, 2018.
- The primary focus of Offender 360 Phase 1 to meet the statutory requirements of Public Act 097-0697 to manage the awarding of sentence credits to eligible offenders. IDOC has accurately reported to the Illinois General Assembly on the award of sentence credits since inception in March 2012. IDOC acknowledges that automated sentence calculation based on award of sentence credit was not implemented and this is a focus of Department efforts within the current phase of O360 development.

- 11. Develop and implement project management controls to ensure projects are appropriately managed, adequately monitored, and properly documented. Establish controls to ensure the vendor's cloud computing environment is sufficient to promote security, integrity and availability of its applications and data. Furthermore, ensure roles and responsibilities regarding the security of the environment and the Department's data are outlined in the contract or Service License Agreement with the cloud computing service provider. Ensure adequate testing is conducted and documentation is maintained to support the complete and accurate migration of data. Maintain adequate and complete documentation of User Acceptance Testing (UAT). In addition, the Department should work with the vendor to ensure Offender 360 is meeting all requirements, including the correct calculation of release dates. (Repeated-2012)**

**Finding:** The Department did not have project management controls and had not ensured the development process over Offender 360 was controlled and documented.

In June 2010, the Department began the development of Offender 360 and on December 14, 2015, the Department placed Offender 360 into production. Offender 360 is an enterprise application utilized to track offender location, maintain criminal offense information, release information, security level, personal, medical information, etc. In addition, Offender 360 tracks an offender's visitor information.

As part of their testing, the auditors requested documentation in order to determine if Offender 360 had been developed to meet State requirements and offender records were completely and accurately migrated from legacy applications. Specifically, the auditors noted:

- A project management framework had not been developed to ensure the development met the Department's requirements.
- The Department had not established controls to ensure the vendor's cloud computing environment was sufficient to promote security, integrity, and availability of its applications and data.
- Approximately 90.1 million adult offender, youth offender and visitor records were migrated from legacy applications; however, the Department did not provide documentation to ensure the accuracy and adequacy of the data migration from the legacy systems to the Offender 360 application. In fact, the Data Migration Staging Database indicated a significant number of records did not migrate accurately.
- The Department did not provide documentation demonstrating a detailed review of the offender's migrated records.
- The Department did not provide documentation to support User Acceptance Testing (UAT) prior to going live in December 2015.

**Accepted or Implemented – continued**

Furthermore, on August 8, 2016, the auditors requested a log or documentation of all issues/defects noted during UAT. As of March 8, 2017, the Department had not provided the information requested by the auditors.

Department management stated that competing priorities and employee oversight were contributing factors to these exceptions.

**Response:** Accepted. The Department will make every effort to ensure the security, integrity and availability of its applications and data. Additionally, the Department will continue to work to ensure data migrations are tested and documented adequately, User Acceptance Testing is documented, and projects are properly managed, monitored, and documented.

**Updated Response:** Implemented. The Department has completed a comprehensive review of all records related to Offender 360 development. The project management framework has been developed to ensure that all O360/Y360 development meets with IDOC/IDJJ requirements.

- All Statements of Work executed appropriately reflect current requirements for IDOC/IDJJ.
- Weekly Status reports are provided on all system development activity by identified and specific scopes of work.
- IDOC conducts in person bi-weekly status briefings with both the internal and contracted development teams.
- UAT Testing is documented; bi-weekly system updates to O360/Y360 are documented based on authorized and approved changes.
- Decisions concerning data migration depended on several factors; the need to user access to historical records prior to 1999 and mainframe user data entry issues that surfaced during the migration of data from the former mainframe “System of Record” Offender Tracking System (OTS) to IDOC’s new Offender 360 application. These records are perpetually maintained if authorized access is required. No records are missing.
- IDOC has implemented an on-line Help Desk Ticketing Management System that enables O360/Y360 users to report on system processing errors and change requests to the system. Tickets are triaged daily; bi-weekly system updates to O360/Y360 are documented based on authorized and approved changes from the Help Desk Ticketing System.
- In addition, this information is being uploaded to the new IDOC SharePoint site categorized for future ease of reference and use. The SharePoint site will be available for authorized access and use on March 31, 2018.
- IDOC’s cloud computing environment meets with the federal Criminal Justice Information Services (CJIS) compliance policies. There is an Illinois CJIS compliance attestation in place with the Illinois State Police. We have provided links to the contractor’s CJIS Compliance Trust Center that manages cloud storage for Offender 360 and Youth 360.
- <https://www.microsoft.com/en-us/trustcenter/compliance/cjis>

- 12. Finalize analysis and establish a written fraud prevention, deterrence and detection program to include evaluating whether appropriate internal controls have been implemented in any areas identified as posting a higher risk of fraudulent activity, as well as controls over the financial reporting process. (Repeated-2012)**

**Finding:** The Department did not have a formal fraud risk assessment program in place during the audit period.

The Department relied on administrative directives and internal controls to minimize the risk of fraud occurring, but had not completed its analysis of the process to ensure a written fraud risk assessment is in place.

Department management stated that due to conflicting priorities, a formal fraud risk assessment program has not been established.

**Updated Response:** Partially implemented. The Department continues its efforts to meet full compliance with The Illinois Crime Reduction Act of 2009 (730 ILCS 190/10(a) through (190)/10(b)). Given limited resources, IDOC is focused on three key strategies, assessing the populations risks and needs, aligning our resources both fiscal and capitol and changing our culture through revised policies and practices and staff training and development from both staffing and development.

- The Department has implemented and continues to implement evaluation and assessment tools that aid in identifying the risks, strengths and needs of the Department's custodial and parole population. The pre-screen assessment tool has been fully automated and integrated into O360 allowing the Department to identify the recidivism risk levels for the entire population.
- The Department continues to hire social workers statewide to engage with our custodial population and develop individual programming and treatment plans based on assessed risks, needs and strength factors. IDOC has increased the social worker staffing level from 4 to 17 as this date with approximately 20 additional positions in varying stages of the State interview and hiring process.
- In June 2015, IDOC completed a comprehensive review of all programming and treatment activity statewide to determine which activities within IDOC are based on evidenced based practices. The study was conducted by Southern Illinois University and funded by an IDOC award from the US DOJ, Second Chance Act Statewide Recidivism Reduction Initiative.
- As a continuation of this work; SIU is developing 5 statewide evidenced based programs for implementation and use within IDOC.
- Evidenced based staff development and training has been integrated into IDOC's Training curriculum custodial staff and to-date; 30 IDOC Parole staff have participated in evidenced based practices in community supervision (EPICS) conducted by the University of Cincinnati.

**Accepted or Implemented – continued**

**13. Provide HIV/AIDS information to visitors at all of their facilities as required.**

**Finding:** The Department failed to provide mandated information to visitors in the Correctional Centers.

During mandates testing, auditors noted the Department did not offer every Correctional Center visitor appropriate written information concerning Human Immunodeficiency Virus (HIV) and Acquired Immune Deficiency Syndrome (AIDS), including information concerning how to contact the Illinois Department of Public Health for counseling information. This exception was noted in 5 of 25 (20%) Correctional Centers.

Department management stated competing priorities and employee oversight resulted in this exception.

**Updated Response:** Implemented. To date the required and appropriate written information concerning HIV and AIDS is in place and readily accessible to visitors and staff at all Illinois Department Correctional Centers.

**14. Implement an Evidence-Based Programming System to be in compliance with State mandate.**

**Finding:** The Department did not implement an Evidence-Based Programming System as required by State statute.

During mandates testing, auditors noted that the Department is still in the process of testing a risk assessment tool identified as Risk, Assets & Needs Assessment Tool (RANA). Currently, the Department hired social workers to work on four different Department Centers to test or use RANA in their effort to test the effectiveness of the tool.

As RANA is still in the process of review and testing, the Department has not adopted policies, rules, and regulations regarding the adoption, validation, and utilization of the statewide standardized risk assessment tool.

Department management stated the Department is still in the process of establishing policies, rules, and regulations regarding the risk assessment tool.

**Response:** Accepted. The Department has implemented and continues to implement evaluation and assessment tools that aid in identifying the risks, strengths and needs of the Department's custodial and parole population.

- The pre-screen assessment tool will be fully automated and integrated into Offender 360 allowing the Department to identify the recidivism risk levels for the entire population by April 2017.

