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March 21, 2016

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.

Please refer to the following FY'16 1st Quarter Open Findings Status Report. As indicated in the report, since FY'13 there have been 102 recommendations made by the OCA for which 69 have been fully implemented, 4 partially implemented and 29 not implemented. The status of the 33 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'16 1st 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 CM contract for CCHHS is currently with our Election Committee for review. A 2nd quarter Board Meeting request is anticipated for approval. The PM contract for Public Safety will be going out for proposals/ qualifications in April 2016. The ECD was updated to reflect a date for both contracts to be in place.	11/30/2016

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.	One department is still working on finalizing written procedures. The Auditor's Office will follow up quarterly until procedures are finalized.	6/30/2016
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.	Two open departments are working on system implementations, which will address the open recommendations. The Auditor's Office will continue to monitor the system's implementation.	11/30/2016

Circuit Court Revenue Process Audit

Finding #	Finding Statement	Corrective Action Plan (CAP)	Most Recent Update	ECD
1	The CCC's documentation supporting the formulation of the annual budget revenue forecast is lacking in regards to the assumptions, financial modeling method, and analysis process. From the documentation provided it is unclear as to the methodology that was applied and how it is supported.	The CCC provided a response letter on 12/14/15 without specific corrective action plans and ECDs. The open item is the development of an annual budget revenue forecast supported with documented and thorough measurements that clearly define the expectations.	CCC stated the following corrective actions: Research GFOA Budgeting Standards to see if we can enhance the Clerk's Office Budgeting process; Document changes in FY16 revenue projections as compared to actual FY15 results; and Improve detail in monthly variance reports provided to the County.	4/1/2016

Finding #	Finding Statement	Corrective Action Plan (CAP)	Most Recent Update	ECD
2	The CCC did not support revenue deviations with detailed, written analysis. The CCC's statistical data provided was lacking in order to validate that the decrease in case filings is leading to the decrease in revenues.	The CCC provided a response letter on 12/14/15 without specific corrective action plans and ECDs. The open item is the development of a process with more detail and support around revenue deviation justifications.	CCC stated the following corrective actions: Research GFOA Budgeting Standards to see if we can enhance the Clerk's Office Budgeting process; Document changes in FY16 revenue projections as compared to actual FY15 results; and Improve detail in monthly variance reports provided to the County.	4/1/2016

Finding #	Finding Statement	Corrective Action Plan (CAP)	Most Recent Update	ECD
3	The CCC operations have an opportunity to become more efficient and effective with the reported decrease in case filings, which leads to a decrease in workload.	The CCC provided a response letter on 12/14/15 without specific corrective action plans and ECDs. The open items are the following: documentation on workload and cross training staff; and implementation plan for operational improvements and efficiencies.	The Clerk's Office is in the process of upgrading the cashier software. The Clerk's Office expects significant efficiency when the Inovah Cashiering System upgrade is completed.	4/1/2016

Finding #	Finding Statement	Corrective Action Plan (CAP)	Most Recent Update	ECD
4	The CCC provided a high level chart indicating over $30 million outstanding accounts in the Traffic Division, but did not provide the detail to support what this number consists of and the collection activities that have occurred.	The CCC provided a response letter on 12/14/15 without specific corrective action plans and ECDs. The open items are the following: analysis on $30M outstanding to determine feasibility; collection agency detailed reports and internal tracking reports; Wage Garnishment Program plan; internal processes for submitting accounts to the Local Debt Recovery Program and the State's Income Tax Refund Intercept Program along with reports supporting the activity; and Collection Agency Performance Measures for next contract.	CCC stated the following corrective actions: Provide a Process Methods and Procedure (PMP) on the Illinois Local Debt Recovery Program; Provide an analysis of the collectability of the outstanding debt as of November 30, 2015 from our collection agencies; and Re-examine the Wage Garnishment Program to determine if it is feasible for the Clerk's Office to establish.	4/1/2016

Circuit Court Revenue Process Audit

Finding #	Finding Statement	Corrective Action Plan (CAP)	Most Recent Update	ECD
5	Government agencies are not paying the CCC on a timely basis for billings for filing services.	The CCC provided a response letter on 12/14/15 without specific corrective action plans and ECDs. The open items are the following: plan for accounts receivable; process for ongoing review of no fee agencies and actions taken to improve process.	The Clerk's Office will have a discussion with the external auditors on how the outstanding debt with the City of Chicago should be handled on the financial statements.	5/1/2016
6	The CCC has been reporting a continual decrease in revenue. The following areas were noted as areas where revenue may not be currently maximized: 1) The Passport Services are not completely utilized. 2) CCC staff, observed in the Civil and Criminal Divisions, will pull multiple case files for customers and do not charge a fee for this service, which involves a significant amount of staff time. 3) There is a separate drop box for cases that do not require a filing fee. There are cases put in the drop box that require a fee. CCC will process the file and then send a bill.	The CCC provided a response letter on 12/14/15 without specific corrective action plans and ECDs. The open items are the following: plan for revenue opportunities and amnesty program policy.	The Clerk's Office will prepare a PMP on the Outstanding Traffic Debt Amnesty Program. The Clerk's Office will provide information and a status report on the New Revenue Opportunities Committee (NROC). The Clerk's initiative is to explore new revenue opportunities and enhance existing revenue sources.	4/1/2016
7	The Policies and Procedures Manual does not fully define all the current processes and requirements, some sections had not been updated since 2003.	The CCC provided a response letter on 12/14/15 without specific corrective action plans and ECDs. The open item is to develop electronic library of all policies and procedures.	The Clerk's Office will provide a copy of the PMP on maintaining and updating PMPs.	4/1/2016

