



Mary Modelski
Office of the County Auditor
Cook County Auditor
69 West Washington, Suite 840 • Chicago, Illinois 60602 • (312) 603-1500

September 17, 2021

TONI PRECKWINKLE

PRESIDENT

**Cook County Board
of Commissioners**

BRANDON JOHNSON

1st District

DENNIS DEER

2nd District

BILL LOWRY

3rd District

STANLEY MOORE

4th District

DEBORAH SIMS

5th District

DONNA MILLER

6th District

ALMA E. ANAYA

7th District

LUIS ARROYO, JR.

8th District

PETER N. SILVESTRI

9th District

BRIDGET GAINER

10th District

JOHN P. DALEY

11th District

BRIDGET DEGNEN

12th District

LARRY SUFFREDIN

13th District

SCOTT R. BRITTON

14th District

KEVIN B. MORRISON

15th District

FRANK J. AGUILAR

16th District

SEAN M. MORRISON

17th District

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 follow-up procedures on open recommendations. Per the County Auditor Ordinance, Section 2.311.14 – Audit Follow-up, “The Auditor shall follow up on audit recommendations as practical to determine if corrective action has been taken. The Auditor may request periodic status reports from audited agencies regarding actions taken to address reported deficiencies and audit recommendations.” The OCA will submit the status report on open recommendations to the County Board for referral to Audit Committee.

Please refer to the following Open Recommendations Status Report as of September 2021. In Order to complete our report, we contacted Management for an update of each of the twelve open recommendations from our May 2021 report. Of the twelve open recommendations, there were two listed on the report that did not submit an updated Management Response for this quarter.

We express our appreciation to all the departments for providing us with updates to our recommendations. We are continually available to assist the departments in their implementation of our recommendations.

Respectfully Submitted,

Mary Modelski
Cook County Auditor

Office of County Auditor

Open Recommendations Status - September 2021

Chief Judge-Cash Reconciliation Project

Item #	Audit Report Date	Item	Corrective Action Plan	Updated Response by Management	Expected Date of Completion
1	8/22/2014	Bank reconciliations were not always completed accurately with the proper support for variances. Adult Probation Finding 4 - The Prosecutor's Management Information System cannot produce data to reconcile to the cash balances in the Restitution and Fee bank accounts. We recommend that Adult Probation personnel request Prosecutor's Management Information Systems reports from their Information Technology support that will capture the total amount of undisbursed receipts from the Prosecutor's Management Information System. The report balance could then be reconciled to the cash balances in the Restitution and the Fee bank accounts to determine if any differences exist.	Management agreed and will implement corrective action. The Adult Probation Departments' current case management system, Prosecutor's Management Information System, was designed for the court by Cook County in the 1970's. The department's cashier's office continues to struggle with the limitations of the out-of-date system's ability to produce accurate reports and consistently account for the transactions recorded by the office. To affect a sorely needed upgrade to the department's overall case management system, the court issued a Request for Proposal in April 2014 to design and implement a new comprehensive case management information system for probation and pretrial operations. The new system will replace, consolidate, and enhance the department's current systems and applications, including the accounting functions of the cashier's office.	No update response was received from Management 9/13/2021	

Clerk of the Circuit Court Revenue Process Audit

Item #	Audit Report Date	Item	Corrective Action Plan	Updated Response by Management	Expected Date of Completion
2	10/23/2015	The Clerk of the Circuit Court 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 Corrective Action Plan includes 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; - Collection Agency Performance Measures for next contract.	As of September 10th, 2021, the current number of outstanding items and balances associated with Traffic Tickets that have been sent to collections totals 415,298 violations of which \$176,114,521.20 is outstanding. Since approximately February of 2020, the Clerk of the Circuit Court (CCC) exclusively utilizes Alliance One Receivable Solutions for its collection efforts. The CCC is currently reviewing internal Accounting Statements and Reports generated from software utilized by Operations to gain a deeper understanding of these collections to address the audit finding from Fiscal Year-2015. In addition, reports are being requested from Government Bodies associated with the CCC's collection process to ensure proper reporting associated with these Accounts Receivables are maintained. It should be further noted that the reporting of non-performing Accounts Receivables to the Collection Agency is the exclusive tactic currently being utilized by the CCC to collect these Accounts Receivables.	Account for and reconciling outstanding funds with muni's – 11/31/21. Continue to research collection options and reduce outstanding violations balance by the end of FY22.