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- The Department is currently evaluating all facility-based and community-based programs with the intention of removing those that do not meet evidenced-based program criteria. The program evaluation being conducted by Southern Illinois University will provide the Department with recommendations for improving clinical programs; ensuring that all programs are delivered with fidelity and aligned with evidenced-based practices.
- Staff training and development has been underway during the audit cycle. Staff have been trained by the National Institute of Corrections and are running a cognitive behavior therapy program “Thinking for a Change” at Pinckneyville Correctional Center with high-risk individuals. The Department currently has 12 certified trainers in Core Correctional Practices (CCP) that have been trained by the University of Cincinnati Corrections Institute and will be adding an additional 12, pending their CCP Training certification. The Department has added CCP training for each incoming cadet class and has trained three full cadet classes now. The Department also conducted regional training at Pinckneyville Correctional Center and in Springfield. Almost 1,000 Department employees have been trained in CCP during 2016. In October 2016, the Department received a \$500 thousand supplemental 2nd Chance Act award to conduct additional staff training for Evidenced-Based Practices in Community Settings for the Department’s Parole staff and Thinking for a Change. This training is scheduled for March 2017.

These are on-going systemic changes that will occur across all Department facilities and within the community and are expected to continue into 2017.

**Updated Response:** Partially implemented. The Department has taken the following steps since the audit cycle has concluded:

- Begun working collaboratively with Harvard and SIU in an assessment of our programs and the outcomes they achieve.
- Identified weaknesses in our contractual language and working on adopting stronger language that’ll enhance accountability and validate outcomes.
- Continued development and recruitment of staff needed to perform qualified risk and needs assessment.
- Initiated the Thinking for a Change pilot program and worked collaboratively with SIU to development the program curriculum.

### **15. File the report on interagency accounts receivable written off within 60 days of being written off.**

**Finding:** The Department of Corrections - Correctional Industries (Industries) failed to timely submit to the Office of the Comptroller a listing of interagency accounts receivable that had been written off.

**Accepted or Implemented – continued**

Auditors noted Industries had not submitted timely to the Office of the Comptroller a listing of all interagency receivables that were written off. Industries submitted the listing of all interagency receivables written off during FY15, totaling \$12,308, to the Office of the Comptroller on July 24, 2015, ranging from 67 days to 298 days after the due date. Industries submitted the listing of all interagency receivables written off during FY16, totaling \$60,164, to the Office of the Comptroller on July 21, 2016, ranging from 10 days to 296 days after the due date.

The Department management stated the exceptions noted were due to competing priorities.

**Updated Response:** Implemented. Illinois Correctional Industries will work to correct timely submission of interagency accounts receivable write-off reports. To date the interagency write-offs have been minimal and Illinois Correctional Industries has been filing reports throughout the year as they occur instead of annually.

**16. Continue effort to review and update Administrative Directives to ensure they represent the most current, standardized practices of the Department. (Repeated-2008)**

**Finding:** The Department has not completely updated its Administrative Directives (A.D.s) to reflect the operational changes that have occurred in previous years.

During testing, auditors noted the Department had not updated all of its own 457 A.D.s, when changes occurred in its operation. In particular, some of the A.D.s refer to juvenile divisions even when the Department of Juvenile Justice was created in 2006 as a separate State agency. Center auditors noted that some of the Department's A.D.s related to inventory were not properly updated to reflect the change in inventory systems from the Automated Inventory Management System (AIMS) to The Inventory Management System (TIMS). In addition, auditors also noted an A.D. that did not contain all requirements of the Unified Code of Corrections. The A.D.s have effective dates ranging from February of 1984 to July of 2016. The Department has revised a total of 90 A.D.s and reviewed a total of 119 A.D.s during FY15 and FY16.

Department management stated the level of involvement of all personnel in the review process and the time it takes before any change is taken into effect, prevented them from completing all changes necessary during the year.

**Response:** Accepted. The Department will continue its efforts with its funded resources for the review and update of the Administrative Directives, as necessary. We continue to utilize the expedited review process; unfortunately, the Department has lost two policy-writing personnel and all clerical support for the responsible division.

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**Updated Response:** Partially implemented. The Agency has been working with staff on identifying key updates and getting revisions/drafts formulated as resources allow. Recent revisions/drafts include those specific to mental health, DR 504 and program support. Staff are reminded to remain cognizant of the governing policies and administrative directives on a daily basis.

**17. Comply with the requirements of medical consent waivers.**

**Finding:** The Department did not comply with statutory medical consent waivers.

During on-site audits of Correctional Centers, auditors noted Centers did not complete or maintain a copy of the Offender Medical Emergency Consent Waiver for all 5 waivers tested at Robinson, Sheridan, and Southwestern Illinois Correctional Centers.

Department management stated the exceptions were due to oversight.

**Updated Response:** Partially implemented. The findings of the compliance examination for the two years ended June 30, 2016 regarding failure to document compliance with statutory consent waivers are noted and accepted. In order to correct this deficiency and maintain compliance with AD 04.03.103, section 5 a. and b., the department will:

1. Re-educate all Wardens, Assistant Wardens of Programs and Operations and Health Care Unit administrators via an agency-wide memorandum, review of the topic at the OHS Quarterly Meeting in March 2018 as well as review with the facilities by our Regional Coordinators.
2. The HCUA's at the affected facilities (ROB, SHE, SWICC) will review a sample of 5 (maximum) qualified records on a monthly basis to monitor compliance with this section of the AD for 6 consecutive months.
3. The findings will be reviewed by the Office of Health Services at 3 and 6 months during the review process.

**18. Maintain adequate records indicating each inmate understands the grievance procedures as well as adequate grievance records in compliance with the Code. (Repeated-2012)**

**Finding:** The Department failed to preserve records of grievances and decisions made with respect to the grievances as required by the Unified Code of Corrections (Code).

During on-site audits of Correctional Centers, auditors noted for 18 of 80 (23%) grievances tested at Dixon, East Moline, Graham, Lincoln, Stateville, Taylorville, and Vienna Correctional Centers, documentation of the grievance itself and any decision made with respect to the grievance was not maintained by the Center for a period of one year.

**Accepted or Implemented – continued**

Department management stated the exceptions noted at the Centers were due to employee oversight.

**Updated Response:** Partially implemented. The Department will work to correct the issue of adequate notification to Offenders regarding the grievance procedure and records compliance with DR504 and A.D.04.01.114. To correct the findings, the Department continues to provide Offenders with a copy of the Orientation Manual which outlines the grievance procedure. In addition, the Records Office has been informed that after the completion of the grievance procedure, as outline in DR504 and A.D.04.01.11, the grievance is to be promptly filed in the Offender's Masterfile.

**19. Comply with the requirements to timely submit reports and maintain documentation as required by Statute and Department Administrative Directives.**

**Finding:** The Department did not maintain documentation to support the timeliness of submission of required reports and, in certain circumstances, did not timely submit required reports.

During on-site audits of Correctional Centers, auditors noted the following weaknesses:

- Centralia, Illinois River, Lincoln, Vienna, and Western Illinois Correctional Centers did not maintain required documentation of when the Centers' Educational Facility Administrators (EFAs) submitted their FY14 annual evaluation of programs to Administrators and Chiefs of Program and Support Services, which were due by October 1, 2014. In addition, the same exception was noted at Lincoln and Western Illinois Correctional Centers for their Fiscal Year 2015 annual evaluation of programs.
- East Moline Correctional Center's EFA submitted the FY14 annual evaluation of programs five days late.
- Graham Correctional Center did not maintain required documentation of when their EFA reviewed and submitted its FY15 annual class schedule to its Administrator and Chief of Program and Support Services. In addition, this same exception was noted in Centralia, Dixon, Lincoln, and Western Illinois Correctional Centers for the FY16 annual class schedules.
- Untimely submission of FY16 class schedules were noted at Graham and Jacksonville Correctional Centers.

Department management stated the exceptions were due to oversight.

**Updated Response:** Implemented. The Department is making every effort to ensure that future timelines and required documents are submitted by the required date.

**20. Comply with the requirements of the Murderer and Violent Offender Against Youth Registration Act.**

**Finding:** The Department did not comply with the Murderer and Violent Offender Against Youth Registration Act.

During on-site audits of Correctional Centers, auditors noted the following weaknesses in the Department's compliance with this Act:

- 11 of 22 sampled notification forms for applicable offenders were not properly completed in Centralia, East Moline, Jacksonville, Southwestern Illinois, and Vienna.
- Centers were unable to provide documentation of required notification forms for 12 of 30 applicable offenders sampled in Danville, East Moline, Sheridan, Stateville, Taylorville, and Vandalia Correctional Centers.

Department management stated that the exceptions were due to employee oversight and staffing shortages.

**Updated Response:** Implemented. IDOC will ensure that all policy and procedures related to the Illinois Murderer and Violent Offender Against Youth Registration Act Notification Form are complied with and the forms are completed accordingly. In June and July of 2016, ISP assisted in facilitating a series of registration trainings for staff.

