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September 23, 2015

The Honorable Toni Preckwinkle, President
And Board of Cook County Commissioners
118 N. Clark Street, Room 537
Chicago, Illinois 60602

Dear President Preckwinkle and Board of Commissioners:

The Office of County Auditor (OCA) conducts a quarterly follow-up on open findings and recommendations. The OCA will submit a Quarterly Open Findings Status Report to the County Board for referral to Audit Committee every quarter.

Please refer to the following FY'15 3rd quarter - Quarterly Open Findings Status Report. As indicated in the report, to date there have been 80 recommendations made by the OCA for which 58 have been fully implemented, 4 partially implemented and 18 not implemented. The status of the 22 open recommendations is reflected in the attached report.

We express our appreciation to all departments for providing quarterly updates to the recommendations. We are continually available to assist the departments in their implementation of the recommendations.

Respectfully Submitted,

Shelly Banks

Shelly Banks, CPA
Cook County Auditor

Office of County Auditor
FY'15 3rd Quarter Open Finding Recommendations Status

Capital Construction Contract Monitoring

Finding #	Finding Statement	Corrective Action Plan (CAP)	Most Recent Update	ECD
1	A policy and procedure is not in place to ensure that projects remain in compliance and on track if the situation arises where the project manager is removed from the project (i.e. leave, another assignment, etc.).	The OCPP is looking to bring on a Program Manager and Construction Manager (PM/CM) to oversee the Capital Projects. This allows the Department to be seamless on transitions of projects as we will be able to target hiring additional staff when project loads are heavy and relieve that staff when the project loads do not require as many FTEs to oversee projects. The continuity of having PM/CM'S will ensure that projects are still completed timely when the Department suffers from critical staff on leave.	The OCPP is working through the procurement process.	12/31/2015

Cash Reconciliation Project

Finding #	Finding Statement	Corrective Action Plan (CAP)	Most Recent Update	ECD
4	There are no written policies and procedures documenting the bank reconciliation process for certain departments.	Management of the departments involved agreed and will implement corrective action.	The departments involved are working on finalizing written policies and procedures.	11/30/2015
Finding #	Finding Statement	Corrective Action Plan (CAP)	Most Recent Update	ECD
6	Bank reconciliations were not always completed accurately with the proper support for variances.	Management of the departments involved agreed and will implement corrective action.	The departments involved are addressing the bank reconciliation process to ensure bank reconciliations are completed accurately with the proper support.	11/30/2015

Court Reporting Orders Process

Finding #	Finding Statement	Corrective Action Plan (CAP)	Most Recent Update	ECD
1	Cook County does not have in place internal centralized Countywide oversight and monitoring of the court report orders process to prevent excessive, unnecessary or duplicate requests. Our tests resulted in 16 noted discrepancies within the court report orders process.	Public Defender - We are not sure if it is legal for the County to take ownership of the Countywide court reporting order process due to attorney client privilege and work product privilege. State's Attorney - We currently send all 29As for the payment of Official Court Reporter transcripts to our Chief of the Felony Trial Division for sign off, prior to submission to the Comptroller. The Office of the Chief Judge has directed that all 29As be accompanied by the original order form, certified by the Court Reporter Supervisor as accurate in terms of rate and page count. Chief Judge - The Office of the Official Court Reporters in Cook County is a state office operating under the governing authority of Chief Judge Timothy Evans. We have no objection to the recommendation that the county monitor the transcript billing process and the ordering process as well, as long as the monitoring of orders is limited to Cook County offices.	The individual entities implemented controls to address the deficiencies. A central County entity for County ordering of transcripts has not been established.	11/30/2015

Court Reporting Orders Process

Finding #	Finding Statement	Corrective Action Plan (CAP)	Most Recent Update	ECD
2	Currently, court report orders are received in hard copy format generating an immense amount of paper. Transcripts are paper processed and paper processing of court transcripts for use by Cook County departments is antiquated and is not consistent with environmental sustainability.	Public Defender - We are concerned with the mechanics of a centralized document management system. State's Attorney - We have requested an opinion from our Civil Actions Bureau with respect to the legal issues raised at the exit interview involving the acceptance of electronic versions of the transcripts and the possibility of a centralized document management system. Chief Judge - We agree with the auditors in their interpretation of Administrative Regulations for Court Reporting Services Section II.F.S, that beginning January 1, 2015, reporters must upload electronic files of court proceedings to online directories through the state Share File system.	State's Attorney's Office is still reviewing for final opinion.	11/30/2015

