April 17, 2017

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:

We have conducted the Grants Management Audit of the Forest Preserve District (FPD) of Cook County. We conducted our audit in accordance with the Cook County Auditor Ordinance.

The scope and objectives of our audit were designed to evaluate the policies, procedures and internal controls used by the FPD in the grant management process to ensure that grant funds are managed appropriately in an effective and efficient manner. Our objectives were also designed to determine if grant reporting requirements were met in accordance with established policies, procedures and guidelines of the FPD and grantor agencies.

Please refer to the following audit report for the results of the audit. The audit report contains one recommendation to be implemented by the FPD with the assistance of the Office of County Auditor (OCA). The Executive Summary provides an overview of the audit.

We express our appreciation for the assistance that the FPD staff extended to the OCA during the course of our audit. We have discussed the control improvements with FPD management and would be pleased to discuss further or to assist with any additional implementations.

Respectfully Submitted,

Shelly A. Banks, C.P.A.
Cook County Auditor

cc: Arnold Randall, Superintendent FPDCC
    Stephen Hughes, Chief Financial Officer FPDCC
    Timothy Hicks, Comptroller FPDCC
    Michelle Uting, Director of Grant Development FPDCC
Grants Management Audit of the Forest Preserve District of Cook County

Internal Audit Report

Report Date: April 2017

Issued By:
Shelly Banks, County Auditor

Audit Conducted By:
Damon Howell, Field Auditor V
EXECUTIVE SUMMARY

The Office of the County Auditor (OCA) has completed the Grants Management Audit of the Forest Preserve District (FPD) of Cook County. We reviewed the accounting records, reimbursement requests, grant files, as well as grant policies and procedures.

The scope and objectives of our audit were designed to evaluate the policies, procedures and internal controls used by FPD in the grant management process to ensure that grant funds are managed appropriately in an effective and efficient manner. Our objectives were also designed to determine if grant reporting requirements were met in accordance with established policies, procedures and guidelines of the FPD. We conducted this audit in accordance with generally accepted government auditing standards, which require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our recommendations.

We presented the recommendation to the FPD management and will provide any additional assistance to strengthen the internal controls over key processes. Please refer to the Recommendations Section for more detail regarding the recommendation, corrective action plan and estimated completion date.

BACKGROUND

The Grant Administrator is a division of the Office of the General Superintendent (OGS) and reports to the Director of Strategic Initiatives.

The Grant Administrator is responsible for the oversight, planning and implementation of a comprehensive program that works to secure state, federal, and private sector funds and resources, including the partnerships that facilitate such fundraising. Funds raised support the FPD’s initiatives that include, but are not limited to land acquisition, habitat restoration, environmental education, and capital development.

Specifically, the Grant Administrator:
- Researches grant opportunities
- Develops and submits grant applications
- Completes all reporting requirements and grant closings
- Coordinates and drafts agreements with partner agencies that seek funding to conduct projects that advance the mission of the FPD
- Ensures that grant accounts are set up properly and have obtained proper approval
- Ensures that the FPD is in compliance with all grant agreements

AUDIT SCOPE AND OBJECTIVES

The scope and objectives of our audit were designed to evaluate the policies, procedures and internal controls used by FPD in the grant management process to ensure that grant funds are managed appropriately in an effective and efficient manner.

Our objectives included determining if:
- Internal controls surrounding the grant administration pre-award processes effectively ensure proper review and approval from Management, Legal Counsel, and the Board of Commissioners as well as ensure compliance with internal policies and procedures
• Grant expenditures were made in accordance with the approved project budget and for allowable cost stipulated within the grant agreement
• Expenditure reimbursements are requested and received in a timely manner
• Grant reporting requirements are met in accordance with the grant agreements and are timely

In order to reach a conclusion on our objectives we performed the following audit procedures regarding the FPD Grant Management Processes:
• Obtained the FPD's grant manual and reviewed their policies and procedures
• Obtained documentation to support the proper review and approval for all grant agreements
• Reviewed accounting records and source documentation to ensure that funds were spent in accordance with the grant appropriation and with provisions of the grant agreement
• Reviewed reimbursement requests and traced them to supporting documentation to ensure that costs for which reimbursement was requested were paid prior to the date of the request
• Confirmed that the required reports, according to the grant agreement, have been submitted accurately and timely

**RECOMMENDATION**

**Recommendation #1:**
The FPD does not have central reporting and tracking of all grants with activity, expenditures and current status. Various spreadsheets and other methods of documentation exist, but there is no central repository to easily determine the grant population with grant name, term, status, awarded dollars, expenditures, grant requirements, and reporting.

FPD maintains an FPD Grant Manual with policies and procedures regarding grant awards. Grant acceptance procedures require the completion of internal grant forms such as a grant checklist, SMART sheet, and grant expense form. In the grants tested for compliance, there was some late reporting and some missing documentation to support the legal counsel review and approval.

To improve the overall management and monitoring of grant activity, we recommend that FPD management establish a central repository to track all grants. The central repository could be established in the existing SharePoint platform with access provided to all applicable FPD staff.

The repository could be structured to include the following:
• Standard grant forms (checklist, SMART sheet, grant expense form) to be accessible by staff
• Grant files to track all applications, agreements, reporting, deliverables and support documentation to monitor grant compliance
• Grant reporting requirements and schedules to track timely submission of required reports
• Grant tracking list with grant name, term, status, awarded dollars, expenditures, requirements, status
• Built in alerts for due dates, deliverable tracking, performance metrics, etc.

Corrective Action Plan: The FPD IT Department will create a SharePoint Site as a central repository to track all grants. All applicable FPD users will be given access to the Site. The Site will be modeled after the Cook County Grant’s SharePoint Site.

Additionally, with the implementation of the EBS Oracle System, FPD now has a system that is capable of housing information that was previous maintained in an excel spreadsheet. Oracle will also allow FPD to maintain Account Receivable balances for outstanding reimbursements by issuing invoices (or billings) to Grantors.

Estimated Completion Date: August 31, 2017