**21. Comply with the requirements for issuing temporary identification cards. (Repeated-2012)**

**Finding:** The Department did not comply with requirements for issuing temporary identification cards.

During on-site testing at Correctional Centers, auditors noted the following weaknesses:

- For 22 of 90 (24%) inmates tested, the Center did not collect the required \$1 fee for issuance of a temporary identification card.
- For 1 of 10 inmates tested, the offender's assigned counselor did not sign the offender's Pre-Release Identification Checklist (DOC 0287) to document all necessary requirements were met for the issuance of a temporary identification card at the Southwestern Illinois Correctional Center.
- For the Logan Correctional Center, 3 of 10 offenders tested did not have a properly completed Offender Authorization for Payment form (DOC 0296).
- The Danville Correctional Center was unable to provide a listing of inmates receiving a temporary identification card who were on parole, had mandatory supervised release, received final discharge, or were pardoned.

**Accepted or Implemented – continued**

Department management stated the exceptions noted were due to oversight. In addition, Southwestern Illinois Center management stated the \$1 fee was not collected in those instances due to a prior facility policy which only permitted inmates to request temporary identification cards two weeks prior to release.

**Response:** Accepted. The Department is working closely with the Illinois Department of Public Health (IDPH), the Illinois Secretary of State (IL SOS) and the Social Security Administration to develop new procedures and guidelines for implementation of Public Act 099-0907, effective July 1, 2017. This will involve obtaining offender birth certificates directly from IDPH at offender intake and requesting social security card replacements 120 days in advance of an offender's discharge or release. Since February 2017, the Department has had bi-weekly discussions with the IL SOS to review streamlining and refining other documentation requirements in the attempt to possibly execute issuance of permanent identification cards prior to release or discharge. A draft internal policy will be edited as these interagency agreements are finalized.

**Updated Response:** Partially implemented. Staff have been reminded on the importance of collecting the necessary fee(s), filing the proper authorization paperwork and ensuring offenders are given the proper identification paperwork prior to release. Furthermore, clinical staff have been trained on the proper procedures regarding how to teach offenders what to do once released from custody as it pertains to getting the proper state recognized ID card.

**22. Implement an automated timekeeping system. (Repeated-1998)**

**Finding:** The Department's payroll timekeeping system was not automated.

During the 2008 audit period, the Department's human resources responsibilities were consolidated with a number of other State agencies as part of the Public Safety Shared Services Center (PSSSC). The PSSSC was scheduled to create/ implement an automated timekeeping system, but it has not yet been created. As noted in previous audits, each Correctional Center continued to maintain a manual timekeeping system for several hundred employees.

During the Fiscal Year 2010 audit engagement, the Department of Central Management Services and Capital Development Board (CDB) initiated work on a statewide automated timekeeping system. The State entered into a contract with a vendor to provide supplies and services for a timekeeping system which included services, software licenses and hardware. CDB expended \$1.6 million to the vendor for software licenses and hardware; parts of the hardware were provided by the vendor and distributed to the Correctional Centers during Fiscal Year 2010 and are currently in storage at the Correctional Centers.

No progress has been made towards implementation of the system at the Department.

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Auditors continued to note errors in timekeeping which often led to errors in payroll or leave time accrual at Correctional Centers.

Department management stated that due to different priorities and budget constraints, an automated timekeeping system was not implemented.

**Updated Response:** Partially implemented. The Department has started the migration process to the Illinois Department of Human Services' (DHS) automated timekeeping system. DHS' system will still require manual collection and data entry based off of Daily Staff Attendance reports. These manual entries will be converted autonomously and provide automated timekeeping reports. The Department does not have sufficient resources to implement an agency-specific to newly-developed timekeeping system; but is very much supportive of the State's efforts to secure the necessary resources required to address this finding.

### **23. Improve controls over Springfield Employee's Benefit Fund (SEBF) disbursements and develop policies and procedures for use of prepaid debit cards.**

**Finding:** The Department did not maintain adequate controls over disbursements from the Springfield Employee's Benefit Fund (SEBF).

During a sample testing of controls over 30 disbursements totaling \$71,346 for the SEBF, auditors noted the following:

- Two disbursements (7%), totaling \$2,750, were reimbursements to an SEBF committee member for funding 3 prepaid debit cards. Supporting documentation was provided for \$2,701 only. There were no policies noted for the issuance and use of the prepaid debit cards.
- Three disbursements (10%), totaling \$8,750, were cash prizes given to 89 individuals, ranging from \$20 to \$1,000. In all instances, there were no details of and acknowledgment of the recipients of these cash prizes. In addition, one prize was for \$1,000 in which the Department did not issue the recipient a Form 1099-MISC as required by the Internal Revenue Service (IRS).
- One disbursement, (3%), amounting to \$4,000, was for a donation to another Department committee, a non-charitable organization.

Department management indicated that almost all of the SEBF transactions occur with the vendor invoicing the SEBF committee and then a check being processed to pay for the items received. The prepaid debit cards were used only in instances where the vendor would not or could not invoice the SEBF committee for the goods received. For the cash prizes, these were awarded during SEBF events, and it was an oversight not to have the recipients sign proof of receipt or issue the Form 1099-MISC to one recipient. The \$4,000 was a donation to another Department committee for employees' development and wellness.

**Accepted or Implemented – continued**

**Updated Response:** Partially implemented. The Department's Employee Benefit Fund no longer awards cash prizes in excess of the required reportable amount. For awards/prizes, the Department is working to ensure that the proper tax filing and documentation is maintained.

- 24. Send a formal notice to those employees whose jobs involve travel to remind them of the requirement and importance of filing accident reports in a timely manner. Consider what actions should be taken for those employees who do not file reports in a timely manner. Additionally, monitor the submission of accident reports to ensure the requirements are being met as required by the Department's Administrative Directive. Finally, enforce vehicle maintenance schedules. (Repeated-2000)**

**Finding:** The Department had several weaknesses regarding the reporting of vehicle accidents, vehicle maintenance records, assignment of autos, and personal use of State vehicle forms.

Auditors noted accidents involving State/Department vehicles were not properly reported, and Department employees were not ensuring vehicles personally assigned to them were adequately maintained. Furthermore, auditors noted exceptions related to the assignment of autos and personal use of State vehicles.

During the testing of vehicle inspections, auditors noted several instances of improper vehicle maintenance. Seventeen of 45 (38%) employees assigned a vehicle were not reported to CMS.

During the testing of personal use of State vehicles, auditors noted several instances involving missing or incomplete Annual Certification of License and Vehicle Liability Coverage, the Annual Tax Exemption Certification Form, the Commute Mileage Form, or the Determination of Value for Individual Use of a State Vehicle form.

Department management indicated the exceptions were due to conflicting priorities, employee oversight, and lack of resources to replace the fleet management system.

**Updated Response:** Implemented. To date Accident Reporting is covered in day one of annual cycle training for all facilities employees. Facility Vehicle Coordinators maintain schedules for vehicle maintenance of the facility fleet vehicles. Memos have been sent out to staff via outlook with personally assigned vehicles reminding them of proper accident reporting instructions and vehicle maintenance.

- 25. Improve controls over the process for which employees request a leave of absence.**

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**Finding:** The Department did not maintain adequate controls over employees' requests for leaves of absence.

During testing over an employee's request for a leave of absence (LOA), auditors noted the following exceptions involving missing forms, missing signatures, late approval, or late requests.

Department management stated competing priorities and employee oversight resulted in these exceptions.

**Updated Response:** Implemented. The Department is taking every effort to ensure that all requests for leaves of absence are processed as directed by personnel standards. Staff are reminded to be vigilant in their efforts to ensure this proper recording of applicable transactions.

**26. Continue to implement the process to inform and document convicted arsonists who are going to reside, be employed, or attend school within the City of Chicago, of their duty to register upon their discharge, parole or release in accordance with the Act. (Repeated-2006)**

**Finding:** The Department had not implemented a timely process to inform and document convicted arsonists of their duty to register upon their discharge, parole or release who are going to reside, be employed, or attend school within the City of Chicago.

During a review of mandates, auditors noted the Department did not amend their Administrative Directive (A.D.) until February 1, 2016, to include a process to inform and document convicted arsonists who are going to reside, be employed, or attend school within the City of Chicago; of their duty to register upon their discharge, parole or release. This requirement has been in effect since January 1, 2005.

Department management stated that due to several parties involved in the review and approval of amendments to A.D.s, the process was not made effective until February 1, 2016.

**Updated Response:** Partially implemented. IL Department of Corrections (IDOC) will make every effort to ensure compliance with the Department's responsibilities regarding the Arsonist Registration Act. In June and July of 2016, ISP assisted in facilitating a series of registration trainings for staff.

**27. Maintain and establish adequate controls over the issuance and revocation of telecommunication devices.**

**Finding:** The Department did not maintain adequate controls for the issuance and revocation of telecommunication devices.

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**Accepted or Implemented – continued**

During testing of controls over cell phones and Portable Digital Assistants (PDA), auditors noted exceptions regarding request forms, approval, signatures, and one untimely revocation of a cell phone.

Department management indicated the exceptions were due to conflicting priorities and inadequate staffing.

