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17th District

Office of the County Auditor

Shelly A. Banks, C.P.A.

Cook County Auditor

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November 3, 2014

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:

In accordance with the County Auditor Ordinance 11-O-93 Sec. 2-311.9, at the beginning of each fiscal year, the Auditor shall submit an audit schedule to the County Board for referral to the audit committee for review and comment.

The following Audit Plan is prepared to provide a core guide for audits to be initiated during the fiscal year. Depending on workload and the other factors mentioned in the Audit Plan, some of these audits may not be initiated during the year, and other audits may be conducted that are not on this plan.

Based on the FY'2015 budgeted staff level of 8 auditors, 1 Forest Preserve District auditor and 1 Information Technology (IT) auditor, we have determined that we have approximately 1855 audit days available ([Section V Resources](#)). Based on the number of audit days available, our goal is to complete thirty-two (32) audits and six (6) IT audits as outlined in [Section V FY'2015 Audit Schedule](#). We will also continue to provide assistance to the Comptroller's office in the preparation of the November 30, 2014 Comprehensive Annual Financial Report (CAFR). In addition, the Audit Plan provides for management consulting requests, special audits and assistance with special projects as the need is determined throughout the fiscal year.

We welcome the review of our Audit Plan for fiscal year 2015 and look forward to any comments or suggestions.

Respectfully Submitted,

Shelly A. Banks, CPA
Cook County Auditor



COOK COUNTY GOVERNMENT
OFFICE OF THE COUNTY AUDITOR
FY'2015 AUDIT PLAN

Authority

The Office of Cook County Auditor (OCA) operates in accordance with the [County Ordinance Division 6. Auditor](#), which grants the OCA the authority to conduct financial, management and performance audits of all Cook County departments, offices, boards, activities, agencies and programs and in any government entity that is funded in whole or in part by the County pursuant to the County's annual appropriation bill.

Mission

The mission of the OCA is to provide independent and objective assurance and consulting services designed to add value and improve the County's operations while promoting transparency and accountability in government. The OCA assists the County in accomplishing its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of countywide risk management, control, and governance processes.

Role

An internal audit department plays a significant role in the development and sustainability of a strong internal control system. The internal audit activity provides assurance to management and the audit committee that risks to the organization are understood and managed appropriately. The following are the major roles and responsibilities of the internal audit function.

- ❖ Assess risk Countywide to identify the audit universe and apply audit resources in the most effective and efficient manner
- ❖ Conduct value added audits in a professional manner with high integrity
- ❖ Evaluate and provide reasonable assurance that risk management, control, and governance systems are functioning as intended and will enable the organization's objectives and goals to be met
- ❖ Report noncompliance issues and internal control deficiencies directly to the President, Board of Commissioners and Audit Committee and provide recommendations for improving the organization's operations, in terms of both efficient and effective performance
- ❖ Assess the information technology environment and associated risk exposures
- ❖ Maintain open communication with the Board, Cook County leadership, and Audit Committee
- ❖ Team with other internal and external resources as appropriate
- ❖ Adhere to auditing standards
- ❖ Comply with continuous education and staff development requirements

Standards

The OCA adheres to the following standards in conducting the audits:

- [Generally Accepted Government Auditing Standards \(The Yellow Book\)](#)
- [Institute of Internal Auditors \(IIA\) Professional Standards](#)
- [ISACA Information Technology Audit Standards](#)

SECTION II: APPROACH

The IIA’s International Standards for the Professional Practice of Internal Auditing Performance Standard 2010 (Planning) and ISACA’s IS Auditing Standard S5 (Planning) require that the OCA establish a risk-based plan to determine the priorities of the audit activity, consistent with the organization’s goals and available audit resources.

As part of the development of the FY’2015 Audit Plan, the OCA implemented the Countywide Risk Assessment Program. The Countywide Risk Assessment provides a basis for the preparation of the Annual Audit Plan while enhancing the objectivity and transparency of the audit process. Key factors across the various offices and departments are evaluated to assess risk and allocate audit resources. A risk assessment is essential to ensuring that audit resources are applied in the most effective and efficient manner.

For FY’2015, the audit universe consisted of the high level departments within the Offices under the President and the Elected Offices. The following are the risk factors that were applied:

- ✓ Public Exposure
- ✓ Compliance with Regulations
- ✓ Employee Turnover
- ✓ Audit Coverage
- ✓ Financial Impact (Appropriation, Revenue, Expenses, Contracts, Grants)
- ✓ Automation
- ✓ Sensitivity and Confidentiality

The audit schedule and/or the nature and timing of the audits may vary based on the following:

- Requests by management;
- Changes in laws, statutes, regulations, and other mandates;
- Major changes in operations, programs, systems, and controls;
- Availability of key personnel;
- Potential loss and risk exposure; and
- Changes in audit resources.

Staff	Work Days Available	Continuing Professional Education (CPE)	Internal Training	Administrative Tasks (5%)	Supervisor Reviews	Quality Assurance Internal Reviews	Total Audit Days
8 Audit Staff	1821	(40)	(8)	(104)	(205)	(25)	1439
1 FPD Auditor	232	(5)	(1)	(11)			215
1 IT Auditor	225	(5)	(1)	(13)		(5)	201

SECTION V: FY'2015 AUDIT SCHEDULE

AUDIT	DEPARTMENT/OFFICE	BUDGET DAYS
AUDITS (FINANCIAL, COMPLIANCE, OPERATIONAL, PERFORMANCE)		
ACA Investigations Process	Adoption & Child Advocacy	40
BZ Inspection & Permit Process	Building & Zoning	40
Capital Assets	Countywide	40
Circuit Court Automation Fund	Clerk of the Circuit Court	40
Confidential Data Security	Countywide	40
Contract Compliance	Facilities Management	40
Contract Compliance	Risk Management	40
EC Permit & Inspection Process	Environmental Control	40
Energy Efficiency and Conservation Block Grant	Environmental Control	45
Food Contract	Sheriff	40
Guaranteed Energy Performance Contracts	Capital Planning & Policy	20
Homestead Exemption Process	Assessor	40
iNovah Reconciliation Process	Revenue	40
JAC Grant Management Processes	Justice Advisory Council	45
Job Order Contracting Process	Capital Planning & Policy	40
ME Investigations Process	Medical Examiner	40
Motor Fuel Tax Grant Revenue	Transportation & Highways	45
Open Data Initiative	Bureau of Technology/Countywide	40
Securus Contract	Bureau of Technology	10
SO Grant Management Processes	Sheriff	45
Sole Source/Emergency Procurements	Procurement	40
Tax Discovery Process	Revenue	40
Travel Expenditures	Countywide	40
Utility Audit Savings Contract	Countywide	30
Vendor Payment Process	Countywide	40
Vision Insurance Provider	Risk Management	40
WBE/MBE Process	Contract Compliance	40
INFORMATION TECHNOLOGY (IT) AUDITS		
BZ Permit & Inspection System	Building & Zoning	25
Enterprise Resource Planning (ERP)	Countywide	45
ME Case Management System	Medical Examiner	30
Payroll System	Countywide	30
Software Licenses	Countywide	25
Time & Attendance	Countywide	45
FOREST PRESERVE DISTRICT (FPD) AUDITS		
Cash Management	Districtwide	43
Credit Card Usage	Districtwide	43
Golf Contract Compliance	Permits, Concessions & Volunteer	43
Grant Procedures	General Office	43
Procurement Process & Procedures	Finance & Administration	43
OTHER		
FY'14 CAFR Support	Finance	45
Management Consulting or Special Audits	Countywide	330
Risk Assessment/FY'16 Audit Plan	Countywide	30