Law Library - Revenue Operations

Item #	Audit Report Date	Item	Corrective Action Plan	Updated Response by Management	Expected Date of Completion
3	3/7/2017	We recommend that the Law Library complete training for all staff on processing transactions into iNovah for the credit card service and conduct a cost benefit analysis on automating the photocopier revenue collection process.	The Law Library will complete training for staff on processing transactions into iNovah for the credit card service and will conduct a cost benefit analysis on automating the photocopier revenue collection process.	No update response was received from Management 9/13/2021	

Department of Revenue - Delinquent Home Rule Tax Process

Item #	Audit Report Date	Item	Corrective Action Plan	Updated Response by Management	Expected Date of Completion
4	1/28/2015	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 Integrated Tax Processing System implementation, with select improvements to its interim process.	Monthly delinquency billing will begin for second release taxes and resume for first release taxes in the latter half of September 2021. The Go-Live date for the second release of our Integrated Tax Processing Solution was pushed back to July 2021 to accommodate some additional system updates, delaying the start of automated billing. All past period data has been migrated and billing will begin once we complete payment distributions for current periods and any associated data clean-up that is needed.	9/30/2021

Item #	Audit Report Date	Item	Corrective Action Plan	Updated Response by Management	Expected Date of Completion
5	1/28/2015	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 Integrated Tax Processing System implementation, with select improvements to its interim process.	Monthly deficiency billing will begin for second release taxes and resume for first release taxes in the latter half of September 2021. The Go-Live date for the second release of our Integrated Tax Processing Solution was pushed back to July 2021 to accommodate some additional system updates, delaying the start of automated billing. All past period data has been migrated and billing will begin once we complete payment distributions for current periods and any associated data clean-up that is needed.	9/30/2021

Animal Control - Cash Management Process

Item #	Audit Report Date	Item	Corrective Action Plan	Updated Response by Management	Expected Date of Completion
7	7/16/2020	The process of recording funds received for tag sales and summer clinics is highly manual and involves redundant processes. The Administrative Assistant I (Deposit Preparer) and Administrative Assistant I (Tag Room Clerk) log checks in two different check logs and there is no current process that calls for the review of such logbooks to help identify errors. In addition, Animal Control cannot currently process credit cards at the clinics or electronically process rabies certificates at the clinic site.	Animal and Rabies Control will eliminate the redundant process of the Administrative Assistant recording deposits in the deposit log. With the implementation of Hyland OnBase Phase II, Animal and Rabies Control will be totally automated. This will eliminate the redundant process for reporting and streamline our processes. Our Department will continue work Bureau of Technology and Department of Revenue to ascertain a solution to collect credit cards in the field at our seasonal clinics and to enter rabies certificates electronically.	"B. Pending-ARC meets with the Project Mgmt team on a weekly basis to get the Hyland Project complete. We are working diligently with BOT and the Hyland Team to make sure the specifications are correct for the project. We anticipate this project to be completed in FY 2022.	B. Phase II Hyland Onbase FY 2022

Item #	Audit Report Date	Item	Corrective Action Plan	Updated Response by Management	Expected Date of Completion
8	7/16/2020	Animal Control's current process to allocate revenue in iNovah Point of Sale, is to simply lump all tag sales revenue under the 1yr tag sales. Under this process, no transactions are posted under 3-year tag sales and therefore no revenue gets allocated to this code.	When the Department of Revenue initiated Animal and Rabies Control to start recording revenue in the iNovah application, we were in implementing phase I of the Hyland OnBase project. The Hyland OnBase system does capture one year and three-year tag sales; however, it does not allocate credits that are posted to one-year and three-year tag sale transactions. With the implementation of phase II of Hyland OnBase, Animal and Rabies Control will have the ability to separate the one and three tag sales in the iNovah application. After Phase II of the Hyland, OnBase project is complete, ARC will have the ability to provide detailed reports identifying 1-year and 3-year tag sales with credits.	Pending-ARC meets with the Project Mgmt team on a weekly basis to get the Hyland Project complete. We are working diligently to get this project to meet the specifications required to allocate 1yr and 3 yr revenue for ARC. We anticipate this project to be completed in FY 2022. "	FY2022