**Updated Response:** Implemented. The Department's Telecom Office is now fully staffed and therefore better equipped to ensure timely processing of paperwork. Telecom staff have also been working collaboratively with DoIT when it comes to updating and maintaining accurate inventory records (EMS), reviewing zero usage reports and filing TSR/DOC0014 paperwork.

**28. Maintain adequate controls over voucher processing. (Repeated-2014)**

**Finding:** The Department did not maintain adequate controls over voucher processing. During testing of controls over voucher processing, auditors noted the following:

- 75 of 635 (12%) vouchers tested, totaling \$3,919,957, were approved for payment from 1 to 334 days late.
- 19 of 60 (32%) travel vouchers tested, totaling \$6,104, were for reimbursements that were received by the Fiscal Operations later than the next month after the trip took place.
- 2 of 60 operation of automotive equipment vouchers tested, totaling \$18,371, reported vehicle tag numbers and license plates that were not traceable to the property listing. In addition, 7 of 60 (12%) equipment vouchers tested, totaling \$626,049, had items that were not traceable to the property listing.

Department management indicated the exceptions were due to conflicting priorities, employee oversight, and lack of resources.

**Updated Response:** Partially implemented. The Department continues to process payments as resources allow and field staff have been reminded of the importance of accurately processing payments on numerous occasions. A memorandum was also distributed to Department staff reminding them of the importance of timely travel voucher submission.

**29. Follow the Personnel Rules and Administrative Directive and hold management accountable for completing and documenting employee performance evaluations on a timely basis. (Repeated-2006)**

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**Finding:** The Department did not conduct performance evaluations in a timely manner.

During testing of performance evaluations for 60 employees, auditors noted exceptions involving late evaluations, gaps in evaluations, and missing signatures.

Auditors tested an additional 10 employees from Illinois Correctional Industries and noted the following exceptions:

- Five employees did not have an annual performance evaluation completed in FY15 and three employees did not have an annual performance evaluation completed in FY16.

Department management indicated the performance evaluations were not conducted in a timely manner due to staffing constraints, vacancies, retirements, oversight, and lack of adequate follow-up.

**Updated Response:** Partially implemented. The Department will make every effort to ensure compliance with performance evaluation requirements. One element of that effort will be Department-wide communication from an executive level staff member of the importance of completing performance evaluations in a timely manner.

**30. Allocate sufficient resources to comply with the Administrative Directive to document and ensure employees receive the required training to enable them to perform their specific job duties. (Repeated-2006)**

**Finding:** The Department did not properly document the completion of all employees minimum required number of training hours.

During sample testing of training records for 60 Department employees and 10 Illinois Correctional Industries employees, auditors noted the following:

- Seventeen (24%) employees in FY15 and seven (10%) employees in FY16 did not meet the annual training requirements governed by the administrative directive.
- Three employees in FY15 and two employees in FY16 did not complete the annual ethics training.
- Two of nine (22%) employees tested that were hired during the review period did not complete their initial ethics training within 30 days after their date of hire.
- One employee did not meet the minimum requirement of 40 pre-service hours.

Department management indicated the lack of adequate documentation for training at various facilities for the current engagement was due to a failure to appropriately document training hours (such as on the job training) and a failure to follow-up to ensure sufficient training hours were provided and training was attended during the year.

**Accepted or Implemented – continued**

**Updated Response:** Partially implemented. Since the audit cycle concluded the Department has done the following:

- I. The Department continues to make every effort to adhere to compliance with training requirement(s) of our staff. The course of action that has been taken to date is that a memo was sent to all facility Training Coordinators and Wardens from the Manager of Staff Development and Training to adhere to A.D.3.03.102.
- II. The Department is implementing a Training Conference call with all statewide Training Coordinators to reiterate this policy, to outline improved tracking methods for enhanced documenting, and statewide training continuity of all facilities.
- III. The Department will implement quarterly meetings (in lieu of annually), for Training Coordinators to receive training in enhanced practices for administering training and best methodologies for tracking employee trainings.
- IV. The Department will implement a statewide template tracking document that all facility Training Coordinators will be required to submit monthly to the department to electronically capture employee trainings which will also include a prompt for staff that have not completed or missed a portion of training.
- V. The Department has also evaluated Pathlore, which is, the current training tracking system, and will be pursuing the best course of action based on national standards to procure a software program to modernize its functionality.
- VI. The Department has updated its Facility Orientation Check List for new hires to capture while ensuring the administering of required training and is completed within appropriate time-perimeters.
- VII. The Department “In compliance with current audit requirements” all facilities shall review their staff training files in regards to the below.
  - The expectation shall be all facilities will be 100% compliant for Fiscal Year 2018. Those facilities that have staff who are unable to successfully complete their training (FMLA, Military leave, etc.) must provide documentation reflecting just cause.
  - A.D. 03.03.102 - Only those titles specifically cited within the A.D. shall be provided 16 hours of annual training. All other state employed staff are required to complete 40 hours in addition to the new staff requirements.
  - The Training Coordinator shall maintain an “Employee Training Record” (Form DOC 0220) in addition to Pathlore entry, for each staff compliance.

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- The State Officials and Employees Ethics Act 5 ILCS 430/5-10 requires annual completion of the Ethic Training to include, all new hires “must” and will complete their initial ethic training within 30 days of hire.”

**31. Monitor the use of leave time being used on the same day as overtime is worked and comply with the training manual by not allowing employees to work overtime on the same day that a full day of leave time is also used. (Repeated-2014)**

**Finding:** The Department allowed employees to use leave time (i.e., sick, vacation, personal leave, and accumulated holiday time) for their regular shift and then work another shift at an overtime rate on the same day. While there may be instances where this would be a needed solution to a difficult staff coverage scenario, it could be a sign of abuse of overtime and may be against Department policy.

According to the Department, for Fiscal Year 2016, there was a total of 654,375 hours of overtime paid at a cost of \$32,171,005. There were also 572,985 hours of compensatory time used/reimbursed at a cost of \$18,384,943.

In a review of these 35 employee timesheets for Fiscal Year 2016, 10 employees (29%) had used a full day of leave time at least once during the fiscal year on the same day that they had worked overtime. For these 10 employees, auditors identified a total of 33 instances during FY16 in which employees used a full day of leave time (7.5 hours) the same day that they also worked overtime. An employee at Stateville Correctional Center used leave time the same day in which they worked an overtime shift on 8 different occasions during FY16. An employee at Logan Correctional Center used leave time the same day in which they worked an overtime shift on 10 different occasions during FY16.

The Department’s Overtime Equalization Training Manual requires the Department to not consider employees on benefit time for Master Overtime Equalization if the overtime is occurring during the time of the employee’s absence.

Department management stated that competing priorities and employee oversight were contributing factors to these exceptions.

**Updated Response:** Partially implemented. Facility CAOs have been reminded to ensure employees using benefit time are not allowed to work overtime on the same day. However this has happened at Pontiac, Stateville, Dixon and Menard but it is the exception and not the norm and mainly used to avoid mandating employees to work overtime.

**32. Comply with the federal Fair Labor Standards Act of 1938 by not allowing employees to accrue more than 480 hours of compensatory time; comply with the union master agreement and track and pay compensatory time at the rate it was earned/accrued; and comply with the union master agreement by not allowing employees to carry compensatory time from the end of one fiscal year to the next. (Repeated-2014)**

**Accepted or Implemented – continued**

**Finding:** The Department violated the federal Fair Labor Standards Act (FLSA) of 1938 for compensatory time accrual by allowing Department employees to accrue more than 480 hours of compensatory time during a one-year period.

The Department is also in violation of the union master agreement when paying compensatory time. The union master agreement for Correctional Officers and Correctional Sergeants (RC-06) requires that accrued compensatory time not scheduled or taken by the end of the fiscal year shall be liquidated and paid in cash at the rate it was earned.

For three of 15 (20%) employees sampled at Stateville Correctional Center, auditors found the following:

- One employee was paid for 529 hours in June 2015 (\$24,868) and 533.63 hours in June 2016 (\$25,086).
- Another employee was paid in June 2016 for a total of 672 hours of compensatory time accrued (\$29,651). The employee was allowed to accumulate as much as 692 hours of compensatory time at one point in FY15 and 824 hours of compensatory time at one point in FY16 before being paid for the time.
- Another employee at Stateville was paid for 649 hours of accrued compensatory time in June 2016 (\$30,498). The employee was allowed to accumulate as much as 666 hours of compensatory time at one point in Fiscal Year 2016.

Five of 35 employees were allowed to carry hours of compensatory time from the end of FY15 of FY16 to the next fiscal year in violation of the union agreement. The Department uses a manual timekeeping system and does not track the rate at which compensatory time is accrued/earned for each employee. At Correctional Centers the balance of compensatory time accrued is listed on the employee's annual timesheet for each month.

Department officials indicated the exceptions noted were due to oversight and insufficient resources.

