

**SPEED S.E.J.A. #802**  
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**MEMORANDUM**

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**TO:** SPEED Operating Committee; SPEED Governing Board

**FROM:** Kevin Slattery, Director of Business and Finance, CSBO *KS*

**SUBJECT:** FY17 Audit Corrective Action and Timeline

**DATE:** February 23, 2018

**CC:** Al Travaglini, Margie Lenoir

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The following lists the A133 Audit findings from FY17, along with a corrective action(s) and timeline.

**Finding 2017-002:** The Joint Agreement reported project year 2016 grant expenditures in the incorrect fiscal period (expenditures were paid prior to 6/30/16, but were reported in the 7/1/16-8/31/16 time period). Cumulative expenditures for the project year 2016 grant reported through 8/31/16 in total are correct.

**\*Corrective Plan:** The Joint Agreement will prepare periodic expenditure reports that agree to the general ledger in the future and the Joint Agreement has already contact ISBE regarding the expenditure reports filed for this grant. This has been occurring during the 2017/2018 grant year. An expenditure report is submitted with SPEED expenditures by the 20<sup>th</sup> of the month following the close of the quarter. By the end of that month, Member District expenditures are submitted.

**Finding 2017-003:** The Joint Agreement's final expenditure reports for the Special Education Cluster do not included all expenditures in the proper reporting period.

**\*Corrective Plan:** On June 30, 2018, an expenditure report will be submitted with obligated funds and a final expenditure report will be submitted by August 31, 2018 for the FY18 grant year which will include all Member District expenditures.

**Finding 2017-004:** While the Joint Agreement is aware of its responsibility to ensure that payments are not made to parties excluded by the Federal Government, no monitoring was performed during the year ended June 30, 2017.

**\*Corrective Plan:** Management will check regularly for disbarred companies at the EPLS ([sam.gov](http://sam.gov)) website. This is currently being done during the 2017/2018 school year for IDEA Grant purchases of significant value.

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**Workers' Compensation Account Activity:** During the audit, we noted that transactions that cleared the bank were reported in the general ledger. Failure to record transactions when they occur results in an incomplete general ledger. In addition, bank errors or omissions could go undetected without an independent record to reconcile.

**\*Corrective Plan:** All Workers' Compensation account receipts and disbursements are being recorded when they occur (IPMG sends the monthly transaction details), as compared to when these transactions clear the bank.

**Activity Fund Sub-Ledger:** The Joint Agreement was not able to provide an activity fund sub-ledger that reconciled to the register balance as June 30, 2017. Furthermore, the beginning balances used on the sub-ledger did not agree to the balances reported on the June 30, 2016 annual financial report.

**\*Corrective Plan:** The sub ledger for the Activity Account has been revised to report the beginning balances used for July 1, 2017 are those from June 30, 2017. Also, the sub-ledger itself has been redesigned and this is a work in progress during the 2017/2018 school year.