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).	DOR is current with the delinquent mailings. Due to the interim database solution, DOR has improved the ability to recover delinquent tax dollars efficiently. The ITPS project implementation has been updated due to receiving the contract approval and final project plan.	12/31/2017

Delinquent Home Rule Tax Process

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.	DOR is current with the delinquent mailings. Due to the interim database solution, DOR has improved the ability to recover delinquent tax dollars efficiently. The ITPS project implementation has been updated due to receiving the contract approval and final project plan.	12/31/2017

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.	Risk Management will continue to track the vendor's progress in implementing the system controls and will also require the dental vendor to have these controls in place as part of the new contract. The ECD is updated to when a new contract will be in place.	11/30/2016

FPD Cash Management

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.	All departments that handle cash have been trained on the new policies and procedures except Law Enforcement. Law Enforcement is to be trained by the end of April.	4/30/2016

FPD Credit Card Usage

Finding #	Finding Statement	Corrective Action Plan (CAP)	Most Recent Update	ECD
1	The District's controls over procurement card usage need to be strengthened to handle the significant increase in expenditures.	After discussing and reviewing the recommendations proposed by the Office of the County Auditor (OCA), the Forest Preserve is in agreement with their recommendations.	Training of employees with a credit card on policies and procedures has begun. All training is to be completed by July 31st. Annual training will be required of all cardholders.	7/31/2016

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. DFM has already begun requesting and receiving revenue reports and other data from the contractor.	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. DFM has already begun requesting and receiving revenue reports and other data from the contractor.	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.	The LCC was transferred to the Revenue Department. Revenue is reviewing the process and will be formalizing the procedures for the program. The ECD was extended due to the recent transfer of the function.	6/30/2016

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 continues to enroll all County departments into their Vehicle Services operations which includes assigning new fuel cards to each vehicle. Since last update, the Chief Judge and State's Attorney vehicles have been added. The projected completion date of August 1, 2016 remains.	8/1/2016
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.	The Sheriff continues to enroll all County agencies into its Vehicle Services operations. Departments choose to enroll on the online fuel data access site. Once all departments are migrated into the system, the BOA and Sheriff will serve as administrators on the system and will be able to access and analyze all fuel data.	8/1/2016

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 biweekly payroll process. The Comptroller's Office continues to participate in Time and Attendance project meetings/work groups (that includes HR). The Comptroller's Office updated 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 fourth quarter of FY2016.	11/30/2016

PD HOME Program

Finding #	Finding Statement	Corrective Action Plan (CAP)	Most Recent Update	ECD
5	The Department does not have formal written policies and procedures for forgiving HOME loan accounts. In addition, documentation was not provided to support the specific criteria used for each HOME loan account that was listed as forgiven.	We have developed and provided to the County Auditor a draft policy. This policy will be discussed with HUD by senior management to ensure program compliance. Processes for recording the Department's decisions and record keeping will be added to the HOME Program Policies and Procedures Manual.	The formal written policies and procedures regarding the forgiveness of HOME loan accounts were submitted. The OCA is working with the PD HOME Program on best practices and HUD requirements for a loan forgiveness policy.	5/31/2016

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 participating in the pilot for the new timekeeping and attendance project. 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 is developing the policies and procedures for a payroll supervisory review process.	6/30/2016

Software Licenses

Finding #	Finding Statement	Corrective Action Plan (CAP)	Most Recent Update	ECD
1	Countywide policies and procedures in regards to software licensing processes are lacking. Software licensing processes are managed separately by the Bureau of Technology and the Elected Offices. The Bureau of Technology and Elected Offices have varying procedures that address various components of the software licensing process but not the entire process to ensure that all the proper controls are in place.	BOT intends to purchase and deploy a software asset management solution in FY' 2016. This solution will permit the County to monitor software deployment and usage. BOT will engage the Elected Officials (via CIO roundtable) to evaluate the feasibility of a Software Asset Management Policy that can be adopted by each of the respective agencies.	BOT has procured and is in the process of deploying a software asset management solution - LanDesk. BOT has finalized a draft Software Asset Management policy for all software assets owned and managed by BOT. The final draft has been submitted to the President's legal staff for review. BOT has engaged Elected Officials through CIO roundtable and distributed its Software Asset Management policy draft for review.	11/30/2016
Finding #	Finding Statement	Corrective Action Plan (CAP)	Most Recent Update	ECD
2	Procedures or specific guidelines do not exist Countywide on the usage of the Enterprise Licensing Agreements (ELA's).	BOT recommends the adoption of a share-first policy applicable to Offices under the President and all Elected Officials and require usage of BOT-managed contracts where multiple agencies use the same license or product. BOT will explore opportunities to communicate the availability shared/enterprise products to using agencies via the CIO roundtable.	BOT has engaged the separately Elected Official CIOs on the issue of ELAs. BOT has made each official aware of the various agreements and will manage the procurement of software licenses through its Countywide concurrence policy.	11/30/2016