**Updated Response:** Partially implemented. The Department has been working to ensure that compensatory time is accrued in accordance with federal law and properly recorded in the timekeeping system. Also, staff have been trained on proper timekeeping techniques and we are working to ensure this standard is upheld across our Department.

**33. Transfer dormant accounts to the GRF as required by law and comply with the State mandate and Department Directives. (Repeated-2010)**

**Finding:** The Department improperly offset DOC Resident's Trust Fund (Inmate Trust Fund) accounts with positive cash balances against accounts with negative cash balances prior to the transfer of unclaimed cash balances to the General Revenue Fund (GRF).

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During on-site audits of Correctional Centers, auditors noted the following:

- Centers transferred \$14,998 in dormant accounts that should have totaled \$35,592. The difference was due to offsetting or netting balances.
- Centers did not transfer dormant accounts to the GRF totaling \$19,996 during the two years ended June 30, 2016.
- Inmate Trust Fund dormant positive and negative account balances for 8 inmates, totaling \$10,431 and \$3,889 respectively, were not transferred to the facilities to which the inmates were transferred.

Center management stated the exceptions noted were due to staff shortages, staff turnover, human error, and employee oversight.

**Updated Response:** Implemented. The Department has been working to ensure positive dormant accounts are submitted to GRF in accordance with statute. Negative dormant accounts have been isolated and are being reimbursed from 523 on an as needed basis as funding permits.

**34. Review procedures for form DOC 0075 to ensure a consistent and accurate transfer calculation is utilized. Also, determine if the current statutory language is sufficient to allow for operations of the commissary funds, or seek legislative changes if needed. Develop a plan of action to begin decreasing the liability within the Commissary Funds.**

**Finding:** The Department did not comply with the required transfers of profits from DOC Commissary Funds (Commissary Funds) to the DOC Resident's and Employee's Benefit Fund (Inmate Benefit Fund and Employee Benefit Fund).

Auditors noted the following exceptions related to accrual of profits and required transfers in compliance with the Unified Code of Corrections (Code). The Department utilizes a Commissary Fund Cash Review Form (DOC 0075) to calculate and effectuate the transfers.

- Four Centers completed the DOC 0075 but did not follow the instructions as to how much funds were to be transferred.
- Five centers completed the DOC 0075 but determined the transfer amount according to an alternative methodology. Three centers completed the DOC 0075 and partially followed the form's transfer amount methodology.
- Six centers completed the DOC 0075 but the determined amounts to transfer were not made accurately.

**Accepted or Implemented – continued**

- Inmate Benefit Fund's (IBF) mandated 40% share of Inmate Commissary Fund's (ICF) profits totaled \$3,810,104 and \$3,929,661. However, the Centers only transferred \$1,954,297 and \$2,304,394 only during FY15 and FY16, respectively.
- Employee Benefit Fund's (EBF) mandated 40% share of Employee Commissary Fund's (ECF) profits totaled \$77,142 and \$82,026. However, the Centers transferred \$22,999 and \$52,352 only during FY15 and FY16, respectively.

Department management indicated the exceptions noted were due to staff turnovers, staff limitations, and competing priorities at the Correctional Centers. Further, due to the statewide budget crisis, commissary profit transfers were ceased or delayed to help balance and maintain cash flows among the locally held funds.

**Updated Response:** Partially implemented. The Department is taking steps toward revising the DOC0075 Commissary Fund Cash Review Form. In its current state, the form frequently recommends to not make a profit payment to the Inmate Benefit Fund (IBF) due to lack of cash flow. Instead, the payments should always be made in a 60/40% manner to Fund 523 and IBF, respectively, in order to comply with 730 ILCS 5/3-4-3(c).

- 35. Develop formal change management procedures to control all changes made to computer systems. The procedure should include at a minimum:**
- **Documentation of the authorization of change by management,**
  - **Testing and documentation requirements,**
  - **User acceptance testing and approval, and**
  - **A mechanism to ensure changes are approved prior to being moved into production.**

**In addition, the Department should restrict programmer access to all production programs and data. (Repeated-2012)**

**Finding:** The Department continued to lack a process to control and manage changes to computer systems. However, according to the Department, an Enterprise Service Request (ESR) was to be completed for changes.

The auditors reviewed a sample of 42 changes, noting 30 changes did not have an ESR completed and lacked approval. In addition, the Department had not developed procedures related to the testing of changes; therefore, the auditors could not conduct detailed testing.

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During testing, the auditors requested documentation demonstrating programmer access; however, the Department did not provide such documentation.

Department management stated that competing priorities and employee oversight were contributing factors to these exceptions.

**Updated Response:** Implemented. To date, the following procedures have been implemented to document controls over the computing environment:

- IDOC has implemented an on-line Help Desk Ticketing Management System that enables O360/Y360 users to report on system processing errors and request changes to the system. Tickets are triaged daily; system updates to O360/Y360 are documented based on authorized and approved changes from the Help Desk Ticketing System.
- IDOC is establishing controls to ensure that only authorized individuals have access to applications.
  - IDOC is establishing two positions to manage authorized access to computer applications. Position 1 is being created in the IDOC hosted Public Safety Shared Services Center for a staff person that will be exclusively responsible for submitting an ESR (Enterprise Service Request) to ISU identifying new hires, terminations and/or assignment changes. Position 2 will be hired for the IDOC ISU Team that reviews and authorizes appropriate application security roles and access for O360/Y360 and other mainframe applications.
  - The IDOC/IDJJ CIO is currently working with DoIT's Public Safety CIO to validate/terminate the 11,000 users with access to both the State's active directory and other computer applications.
  - These procedures will be incorporated into IDOC Administrative Directives governing all future internal and State computing system access.
  - This project should be completed by June 30, 2018.
- UAT Testing is documented; bi-weekly system updates to O360/Y360 are documented based on authorized and approved changes.
- Weekly Status reports are provided on all system development activity by identified and specific scopes of work.
- IDOC conducts in person bi-weekly status briefings with both the internal and contracted development teams.
- In addition, this information is being uploaded to the new IDOC SharePoint.

### **36. Perform a risk assessment to evaluate computer environment and data maintained to ensure adequate security controls, including adequate physical and logical access restrictions, have been established to safeguard its computer resources.**

**Develop policies and procedures to ensure timely compliance with the requirements outlined in the Personal Information Protection Act in the event of a breach of personal information.**

**Accepted or Implemented – continued**

**Ensure all confidential information is adequately protected with methods such as encryption or redaction, particularly on portable devices. In addition, the Department should develop a mechanism to ensure the tracking of all equipment.**

**Finding:** The Department has weaknesses in the security and control of confidential information.

The Department had several computer systems that contained confidential or personal information such as names, addresses, and Social Security numbers. In addition, the Department maintained protected health information that is classified as confidential and required protection under the Health Insurance Portability and Accountability Act (HIPAA).

During the examination, the auditors noted weaknesses in the security and control of confidential information. Specifically, the auditors noted the Department had not performed a risk assessment of its computing resources to identify confidential or personal information to ensure such information is protected from unauthorized disclosure. In addition, the Department had not developed policies and procedures regarding the Department's responsibilities, as stated in the Personal Information Protection Act in the event of a breach of personal information.

The auditors also noted the Department was unable to demonstrate that encryption software had been installed on laptop computers. The auditors selected a sample of 25 laptops and the Department was unable to provide documentation to validate the use of encryption software for 19 laptops. In fact, the Department stated for 9 of the 19 (47%) laptops, they were unable to determine the laptop's location.

Department management stated the exceptions noted were due to oversight and understaffing.

**Updated Response:** Partially implemented. Department will make every effort to ensure confidential information is adequately protected. IDOC's internal ISU Team is conducting a risk assessment on the computer environment to ensure adequate controls have been established to safeguard its computer resources.

- In conjunction with the review of authorized access to computer applications; security access is being updated for all IDOC/IDJJ users to both mainframe applications and O360/Y360.
- After this review is completed, an Administrative Directive governing Security Access will be drafted to ensure adequate security controls, including adequate physical and logical access restrictions, compliance with the requirements outlined in the Personal Information Protection Act (815 ILCS 530), in the event of a breach of personal information and all confidential information is adequately protected with methods such as encryption or redaction, particularly on portable devices.