Delinquent Home Rule Tax Process

Finding #	Finding Statement	Corrective Action Plan (CAP)	Most Recent Update	ECD
1	Tax delinquencies are not being followed up in a timely and efficient manner to ensure the most optimal return to the County of money owed.	Management agrees with the recommendations and has plans to address them within its current process and as part of its future state integrated tax processing system implementation (ITPS).	Management has implemented many of the recommendations within the current process and has included the efficiencies as part of the ITPS implementation process.	6/30/2016
Finding #	Finding Statement	Corrective Action Plan (CAP)	Most Recent Update	ECD
2	The delinquent tax account data is not being accurately and efficiently maintained to ensure the reliability of the delinquent tax accounts and amounts.	Management agrees that there is a need for a more accurate and comprehensive system to manage accounts, and as mentioned before, plans to address these issues as part of its ITPS implementation, with select improvements to its interim process.	Management has made improvements to the interim process and continues to move forward with the ITPS implementation.	6/30/2016

Employer Sponsored Dental Insurance Benefits Contract

Finding #	Finding Statement	Corrective Action Plan (CAP)	Most Recent Update	ECD
3	Control deficiencies were identified in regards to the processing of claims and eligibility.	Risk Management took this finding very seriously. Guardian identified the discrepancies as processing errors and corrected the errors immediately after they were identified. Risk Management communicates with Guardian regularly to discuss employee concerns. Guardian is working with Risk Management to further improve its control procedures.	Guardian attributed its control deficiency findings to human error and a system error issue. Guardian corrected the errors and has outlined steps to prevent future errors. Guardian conducts monthly audits on the eligibility and payment analysts to ensure they maintain a 99% percent accuracy rate. Guardian has requested a system enhancement request to flag predeterminations and prevent them from being processed. Guardian expects this system enhancement will prevent future incidents. The coding is scheduled to begin in September 2015 and should be implemented by the end of 2015.	11/30/2015

FPD Cash Management

Finding #	Finding Statement	Corrective Action Plan (CAP)	Most Recent Update	ECD
4	Staff limitations resulted in one person being charged with the responsibility of collecting, depositing, and reconciling cash activity.	Finance Administration will review the Law Enforcement Department's current operations and implement the policies and procedures necessary to mitigate the separation of duties issues identified in the finding. Additionally, Finance Administration will implement the necessary procedural changes to address the lack of dual controls at locations without a Smart Safe.	Finance Administration is addressing the separation of duties issue with the Law Enforcement Department and the lack of dual controls.	9/30/2015

Finding #	Finding Statement	Corrective Action Plan (CAP)	Most Recent Update	ECD
6	In the VRC location, checks are not deposited in the most efficient and secure manner.	Finance Administration will provide training on final policies and procedures to all employees responsible for cash handling activities. In addition, users of the Remote Deposit Scanner at VRC will be trained on proper usage of the device.	Users of the Remote Deposit Scanner at VRC were trained on the proper usage of the device. Such training was implemented on 5/7/2015; District-wide training on final policies and procedures to all employees responsible for cash handling activities has not been formally implemented yet. The implementation of such training is expected to be completed by 9/30/2015.	9/30/2015

Highway Sale of Permits

Finding #	Finding Statement	Corrective Action Plan (CAP)	Most Recent Update	ECD
1	Department of Transportation and Highways (DOTH) does not perform a reconciliation between the Dept. of Revenue's iNovah system and the Permit Databases (Construction and Haul).	The DOTH Permits Division lost the manpower that originally performed a monthly reconciliation. The Division is working on getting additional manpower to meet the monthly reconciliation requirement.	The DOTH Permits Division is working towards a process for performing a monthly reconciliation.	5/31/2016

JTDC Parking Management Services Contract

Finding #	Finding Statement	Corrective Action Plan (CAP)	Most Recent Update	ECD
1	Facilities Management does not have in place effective contract monitoring policies to ensure the Contractor's compliance with contract terms and conditions. Due to the lack of oversight, key documentations was not available or was incomplete during audit review.	A request for proposal (RFP) was posted by Procurement accepting bids from April 15, 2015 through May 1, 2015. This new RFP incorporated what would eliminate the reporting deficiencies noted in the audit under the current contract, which will then result in the new contract mandating well-defined reporting and verifiable checks and balances. With the approval of the new contract, policies and procedures will be established to monitor the Contractor for compliance with Contract terms and conditions.	Bids were received in the Procurement Department during the month of August 2015. The bids are still in review with further investigation of projected and current revenue for the garage. While in review, an extension of the contract will be needed for another 6 months, September 2015-February 2016. During requested extension period, DFM will be implementing a policy for vendor and DFM staff to follow that incorporates the requirements of the contract, which allows for greater accountability on both parts. This Policy is expected to be completed by September 30th. DFM has already begun requesting and receiving revenue reports and other data.	3/31/2016

