



Office of the County Auditor

Shelly A. Banks, C.P.A.

Cook County Auditor

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TONI PRECKWINKLE

PRESIDENT

**Cook County Board
of Commissioners**

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October 22, 2013

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 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'2014 budgeted staff level of 8 auditors and 1 Information Technology (IT) auditor, we have determined that we have approximately 1,640 audit days available ([Section V Resources](#)). Based on the number of audit days available, our goal is to complete twenty-four (24) audits and seven (7) IT audits as outlined in [Section V FY'2014 Audit Schedule](#). We will also continue our assistance to the Comptroller's office in the preparation of the November 30, 2013 Comprehensive Annual Financial Report (CAFR). In addition, the Plan also 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 2014 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'2014 AUDIT PLAN

SECTION I: INTRODUCTION

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.

In FY’2013, the OCA developed a 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’2013, the audit universe consisted of the high level departments within the Offices under the President. 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

SECTION III: AUDIT PLAN IMPLEMENTATION

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.

SECTION IV: AUDIT RESOURCES

Staff	Work Days Available	Continuing Professional Education (CPE)	Internal Training	Administrative Tasks (5%)	Supervisor Reviews (10%)	Quality Assurance Internal Reviews	Total Audit Days
8 Audit Staff	1755	(40)	(52)	(100)	(104)	(20)	1439
1 IT Auditor	225	(5)	(1)	(13)		(5)	201

SECTION V: FY'2014 AUDIT SCHEDULE

AUDIT	DEPARTMENT	BUDGET DAYS
AUDITS (FINANCIAL, COMPLIANCE, OPERATIONAL, PERFORMANCE)		
ME Investigations	Medical Examiner	40
ME Timekeeping	Medical Examiner	40
Construction Contract Monitoring	Transportation & Highways	60
Highway Sale of Permits	Transportation & Highways	40
Motor Fuel Tax Grant Revenue	Transportation & Highways	60
Wage Garnishments	Comptroller	40
Fleet - Fringe Benefit	Comptroller	40
Minority & Women Business Enterprise	Contract Compliance	40
Inspection & Permit Process	Building & Zoning	60
Grant Inventory	Homeland Security & Emergency Management	40
Subrecipient Processes	Planning & Development	60
PD Operations	Planning & Development	60
Guaranteed Energy Performance Contract	Capitol Planning & Policy	20
Construction Contract Monitoring	Capitol Planning & Policy	60
Permit & Inspection Process	Environmental Control	40
Sole Source & Emergency Procurements	Procurement	60
iNovah Reconciliation Process	Revenue	40
Delinquent Home Rule Tax Process	Revenue	40
Tax Sales	Revenue	40
Grant Processes	Budget & Management	60
Securus Contract	Technology	20
Contract Compliance	Countywide	40
Fee Accounts	Countywide	40
Food Service Contract	Sheriff's Office	40
Inmate Commissary Services	Sheriff's Office	40
Inmate Funds	Sheriff's Office	40
INFORMATION TECHNOLOGY (IT) AUDITS		
Enterprise Resource Planning (ERP)	Countywide	45
Time & Attendance	Countywide	45
Taleo	Human Resources	20
ME Case Management System	Medical Examiner	20
Permit & Inspection System	Building & Zoning	15
ACH/Credit Card Processing Systems	Revenue	15
Jail Management System	Sheriff's Office	40
OTHER		
FY'13 CAFR Support	Finance	65
Management consulting or audits on high risk areas identified during the fiscal year	Countywide	185
Risk Assessment/FY'15 Audit Plan	Countywide	30