**37. Ensure ATCs properly maintain records and comply with State mandates and Administrative Directives. (Repeated-1994)**

**Finding:** The Department did not properly maintain records at the Adult Transition Centers (ATCs).

During testing of the ATCs, auditors noted the following exceptions:

- At three ATCs, there were 12 instances that stop-payments were not issued for Resident Trust Fund checks that were outstanding for more than three months.
- Auditors noted inadequate controls for the bank reconciliation process for the Resident Trust Fund. Auditors noted financial statements that did not agree with ATC's trial balance, calculation errors, lack of supervisor signatures, incomplete bank reconciliations, overstated balances, change in financial institution without approval, adjustments to the wrong account, and improper adjustments.
- During Resident Trust Fund resident folder testing, auditors noted no dependent verification in the resident's folder and no maintenance fee charged to the resident's account.
- During Resident Trust Fund and Employee Benefit Fund receipts testing, auditors noted untimely deposits at Peoria ATC:
- Auditors noted incomplete folders when testing resident personal property.
- During Employee Benefit Fund disbursement testing, auditors noted lack of required signatures, no minutes for the Employee Benefit Fund committee meeting.
- During the Resident Benefit Fund disbursement testing, auditors noted lack of supporting documentation for disbursements.
- At the Crossroads and North Lawndale ATCs, auditors noted that bank fees and bank interest were not recorded. Bank totaled \$6,909 and \$7,955 for FY15 and FY16, respectively, for the Crossroads ATC. Bank fees totaled \$4,009 and \$4,347 for FY15 and FY16, respectively, for the North Lawndale ATC.
- During IRS Form 1099-MISC (1099 forms) testing, auditors noted the following:
  - Nine of 16 (56%) 1099 forms did not match their corresponding Resident general ledger balance, with an overall net difference of \$1,620 at the Crossroads ATC.
  - Two 1099 forms did not match their corresponding Resident general ledger balance, with an overall net difference of \$450 at the North Lawndale ATC.

**Accepted or Implemented – continued**

Department management indicated the exceptions noted were due to inadequate staffing, lack of resources, inadequate communication, and central level oversight within the Department.

**Updated Response:** Partially implemented. The ATCs were hit hard by short staff and high staff turnover during the FY15/16 audit period. The accounting unit has been working heavily with ATC staff when new LHF issues arise as well as helping the current staff clear up and resolve prior period problems.

**38. Perform reconciliations of the Travel and Allowance cash box monthly and maintain related supporting travel receipts for disbursements. In addition, maintain good internal controls over any cash function. (Repeated-2008)**

**Finding:** Each Correctional Centers maintains a cash box which consists of cash from the Inmates' Trust Fund to pay either all or a portion of an inmate's trust account upon their parole or release. In addition, cash is provided through a General Revenue Fund (GRF) appropriation to provide gate money and to purchase the inmate's transportation upon parole or release from a Correctional Center.

During on-site testing at Correctional Centers, auditors noted the following exceptions with the operation of the Department's cash box funds:

- Reconciliations of the Travel and Allowance cash box were not performed on a monthly basis to Hill Correctional Center. In addition, all Travel and Allowance cash box transactions only included a statement of release of money and did not include travel receipts to substantiate the disbursement.
- Auditors noted a segregation of duty issue regarding the individual assigned custody of the Travel and Allowance cash box. The same individual performs both the monthly counts and also completes monthly bank account reconciliations for the Travel and Allowance Fund at Graham, Southwestern Illinois, and Stateville Correctional Centers.

Department management stated the exceptions noted were due to staffing limitations and oversight.

**Updated Response:** Implemented. The Department has been reminding facility staff that proper segregation of duty should be maintained over the cash boxes. Variances are resolved immediately or in a timely manner. When staffing issues arise and prevent segregation of duties, the facilities have been reminded to seek out the best separation of duties by reporting these instances to the CFO as they occur.

**39. Establish procedures to timely investigate items not located during the annual physical inventory. Further, immediately assess if missing computers contained confidential information and take the necessary actions per the Department's policies and the Personal Information Protection Act. (Repeated-2012)**

**Finding:** The Department was not able to locate 709 computer items during its annual physical inventories for FY15 and FY16. These computers may have contained confidential information.

In its FY15 Physical Inventory Report submitted to DCMS, the Department reported it was unable to locate 1,501 items totaling \$2,087,859 out of a total of 46,276 (3%) items totaling \$263,788,745 (1%). In its FY16 Physical Inventory Report, the Department reported it was unable to locate 1,940 items totaling \$3,127,163 out of a total of 43,086 (5%) items totaling \$131,106,294 (2%).

Upon further inquiry with Department personnel, auditors noted 358 of the 1,501 items not located in FY15 were computer inventory totaling \$417,377 and 351 of the 1,940 items not located in FY16 were computer inventory totaling \$386,439.

Although the Department has established procedures regarding the proper storage of electronic data, there is a possibility that confidential or personal information could reside on these computers. The Department had not protected all its laptop computers with encryption software, thus increasing the risk that confidential or personal information would be exposed.

Department management stated the computers not located during the annual physical inventory may not necessarily be lost or stolen. The Department stated some of the computer items not located may have been transferred as surplus items and the related property transfer forms were not prepared, thus resulting in the discrepancy during the annual physical inventory.

**Updated Response:** Partially implemented. IDOC is working with DoIT to collaboratively work with DCMS to ensure timely investigations are performed on items not located during annual inventory and assessing whether missing computers, if any, contained confidential information.

- To date, the ISU staff is clearing old unused computers from the IDOC headquarter at Concordia and working with fiscal and DoIT to properly record fixed asset disposal.
- Next steps will include identifying stored and unused computer equipment within all IDOC facilities and arrange for surplus and fixed asset disposal.
- This bring IDOC to a reconciliation of missing equipment from which DoIT will work with IDOC to identify if the missing equipment may have contained confidential information. The outcomes of the assessment will guide IDOC's Legal to perform appropriate disclosure of any breach with compliance of the Personal Information Protection Act.
- After this review is completed, an Administrative Directive governing Security Access will be drafted to ensure adequate security controls, including adequate physical and

**Accepted or Implemented – continued**

logical access restrictions, compliance with the requirements outlined in the Personal Information Protection Act (815 ILCS 530).

**40. Develop and implement disaster recovery and business continuity plans which reflect the Department’s environments and align with management’s intentions. Additionally, perform and document tests at least annually across all environments. (Repeated-2012)**

**Finding:** The Department had not developed a disaster recovery plan or conducted recovery testing to ensure the timely recovery of its applications and data.

Department management stated that competing priorities and employee oversight were contributing factors to these exceptions.

**Updated Response:** Implemented. To-date, the following progress has been made:

- As part of the bi-weekly status meetings with the O360/Y360 development team; we have discussed the specifics of a disaster recovery protocol.
- Guided by current DoIT policies on disaster recovery for mainframe operations, IDOC will formalize these discussions into an IDOC Administrative Directive.

**41. Establish controls over projects to ensure the adequacy and accuracy of inventory records.**

**Finding:** The Department failed to conduct due diligence over the inventory conversion project.

On March 25, 2016, the Department converted approximately 177,038 assets, totaling approximately \$1,749,371,286 from their Property Control System (PCS) to the Department of Central Management Services’ Central Inventory System (CIS).

Due to the possible material impact to the Department’s financial statements, the auditors compared the final converted PCS data to the final CIS data at June 30, 2015 and June 30, 2016, noting significant differences:

	Total Price Difference	Total Asset Count Difference
June 30, 2015	\$(22,792,225)	(6,613)
June 30, 2016	\$(25,149,261)	(10,174)

The auditors reviewed the detail of capitalized assets noting:

- 27 capitalized assets totaling \$189,640 did not have a center location identified within PCS. Subsequently, 26 of the 27 capitalized assets were identified as DJJ assets.

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- 126 capitalized assets totaling \$3,680,283 were noted in the June 30, 2016 CIS details; however, the items were not included in the June 30, 2015 PCS detail. The purchase dates of the 126 capitalized assets ranged from August 1991 to June 2015.
- 144 capitalized assets totaling \$60,784,413 located within PCS were not located within the CIS data.

The Department attributed the exceptions to inherent limitations of the Department's Automated Property Control System (former property system), the timing of the property system conversion took place (March 2016 – the last few months of the fiscal year), staff turnovers, staff limitations, competing priorities, human error, and employee oversight.

**Response:** accepted. The Department is working daily to update the current CIS to reflect accurate amounts. The Department will continue to devote the resources necessary, within the limitations of the current technology and budget constraints, to ensure that inventory information is properly recorded and maintained. The Department would like to emphasize the effects the statewide budget crisis imposed upon already limited Department staff during this time creating heavy constraints and a burdensome workload.

**Updated Response:** Implemented. The conversion of the property system was a one-time event. The Department is ensuring that any issues that arise during the year are addressed timely.

**42. Assess each program accepting credit card payments, the methods in which payments can be made, and match these methods to the appropriate Self-Assessment Questionnaire (SAQ). Subsequently, complete the appropriate SAQ; obtaining relevant information and guidance from identified service providers as necessary.**

**Finding:** The Department had not completed the requirements to demonstrate compliance with the Payment Card Industry Data Security Standards (PCI DSS).

The Department had established a gift shop where employees and guests could make purchases. In addition, the Department accepted credit card payments in order to allow families to provide funds to offenders. In FY15 and FY16, the Department accepted 330,272 and 159,916 transactions estimated at approximately \$25,393,743 and \$12,774,401 on behalf of offenders, respectively.