Finding #	Finding Statement	Corrective Action Plan (CAP)	Most Recent Update	ECD
2	The financial activity reported by the Contractor is not being verified to ensure it is supported and that revenue received by the County and management fees remitted to the Contractor are accurate and timely. The lack of verification resulted in late payments to the Contractor and the potential loss of revenue. The lack of oversight also resulted in a number of control deficiencies.	The Contractor now includes notification to Facilities Management on payments to the Dept. of Revenue in order to monitor for timely remittances. The data currently provided by the Contractor does not allow for a monthly reconciliation to be easily performed because the information received is unclear. With the adoption of the new contract, we anticipate that the documentation provided by the Contractor will allow for a clearer financial trail, which will enable Facilities Management to monitor the activity of the Facility and perform monthly reconciliations.	During requested extension period, DFM will be implementing a policy for vendor and DFM staff to follow that incorporates the requirements of the contract, which allows for greater accountability on both parts. This Policy is expected to be completed by September 30th. DFM has already begun requesting and receiving revenue reports and other data.	3/31/2016

Finding #	Finding Statement	Corrective Action Plan (CAP)	Most Recent Update	ECD
4	The Health employee payroll deduction reports generated by Bureau of Technology (BOT) for the three months tested could not be reconciled to the Contractor's records, which resulted in a billing overstatement of $970.24.	Facilities Management will contact the Comptoller's office to inquire about changing the billing process as part of the new contract requirements.	DFM is working through this process change with BOT and Comptroller.	3/31/2016

Liquor Control Commission

Finding #	Finding Statement	Corrective Action Plan (CAP)	Most Recent Update	ECD
6	The Liquor Control Commission does not have a written policies and procedures manual.	The LCC will now take that experience and the notes gathered to develop a written policies and procedures manual as suggested.	Since the Ordinance changes have been approved, LCC is working on finalizing the policies and procedures manual.	11/30/2015

Motor Fuel Card Purchases

Finding #	Finding Statement	Corrective Action Plan (CAP)	Most Recent Update	ECD
2	An accurate fuel card inventory listing is not maintained.	An accurate fleet card inventory is maintained. The Sheriff's Office maintains the inventory based upon information received from using agencies. Using agencies do not update our office in a timely manner when their information changes. The Sheriff's Office agrees that this is an issue that needs to be addressed.	The Sheriff has an accurate inventory of fuel cards and the vehicles they are assigned to. There are a few remaining cards that do not have a specific vehicle assigned to them. These will be eliminated once new unit #'s are assigned to all vehicles Countywide. This should be completed by 1st quarter 2016 when the Sheriff begins to oversee maintenance of all passenger vehicles Countywide.	3/1/2016
Finding #	Finding Statement	Corrective Action Plan (CAP)	Most Recent Update	ECD
3	The Sheriff's Office requests using Agencies to review their monthly billing detail for excessive use and possible abuse, there is no follow up to ensure that this is being completed.	Sheriff's Office: It is not, nor should it be the responsibility of the Sheriff's office to review or monitor other agency's fuel usage. If a driver enters in an inconsistent odometer reading the Alerts System notifies the Sheriff's Office, and the driver's supervisor is notified of the inconsistency. The Sheriff's Office has begun assigning a separate card for the equipment. Bureau of Administration: The BOA should be set up by the Sheriff to receive fuel card usage and cost data as well as alerts of possible abuse for all departments excluding the Sheriff and possibly State's Attorney.	Once the vehicle maintenance consolidation begins under the Sheriff, the Sheriff will be working with each department to setup alerts specific to the department as it relates to proper fuel usage. Once the online accounts are established, the BOA will be able to access fuel data as an administrator, similar to the Sheriff's rights. The online access should be available by the 1st quarter 2016.	3/1/2016