Software Licenses

Finding #	Finding Statement	Corrective Action Plan (CAP)	Most Recent Update	ECD
3	Periodic monitoring throughout the year is not in place to ensure software licenses are appropriately accounted for and in compliance with relevant agreements.	BOT plans to adopt a software asset management solution that will permit BOT to monitor software deployment and usage on a regular basis.	BOT has procured and is in the process of deploying a software asset management tool called LanDesk.	11/30/2016
Finding #	Finding Statement	Corrective Action Plan (CAP)	Most Recent Update	ECD
4	There is a lack of a central repository of software usage and license entitlements across the County. The Bureau of Technology and Elected Offices have various tools/systems used to track software licenses, but there is no consistency as to the information and level of data that is maintained.	BOT will work through the CIO Roundtable to evaluate the feasibility of a policy requiring that Offices under the President and the Elected Officials share information regarding software deployment and usage. BOT will also engage Elected Officials about the possibility of using a software asset management solution to monitor software assets throughout the County. The value of this solution to the County as a whole will be contingent upon the Elected Officials' permission to deploy the solution on their systems.	BOT is in the process of deploying a new software asset management solution - LanDesk. BOT has also distributed a monitoring tool to separately Elected Official CIOs for truing up Microsoft licenses.	11/30/2016

Travel Expenditures

Finding #	Finding Statement	Corrective Action Plan (CAP)	Most Recent Update	ECD
1	A standardized travel voucher does not exist to reduce opportunities for errors and to ensure an accurate reporting of all travel expenditures.	BOA established a new Transportation Expense Voucher System (TEVS) on December 1, 2015 to allow County employees to prepare and submit electronic reimbursement vouchers for mileage, taxi and public transportation reimbursement. BOA, with the Comptroller's Office assistance, plans to update the TEVS to include a fillable PDF form for requesting travel authorization as well as a travel reimbursement form to be completed once the travel event concludes.	The BOA and Comptroller are currently designing a new travel reimbursement pdf fillable form. This form will be in compliance with the new Transportation and Travel Expense Policy, which is also currently being developed.	11/30/2016

Travel Expenditures

Finding #	Finding Statement	Corrective Action Plan (CAP)	Most Recent Update	ECD
2	Procedures for Countywide travel do not fully define all the current processes and requirements as well as contain all necessary controls over the travel reimbursement process.	BOA is currently working with the Vehicle Steering Committee on updating the Countywide Transportation and Travel Expense Reimbursement Policy and procedures manual to include best practices and controls. Once the policy manual is updated, a Countywide communication and distribution will occur. The Comptroller's Office will update its internal payroll procedures and processes and implement these into its payroll operation to reflect the new requirements and processes.	A subcommittee of the Vehicle Steering Committee has been established and has met to begin modifying the existing Transportation and Travel Expense Reimbursement Policy. Still on track to meet the completion date of 11/30/16.	11/30/2016

Finding #	Finding Statement	Corrective Action Plan (CAP)	Most Recent Update	ECD
3	Government rates were not obtained in all cases of hotel bookings and garage parking, and per diem rates were not properly applied.	BOA plans to update the TEVS to include a fillable pdf form for requesting travel authorization as well as a travel reimbursement form to be completed once the travel event concludes. BOA is currently working with the Vehicle Steering Committee on updating the Countywide Transportation and Travel Expense Reimbursement Policy and manual to include best practices and controls. BOA plans to coordinate with BOF on establishing cost reducing measures to be included in the policy manual.	A subcommittee of the Vehicle Steering Committee has been established and has met to begin modifying the existing Transportation and Travel Expense Reimbursement Policy which will address the procedures for this issue. Still on track to meet the completion date of 11/30/16.	11/30/2016

Finding #	Finding Statement	Corrective Action Plan (CAP)	Most Recent Update	ECD
4	Departments are not consistently granting authorization to employees prior to traveling.	BOA is currently working with Vehicle Steering Committee on updating the Countywide Transportation and Travel Expense Reimbursement Policy and procedures manual to include best practices and controls and plans to include a section on the travel request form and reimbursement form for the department's/agency's signature as authorization. The Comptroller's Office will ensure that a department's/ agency's authorization is provided along with the necessary support to process payment.	A subcommittee of the Vehicle Steering Committee has been established and has met to begin modifying the existing Transportation and Travel Expense Reimbursement Policy which will address this issue. Still on track to meet the completion date of 11/30/16.	11/30/2016

Finding Recommendations Status Summary FY2013 to Date

Status	# Recommendations
Implemented	69
Not Implemented	29
Partially Implemented	4
Total	**102**