Upon review of the Department's efforts to ensure compliance with PCI DSS the auditors noted they had not:

- Formally assessed each program accepting credit card payments, the methods in which payments could be made, matched these methods to the appropriate Self-Assessment Questionnaire (SAQ), and contacted service providers and obtained relevant information and guidance as deemed appropriate.

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**Accepted or Implemented – concluded**

- Completed a SAQ addressing all elements of its environment utilized to store, process, and transmit cardholder data.
- Ensured vendors were PCI DSS compliant.

Department management stated that competing priorities and employee oversight were contributing factors to these exceptions.

**Updated Response:** Implemented. The Department has been gathering, reviewing, and completing the appropriate PCI and SAQ forms as appropriate to each type of services the various vendors provide. The Department does not anticipate this finding being repeated.

**43. Develop and implement policies and procedures regarding the provisioning of access rights to all applications and environments.**

**Periodically review access rights and ensure only individuals with applicable job responsibilities have access to the appropriate applications and data.**

**Review all computer and security policies and procedures and ensure they reflect the current environment.**

**Finding:** The Department failed to establish adequate controls over its computing environment.

The Department had several policies and procedures related to computers security which had not been updated for several years and did not reflect the current environment. In addition, the Department had not developed policies and procedures to control the provisioning of access rights.

During the auditor's testing of access rights, it was noted:

- 367 individuals who were indicated as separated from the Department or the Department of Juvenile Justice still had access to Offender 360.
- 2,535 Offender 360 accounts were assigned to individuals who were not employees of the Department or the Department of Juvenile Justice.
- The Department could not provide an explanation for 307 of 330 individuals with access to PEARL used by Correctional Centers. The Department stated they did not have the authority to manage access to the application and did not know why the vendor had provided access to individuals.

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Furthermore, during detailed testing at the Correctional Centers, the auditors noted:

- The Department failed to remove access rights from the Accounting Information System (AIS) and Payroll and Timekeeping System (PTS) for individuals who no longer required access.
- The Department allowed user's access to AIS, PTS, and the Inventory Management System (TIMS) even though their position did not require such access.

Department management stated that competing priorities and employee oversight were contributing factors to these exceptions.

**Updated Response:** Implemented. To date, the following procedures have been implemented to document controls over the computing environment:

- IDOC is establishing controls to ensure that only authorized individuals have access to applications.
  - IDOC is establishing two positions to manage authorized access to computer applications. Position 1 is being created in the IDOC hosted Public Safety Shared Services Center for a full-time staff person that will be exclusively responsible for submitting an ESR's (Enterprise Service Requests) to ISU identifying new hires, terminations and/or assignment changes. Position 2 will be hired for the IDOC ISU Team that reviews and authorizes appropriate application security roles and access for O360/Y360 and other mainframe applications.
  - The IDOC/IDJJ CIO is currently working with DoIT's Public Safety CIO to validate/terminate the 11,000 users with access to both the State's active directory and other computer applications.
- In conjunction with the review of authorized access to computer applications; security access is being updated for all IDOC/IDJJ users to both mainframe applications and O360/Y360.
- These procedures will be incorporated into IDOC Administrative Directives governing all future internal and State computing system access.
- This project should be completed by June 30, 2018.

### Emergency Purchases

The Illinois Procurement Code (30 ILCS 500/) states, "It is declared to be the policy of the State that the principles of competitive bidding and economical procurement practices shall be applicable to all purchases and contracts..." The law also recognizes that there will be emergency situations when it will be impossible to conduct bidding. It provides a general exemption when there exists a threat to public health or public safety, or when immediate expenditure is necessary for repairs to State property in order to protect against further loss of or damage to State Property, to prevent or minimize serious disruption in critical State services that affect health, safety, or collection of substantial State revenues, or to ensure the integrity of State records; provided, however that the term of the emergency purchase shall not exceed 90 days. A contract may be extended beyond 90 days if the chief

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procurement officer determines additional time is necessary and that the contract scope and duration are limited to the emergency. Prior to the execution of the extension, the chief procurement officer must hold a public hearing and provide written justification for all emergency contracts. Members of the public may present testimony.

Notice of all emergency procurement shall be provided to the Procurement Policy Board and published in the online electronic Bulletin no later than 3 business days after the contract is awarded. Notice of intent to extend an emergency contract shall be provided to the Procurement Policy Board and published in the online electronic Bulletin at least 14 days before the public hearing.

A chief procurement officer making such emergency purchases is required to file an affidavit with the Procurement Policy Board and the Auditor General. The affidavit is to set forth the circumstance requiring the emergency purchase. The Legislative Audit Commission receives quarterly reports of all emergency purchases from the Office of the Auditor General. The Legislative Audit Commission is directed to review the purchases and to comment on abuses of the exemption.

Ten emergency purchase affidavits were filed during FY15 totaling \$3,787,640.81 as follows:

- \$ 383,887.70 for repairs; and
- \$3,403,753.11 for Communication and Control Center for the Parole Division.

Nine emergency purchase affidavits were filed during FY16 totaling \$1,462,747.23 as follows:

- \$ 511,114.28 for coal;
- \$ 458,645.19 for food;
- \$ 354,987.66 for repairs and equipment; and
- \$ 138,000.00 for Department of Justice audit.

### **Headquarters Designations**

The State Finance Act requires all State agencies to make semiannual headquarters reports to the Legislative Audit Commission. Each State agency is required to file reports of all its officers and employees for whom official headquarters have been designated at any location other than that at which official duties require them to spend the largest part of their working time. The Department of Corrections indicated as of July 13, 2016, the Department had 505 employees assigned to locations other than official headquarters.

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**DEPARTMENT OF CORRECTIONS**  
**TWO YEARS ENDED JUNE 30, 2016**

**APPENDIX A**

**Summary of Average Populations and Yearly Cost Per Inmate**

	2016			2015		
	Rated Capacity	Average Daily Population	Average Yearly Cost	Rated Capacity	Average Daily Population	Average Yearly Cost
<b><u>Adult Institutions</u></b>						
Maximum Security						
Logan	1,106	1,837	26,440	1,106	1,934	26,268
Menard	3,098	3,649	21,479	3,098	3,756	22,736
Pontiac	1,800	1,884	35,721	1,800	2,031	35,893
Stateville	3,162	3,507	31,927	3,162	3,775	32,847
<b>Maximum Security Total</b>	<b>9,166</b>	<b>10,877</b>	<b>\$ 28,152</b>	<b>9,166</b>	<b>11,496</b>	<b>\$ 28,975</b>
Medium Security						
Big Muddy River	952	1,844	\$ 17,431	952	1,891	\$ 18,628
Centralia	950	1,528	21,844	950	1,548	23,467
Danville	896	1,785	15,892	896	1,832	17,280
Dixon	1,430	2,343	24,383	1,430	2,318	28,867
Graham	1,174	1,901	22,162	1,174	1,932	23,419
Hill	896	1,794	16,401	896	1,838	17,660
Illinois River	1,011	1,993	15,796	1,011	2,068	17,120
Lawrence	2,257	2,200	17,692	2,257	2,353	18,750
Pinckneyville	2,434	2,367	18,249	2,434	2,507	18,799
Shawnee	896	1,775	18,427	1,046	2,066	18,981
Sheridan	1,304	1,965	24,240	1,304	2,059	25,546
Western Illinois	1,102	1,946	17,452	1,102	2,102	18,725
<b>Medium Security Total</b>	<b>15,302</b>	<b>23,441</b>	<b>\$ 19,581</b>	<b>15,452</b>	<b>24,514</b>	<b>\$ 20,627</b>
Minimum Security						
Decatur	500	672	\$ 28,069	500	766	\$ 28,079
East Moline	688	1,388	19,814	688	1,424	21,412
Jacksonville	1,100	1,308	27,215	1,100	1,560	25,161
Lincoln	500	1,005	21,004	500	1,010	23,424
Robinson	600	1,203	19,623	600	1,210	22,089
Southwestern	600	672	36,673	600	717	38,619
Taylorville	600	1,185	20,591	600	1,197	22,686
Vandalia	1,100	1,509	20,978	1,100	1,673	21,073
Vienna	925	1,693	21,310	925	1,816	21,310
<b>Minimum Security Total</b>	<b>6,613</b>	<b>10,635</b>	<b>\$ 22,892</b>	<b>6,613</b>	<b>11,373</b>	<b>\$ 23,779</b>
<b>Institution Total</b>	<b>31,081</b>	<b>44,953</b>	<b>\$ 23,241</b>	<b>31,231</b>	<b>47,383</b>	<b>24,460</b>