Veterans Assistance of Cook County

Item #	Audit Report Date	Item	Corrective Action Plan (CAP)	Updated Response by Management	Expected Date of Completion
10	7/16/2020	The VACCC does not perform monthly bank reconciliations and does not update the bank balance in their checkbooks on a timely basis. Eight transactions and one fee, totaling \$1,479.83, was determined to be fraud. Checks were occasionally given to the veteran to delivery to the payee that appears to have led to a veteran obtaining the bank account information for the fraud. The VACCC also does not have policy and procedures to cover performing monthly bank reconciliations; developing and maintaining a current outstanding check list; and a process for reviewing all miscellaneous items on the bank statement, specifically debit transactions, to ensure they are investigated in a timely manner. The policies and procedures should also include a process to analyze any banking fees charged to determine the reason for the fee. In addition, the policy should be updated to include VACCC checks are to be sent directly to the payee on behalf of the veteran and not to be given to the veteran, as well as, educating staff no checks are to be given directly to the veteran.	By maintaining a written list of outstanding checks, the VACCC reconciles the bank accounts in a timely manner. We keep track of when checks are issued and when checks are cashed. We maintain two reports that identify the key information. The reports identify: a) outstanding checks issued, for example, in a certain month (e.g. April) , but not cashed by the end of that month, b) checks issued in previous months before the immediate preceding quarter, but cashed during the month (e.g. April), and c) checks issued in previous months before earlier quarters, but not cashed during the month (e.g. April). The figures are taken from the bank statements and from the check book. We reviewed last year's (2019) checks and found that two had not been cashed by mid-2020. We stopped payment on one and the original recipient cashed the other check. Our current procedures include a review of all checks so that we can detect whether unauthorized parties cashed checks; none have been reported to us. Veterans never receive a VACCC check; only the intended vendor received the checks. In order to reduce errors, staff members confer with recipient before the checks are mailed to them. We have not had any instances of bank transactions taking place that the VACCC did not originate. We make every effort to comply with the recommendations of the Office of the County Auditor.	Complete	
11	7/16/2020	Our testing of the VACCC quarterly reports submitted to Cook County during Fiscal Year 2018 and Fiscal Year 2019 found errors had occurred in the reporting process of operating expenditures. Errors noted on the quarterly reports included: amounts not reported, incorrect amount reported, and the same amount reported twice in different categories. The 2nd and third quarter reports also did not report year-to-date expenditures. The VACCC should expand written policies and procedures over the preparation of the quarterly reports. and how to prepare the quarterly reports.	The VAC Fiscal Year 2018 and 2019 had minor errors in the reporting process for Operating Expenditures. Errors noted in the Audit Report were by the previous coordinator, who left the VAC in June 2019. The reporting process was turned over to the current coordinator without procedures. It was a short on-the-job training period with handwritten notes. Several changes have taken place in the second half of 2019 to make the report reflect accurately. Written procedures for daily tracking and reporting have been initiated, starting with Veteran Expenditures, District Breakdown and Gender/Race reports. The Operating procedure is expected to be complete by the end of October 2020. The petty cash funds used to supplement Transportation cards for two months, in the amount of \$232.00, should no longer be an issue. Sufficient amount of Transportation Bus Cards are on hand and inventory is tracked daily by the Administrative Assistant. The VAC coordinator and tracker has created written procedures for preparation of quarterly reports. Detail steps with examples are provided on how to prepare daily reports, which are then used to roll up the monthly, quarterly and year end reports. Additionally, a section was added to the second and third quarter reports to reflect year-to-date. The monthly report will be reviewed by the Superintendent for accuracy and distribution.	Awaiting evidence of implementation for VACC.	11/30/2021
12	7/16/2020	The VACCC does not consistently perform daily counts of the transportation passes, grocery gift certificates or perform a daily reconciliation of the counts on hand to the daily activity log, to ensure there are no discrepancies	The VACCC consistently perform daily counts of the CTA Bus Cards and Aldi Gift Cards. We perform a daily reconciliation of the counts on hand to the daily activity log sheet.	OCA has received management procedures, awaiting evidence of implementation.	11/30/2021
