



Office of the County Auditor
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Cook County Auditor
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TONI PRECKWINKLE

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August 22, 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:

We have conducted an audit of the Department of Homeland Security & Emergency Management Grant Inventory. We conducted our audit in accordance with the [Cook County Auditor Ordinance](#).

The scope and objectives of the Grant Inventory Audit were designed to assess the internal controls of the DHSEM inventory function in regards to the Urban Areas Security Initiative (UASI) grant inventory.

Please refer to the following audit report for the results of the audit. Based on our review and sample inventory results, we noted strong internal controls are in place in regards to the grant inventory process and did not report any audit findings. The [Executive Summary](#) provides an overview of the audit.

We express our appreciation for the assistance DHSEM extended to our Office during the course of the audit.

Respectfully Submitted,

Shelly A. Banks, CPA
Cook County Auditor

cc: Michael Masters, Executive Director Homeland Security & Emergency Management



COOK COUNTY GOVERNMENT
OFFICE OF THE COUNTY AUDITOR

Department of Homeland Security & Emergency Management
Grant Inventory

Internal Audit Report

Report Date: August 2014

Issued By:
Shelly Banks, County Auditor

Audit Conducted By:
Max Majothi, Field Auditor IV

EXECUTIVE SUMMARY

The Office of the County Auditor has examined the Grant Inventory of the Department of Homeland Security & Emergency Management (DHSEM) for the period ended November 30, 2013.

The Cook County DHSEM serves as the central agency for coordinating the efforts of Cook County to prevent, protect against, mitigate the effects of, respond to and recover from all incidents, whether man-made or natural.

The scope and objectives of the Grant Inventory audit were designed to assess the internal controls of the DHSEM inventory function in regards to the Urban Areas Security Initiative (UASI) grant inventory.

Based on our review and sample inventory results, we noted strong internal controls are in place in regards to the grant inventory process.

BACKGROUND

Under the direction of the President of the Cook County Board of Commissioners, the Cook County DHSEM is responsible for the planning and preparedness necessary to coordinate the elements of an effective homeland security and emergency management program.

The mission of DHSEM is to coordinate countywide emergency and disaster preparedness planning; coordinate county response during emergencies and disasters; act as an intelligence hub for first responders in Cook County; assist jurisdictions in recovery from a disaster; continue to mitigate hazards of Cook County; develop and maintain key partnerships with local, state and federal stakeholders; and oversee management of Homeland Security and Emergency Management grants.

The Urban Areas Security Initiative (UASI) Grant Program is the main grant funding used to purchase inventory items in DHSEM; therefore, the audit focused on the inventory purchased under the UASI Grant Program. In FY'13, DHSEM recorded for the UASI grant program \$7,743,541.24 in inventory costs for 551 items valued over \$5,000.

The Urban Area Security Initiative (UASI) Grant Program is intended to provide financial assistance to address the unique multi-discipline planning, operations, equipment, training and exercise needs of high-threat, high-density areas and to assist them in building, and sustaining capabilities to prevent, protect against, respond to and recover from threats or acts of terrorism. The UASI Grant Program also provides financial assistance for a Rapid Deployment Shelter System, Emergency Medical Systems Preparedness, and Special Operations Team Support – HazMat and for Water Rescue and Recovery in accordance with the guidelines set forth in the State/County Agreements.

AUDIT SCOPE AND OBJECTIVES

The scope and objectives of the Grant Inventory Audit were designed to assess internal control procedures for the DHSEM grant inventory. The objectives were the following:

- Determine that inventory policies and procedures exist, are complied with and establish the proper controls.
- Assess the design and effectiveness of internal controls of the inventory management process to include receiving inventory, tracking inventory, security, and assignment/distribution of inventory.
- Verify that grant funds utilized for the purchase of inventory are properly documented and tracked.
- Confirm that a periodic inventory process is in place, properly signed off on and any discrepancies are resolved.
- Verify that inventory listings represent all items, which physically exist and are properly recorded.
- Determine that obsolete inventory is written off in accordance with proper procedures.

AUDIT RESULTS

Based on our analysis and evaluation of the internal control procedures for the DHSEM grant inventory, our review determined the following conclusions regarding compliance:

- Inventory policies and procedures exist, are complied with and establish the proper controls. During the audit, DHSEM management updated the Policies and Procedures to ensure all internal controls that are in place are properly documented.
- Internal controls over the design and effectiveness of the inventory management process to include receiving inventory, tracking inventory, security, and assignment/distribution of inventory are adequate.
- Grant funds utilized for the purchase of inventory are properly documented and tracked.
- A periodic inventory process is in place, properly signed off on and appropriately identifies and resolves any discrepancies.
- A sample from the inventory listing was verified to determine inventory physically exists and is properly recorded.