Appendix A - continued

	2016			2015		
	Rated Capacity	Average Daily Population	Average Yearly Cost	Rated Capacity	Average Daily Population	Average Yearly Cost
<b><u>Adult Transition Centers</u></b>						
Fox Valley	100	127	24,331	100	130	23,272
Peoria	200	241	17,815	200	238	17,727
<b>Transition Center Total</b>	<b>300</b>	<b>368</b>	<b>\$ 18,217</b>	<b>300</b>	<b>368</b>	<b>\$ 19,721</b>
<b><u>Contractual</u></b>						
Crossroads	250	338	\$ 23,076	250	366	\$ 21,291
North Lawndale	200	158	30,918	200	162	30,155
<b>Contractual Total</b>	<b>450</b>	<b>496</b>	<b>\$ 25,574</b>	<b>450</b>	<b>528</b>	<b>\$ 24,010</b>
<b>Grand Total</b>	<b>31,831</b>	<b>45,817</b>		<b>31,981</b>	<b>48,279</b>	
<b>Under/Over Capacity</b>		<b>13,986</b>			<b>16,298</b>	

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**DEPARTMENT OF CORRECTIONS**  
**TWO YEARS ENDED JUNE 30, 2016**

**APPENDIX B**

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**Summary of Appropriations and Expenditures**

	FY16	FY15	FY14
<b>APPROPRIATIONS</b>	<b>\$ 1,035,125,365</b>	<b>\$ 1,414,403,728</b>	<b>\$ 1,369,328,300</b>
<b><u>General Office</u></b>			
Personal services	\$ 840,499,365	\$ 859,280,103	\$ 869,492,166
Retirement - Employer paid	4,485,195	5,487,404	6,135,072
Social security	61,064,726	62,150,315	63,174,850
Group Insurance	2,782,213	3,389,884	4,245,298
Contractual services	19,228,826	304,281,444	277,178,917
Travel	133,077	1,096,074	1,196,103
Travel and allowances for prisoners	326,394	688,995	739,059
Commodities	24,909,075	105,414,630	89,587,065
Printing	2,068	666,101	4,867
Equipment	653,092	5,508,371	5,097,403
EDP	-	24,317	68,946
Telecommunications	56,333	17,607,497	8,078,122
Operate auto equipment	851,836	5,166,462	5,488,235
Lump Sums and other purposes	567,063	865,759	480,577
Awards and Grants	66,355	14,173,674	24,164,869
Permanent improvements	-	50,562	182,864
Refunds	4,251	502,296	176,724
<b>Total General Office</b>	<b>\$ 955,629,869</b>	<b>\$ 1,386,353,888</b>	<b>\$ 1,355,491,137</b>

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**DEPARTMENT OF CORRECTIONS**  
**TWO YEARS ENDED JUNE 30, 2016**

**APPENDIX C**

**Cash Receipts**

	<u>FY16</u>	<u>FY15</u>
<b><u>General Revenue Fund</u></b>		
General Office		
Jury Duty	1,633	1,401
Concession and vending revenue	-	1,991
Prior year refunds	19,139	71,152
Miscellaneous	53,641	90,864
 School District - Miscellaneous		
Prior year refunds	94	1,343
 Adult Field Services		
Dormant trust accounts	644	1,238
Jury duty	315	490
Prior year refunds	3,186	30
 Correctional Centers		
Jury Duty	11,028	6,609
Dormant trust accounts	56,645	72,218
Copy fees, subpoena fees and contraband	1,947	973
Rent, jury duty, phone calls, pallets, and recycling	7,165	12,437
Witness fees	1,420	878
Replacement badges	1,614	1,515
Prior year refunds	8,643	21,575
Miscellaneous	3,292	18,581
 <b>Total</b>	<b><u>\$ 170,406</u></b>	<b><u>\$ 303,295</u></b>
 <b><u>Working Capital Revolving Fund</u></b>		
Receipts from sales of products	22,581,903	48,762,869
Rent from farm leases	1,353,215	929,557
Proceeds from sales equipment	11,318	25,829
Miscellaneous	-	14,634
Jury Duty	50	11,334
Prior year refunds	66	5,243
<b>Total</b>	<b><u>23,946,552</u></b>	<b><u>49,749,466</u></b>
 <b><u>Reimbursement Fund</u></b>		
Court ordered reimbursement	128,798	354,947
Inmate maintenance work release	1,287,650	1,454,537
Illinois Department of Public Health	-	-
Library reimbursement	119,736	116,399
Inmate reimbursement - miscellaneous	759,172	906,129
Recovered workers' compensation	-	-
U.S. Department of Justice	4,316,809	4,234,354
Illinois Criminal Justice Information Authority	617,794	760,666
Electronic device monitoring	2,895	-

**Appendix C - continued**

	<b>FY16</b>	<b>FY15</b>
Illinois Department of Human Services	185,000	198,010
College tuition reimbursement	-	200
U.S. Social Security Administration	184,040	232,400
Illinois Community College Board	235,985	1,835,599
Telephone commissions	11,088,665	6,058,000
Illinois Emergency Management Agency	-	-
Inmate commissary sales profit	5,384,999	6,251,799
University of Illinois	-	-
Reimbursements	189,283	944,855
Miscellaneous	140,333	354,495
Repayment pursuant to law	678	3,960
Department of Commerce and Economic Opportunity	450,511	614,840
Prior year refunds	744	639
Total	<b>25,093,092</b>	<b>24,321,829</b>
<b>Total all funds</b>	<b>\$ 49,210,050</b>	<b>\$ 74,374,590</b>

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**DEPARTMENT OF CORRECTIONS**  
**TWO YEARS ENDED JUNE 30, 2016**

**APPENDIX D**

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**Summary of State Property**

	<u>FY16</u>	<u>FY15</u>
<b>Beginning Balance, July 1</b>	<b>\$ 1,784,189,400</b>	<b>1,773,050,804</b>
Additions	5,748,111	606,974,135
Deletions	(8,831,624)	(603,528,452)
Net Transfers	5,748,934	7,692,913
	<hr/>	<hr/>
<b>Ending Balance, June 30</b>	<b>\$ 1,786,854,821</b>	<b>\$ 1,784,189,400</b>
 *Comprised of:		
Equipment	\$ 155,402,707	\$ 162,457,819
Land and Land Improvements	60,675,168	60,675,168
Buildings	1,475,682,467	1,468,055,777
Site Improvements	92,513,854	92,509,011
Capital Lease Equipment	2,580,625	491,625
	<hr/>	<hr/>
<b>Total</b>	<b>\$ 1,786,854,821</b>	<b>\$ 1,784,189,400</b>

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**DEPARTMENT OF CORRECTIONS**  
**CORRECTIONAL INDUSTRIES**  
**TWO YEARS ENDED JUNE 30, 2016**

**APPENDIX E**

**Profit/Loss by Industry**

<b><u>Industry</u></b>	<b><u>FY16</u></b>	<b><u>FY15</u></b>
Illinois River Bakery	\$ 370,961	\$ 883,197
Illinois River Recycling	(13,684)	(13,027)
Lincoln Furniture	(120,195)	(274,075)
Lincoln Sign Shop	(274,579)	(200,560)
Decatur Sewing/garment	(325,759)	(390,048)
Decatur Dog Grooming	(36,461)	(35,863)
Jacksonville Recycling	-	(14,188)
Centralia Matress	-	(63,026)
Centralia Sewing/Garment	(535,880)	(662,614)
Centralia Recycling	(57,327)	(101,395)
Graham Furniture	(282,383)	(361,379)
Graham Mattress	(54,676)	5,623
Graham Vehicle	7,265	6,407
Logan Recycling	(196,177)	(301,066)
Menard Broom and Wax	(219,657)	(150,589)
Menard Knit	(49,659)	85,393
Menard Meat/Food Processing	516,964	379,684
Menard Waste Removal/Recycling	(74,024)	(68,474)
Logan Helping Paws	(163,128)	(151,618)
Stateville Furniture	(126,436)	(138,191)
Stateville Soap	(178,611)	(246,581)
Stateville Recycling	(279)	-
Vandalia Milk/Juice Processing	(40,370)	173,315
Vandalia Meat/Food Processing	435,030	254,979
Vandalia Recycling	(134,115)	(135,041)
East Moline Furniture	113,627	3,412
Danville Silk Screening & Embroidery	(391,508)	(299,990)
Danville Recycling	(29,396)	(23,504)
Dixon Optical	1,099,721	3,161,780
Hill Meat/Food Processing	1,039,199	636,968
Hill Milk/Juice Processing	713,765	1,008,822
Western Illinois Meat Food/Processing	1,885,981	584,897
Western Illinois Recycling	(14,747)	-
Shawnee Metal Furniture	(469,435)	(384,500)
Shawnee Recycling	6,934	(17,941)
<b>Total</b>	<b>2,400,961</b>	<b>3,150,807</b>
Interest expense/Non-operating expense	25,261	(9,846)
Other income (expenses), net	268,168	816,045
<b>NET GAIN</b>	<b>\$ 2,694,390</b>	<b>\$ 3,957,006</b>