13	7/16/2020	Our review of veteran files indicated that the overall process improved over the time period reviewed, specifically starting in June 2019. However, prior to that date, several exceptions were noted, Staff provided a checklist of required documentation used, but a copy of the checklist is not kept in the file as assurance that the file was properly reviewed and that all required documentation were present.	A Comment/Checklist Log was updated and added to all New Veterans File Folder's. Any current file folder is upgraded with the new Comment/Checklist for veterans receiving additional assistance. TheCoordinator or Assistance Coordinator reviews the folder for required documents and initials the Comment/Checklist Log. In May 2019, a daily Quality check was initiated of veteran file folder for any services received, to ensure all required documents are present and that no double payments are issued. There may be exceptions for some cases which can be approved by the Superintendent. At which case the Comment/Checklist Log is noted.	OCA has received management procedures, awaiting evidence of implementation.	11/30/2021
14	7/16/2020	Specific written policies and procedures had not been established for the following: 1. Preparation of Quarterly Reports, including: Detailed steps on how to prepare the quarterly reports. Information on where the amounts are pulled from and how they are categorized. 2. Bank Account Reconciliations, including: Follow-up process on outstanding checks Follow-up process when check amount and amount check cleared differ. Review process of any miscellaneous debits/credits on the bank statement, including potentially fraudulent items Timing and review process of checkbook and bank statement Completion date of monthly bank reconciliations. 3. Petty Cash, including: Types of expenditures and amounts permitted . Approval process, Documentation of expenses, Verification of cash balance Amount of replenishment and threshold amount to replenish petty cash. 4. Payroll Procedures for establishment of salary/wages for VACCC positions.. Procedures for reporting employee payroll hours to ADP (Automatic Data Processing). Review accuracy of checks and payroll information from ADP. 5. Segregation of Duties Procedures for establishing segregation of duties Identifying areas that require segregations of duties. Procedures for establishing which positions will perform the segregated duties.	The Quarterly Report is a combination of Monthly reports. Detail steps are provided for the Daily report, which make up the Quarterly report and Year-End report. The final steps are being written and are expected to be completed by the end of October 2020. The Superintendent requested from the BOA a Line item report that describes what each line item contains in the budget process so that the expenses can be tracked accordingly. For the remaining year, the current process will be used. As the process changes, the procedure will be updated. (2) We review the checkbook and the bank statement in a timely manner. From these documents, we compare the figures and develop a written list of outstanding checks. The list contains dates when checks are issued and when checks are cashed. We identify: a) outstanding checks issued, for example, in a certain month (e.g. May) , but not cashed by the end of that month, b) checks issued in previous months before the immediate preceding quarter, but cashed during the month (e.g. May), and c) checks issued in previous months before earlier quarters, but not cashed during the month (e.g. May). (3) In our Policies and Procedures Manual we added Petty Cash. It includes the types of expenditures and amounts permitted, the approval process, documentation of expense, the verification process and the replenishment guidelines. (4) Now, (October 2020) the VACCC does not have recognized and established salary guidelines. Therefore, we need to confer with Cook County to develop and utilize fair compensation and benefits for VACCC employees. It has been emphasized by the Illinois courts that VACCC employees are not civil service and are not county employees. The VACCC utilizes ADP Payroll Summary Report which identifies the following: check date, VACCC employee name, hours, total paid, tax withheld, deductions, net pay, check number, employer liability and the total expense. The Employee report identifies the following: relevant employee information, earnings year to date, hours, taxes, and deductions. The financial personnel can review this information to see if there are any discrepancies.	OCA has received management procedures, awaiting evidence of implementation.	11/30/2021