



Office of the County Auditor

**Shelly A. Banks, C.P.A.**

Cook County Auditor

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**TONI PRECKWINKLE**

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of Commissioners**

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December 1, 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:

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'2016 budgeted staff level of 7.5 auditors, 1 Forest Preserve District auditor and 1 Information Technology (IT) auditor, we have determined that we have approximately 1780 audit days available ([Section IV Resources](#)). The audit schedule consists of higher risk areas identified for audit. With the limited resources, the OCA will focus on as many audit areas as possible to ensure the best coverage. Based on the number of audit days available, our goal is to initiate 36 audits (28 audits and 8 IT audits) as outlined in [Section V FY'2016 Audit Schedule](#). We will also continue to provide assistance to the Comptroller's office in the preparation of the November 30, 2015 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 2016 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'2016 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'2016 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'2016, 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 consists of higher risk areas identified for audit. With the limited resources, the OCA will focus on as many audit areas as possible to ensure the best coverage. 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
7.5 Audit Staff	1716	(40)	(13)	(98)	(205)	(10)	1350
1 FPD Auditor	232	(5)	(1)	(11)			215
1 IT Auditor	232	(5)	(1)	(11)			215

## SECTION V: FY'2016 AUDIT SCHEDULE

AUDIT	DEPARTMENT/OFFICE	BUDGET DAYS
<b>AUDITS (FINANCIAL, COMPLIANCE, OPERATIONAL, PERFORMANCE)</b>		
Adult Redeploy Grants	Chief Judge	60
Capital Assets	Countywide	60
Cash Management Functions	Recorder of Deeds	60
Confidential Data Security	Countywide	60
Contractor Compliance	Countywide	60
Food Contract	Sheriff	60
Guaranteed Energy Performance Contracts	Capital Planning & Development	20
iNovah Reconciliation Process	Revenue	60
Inspection & Permit Process	Building & Zoning	60
Inventory	Public Administrator	45
Justice Assistance Grants	DHSEM	60
Litigation Fund	Countywide	60
Overtime Usage	Countywide	60
Payroll System Controls	Countywide	60
PWC Contract Compliance	Risk Management	60
Securus Contract	BOT	5
Sub-recipient Award Process	Countywide	60
Tax Discovery Process	Revenue	60
Vital Records	County Clerk	60
WBE/MBE Process	Contract Compliance	60
<b>INFORMATION TECHNOLOGY (IT) AUDITS</b>		
BZ Permit & Inspection System	Building & Zoning	30
Enterprise Resource Planning (ERP)	Countywide	20
IT General Controls	Bureau of Technology	45
Integrated Home Rule Tax Processing System	Revenue	20
Integrated Property Tax System	Assessor, Clerk, Treasurer, Board of Review, Recorder of Deeds	20
ME Case Management System	Medical Examiner	30
Taleo System	Human Resources	30
Time & Attendance	Countywide	20
<b>FOREST PRESERVE DISTRICT (FPD) AUDITS</b>		
Campground Facilities Contract	Conservation & Experiential Programs	40
Central Warehouse Inventory	Facilities & Fleet	40
Concessions	Permits, Concessions & Volunteer	40
Law Enforcement Inventory	Law Enforcement	25
Pool Revenue	Permits, Concessions & Volunteer	30
Procurement Process & Procedures	Finance & Administration	40
<b>OTHER</b>		
FY'15 CAFR Support	Finance	45
Management Consulting or Special Audits	Countywide	200
Risk Assessment/FY'17 Audit Plan	Countywide	20