Payroll

Finding #	Finding Statement	Corrective Action Plan (CAP)	Most Recent Update	ECD
1	There is a lack of standardized payroll and timekeeping processes and procedures across the County.	As part of the implementation of the new system, management is reviewing policies and procedures to ensure consistent Countywide practices. This initiative is ongoing and has an anticipated completion date of January 2016. The Comptroller's Office Payroll Department will continue to conduct annual Countywide timekeeper training sessions, which include the issuance of an updated comprehensive user guide for time entry manual. The Comptroller's Office Payroll Department will continue to work with the timekeepers on a bi-weekly basis to ensure the accuracy of payroll. The Comptroller's Office will continue to work with the Bureau of Human Resources to have more standard and efficient Countywide human resource and payroll procedures in conjunction with the current payroll upgrade project and the planned time and attendance project.	The Comptroller's Office Payroll team continues to work with Human Resources (HR) and the User Departments' Timekeepers during the bi-weekly payroll process. The Comptroller's Office continues to participate in Time and Attendance project meetings/work groups (that includes HR). The Comptroller's Office continues to update their payroll and garnishments business processes and procedures based on the recently implemented E1 system. The most recent estimate of completion for the Time and Attendance System is the third quarter of FY2016, ECD revised to 11/30/16.	11/30/2016

PD CDBG Program

Finding #	Finding Statement	Corrective Action Plan (CAP)	Most Recent Update	ECD
1	Planning and Development does not conduct an annual risk assessment of the County's CDBG funded activities or develop an annual monitoring plan as stated in Section 8-Monitoring Policies of the Department's policies and procedures manual.	A consultant team worked with Dept. of Planning and Development (DPD) to revise and update our Policies and Procedures Manual. The manual incorporated recommended best practices, including some practices that DPD had not yet implemented. Different types of monitoring are required for different project types, and some projects may not be suitable for remote monitoring due to data privacy concerns. DPD expects to complete its assessment of risk-based monitoring for CDBG in early 2015 and finalize its risk assessment policy and an annual monitoring plan for projects underway in 2015.	DPD has drafted an assessment of risk-based monitoring, risk assessment policy and annual monitoring plan. The documents will be finalized by the end of the fiscal year to be fully in place for FY’2016.	11/30/2015

Sheriff's Office Payroll Overtime

Finding #	Finding Statement	Corrective Action Plan (CAP)	Most Recent Update	ECD
3	Documentation to support overtime incurred and paid was lacking, inconsistent and is not being adequately maintained. During our testing, 49 out of 50 or 98% of the employees tested were missing at least one of the three required forms/reports totaling 789 missing forms.	The documentation system used to track overtime is being automated, which will result in a greater level of consistency across the divisions and units of our operations. The 3-Part Forms are being automated. Once the County has implemented its automated timekeeping and attendance system, most processes will become more streamlined.	The Sheriff's Office is actively participating in the pilot for the new timekeeping and attendance project. The pilot is set to go live in October of 2015. The Sheriff's Office has decided not to automate the 3-part form at this time, due to the fact that these forms will no longer be used once the Sheriff's Office goes live with the new timekeeping system.	6/30/2016

Finding #	Finding Statement	Corrective Action Plan (CAP)	Most Recent Update	ECD
6	There is no documented payroll supervisory review or reconciliation of overtime entered and paid to prevent or detect errors or abuse.	A payroll supervisory review and reconciliation process will be established within the next six months.	The Sheriff's Office has implemented a process, so that the data file to be uploaded to the payroll system is reviewed by the Payroll Director. We are developing an audit schedule, so that timecards can be randomly audited by finance staff.	11/30/2015

Veterans Assistance Commission

Finding #	Finding Statement	Corrective Action Plan (CAP)	Most Recent Update	ECD
10	According to the Cook County Bureau of Administration (BOA), the VACCC has not been working with them to ensure that proper oversight is provided over the distribution of funds to the VACCC.	The VACCC is in the process of meeting with our Veterans Assistance Commission Executive Board to jointly review, develop and update any changes needed to our current policy and procedures manual. The Superintendent provides a thorough monthly report and quarterly report to the VACCC executive board as per our written by laws. The VAC has provided monthly and quarterly reports during the last two years to the Bureau of Administration Bureau Chief on a consistent basis.	The VACCC has consistently provided monthly and quarterly reports to the proper authorities as required, to include the Cook County Budget Department on a timely basis. VACCC is waiting for a scheduled date to meet with the Cook County Board of Commissioners Veterans Committee to discuss and mutually develop a written agreement between the Veterans Assistance Commission of Cook County and the County.	11/30/2015

Finding Recommendations Status Summary to Date

Status	# Recommendations
Implemented	58
Not Implemented	18
Partially Implemented	4
Total	**80**