



Office of the County Auditor

Shelly A. Banks, C.P.A.

Cook County Auditor

69 West Washington, Suite 2200 • Chicago, Illinois 60602 • (312) 603-1500

TONI PRECKWINKLE

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of Commissioners**

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September 26, 2017

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 a quarterly follow-up on open recommendations. The OCA will submit a Quarterly Open Recommendations Status Report to the County Board for referral to Audit Committee.

Please refer to the following FY'17 3rd Quarter Open Recommendations Status Report. As indicated in the report, since FY'13 there have been 140 recommendations made by the OCA for which 129 have been implemented and 11 not implemented. The status of the 11 open recommendations is reflected in the attached report.

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

Respectfully Submitted,

Shelly Banks, CPA
Cook County Auditor

Office of County Auditor

FY'17 3rd Quarter Open Recommendations Status

Cash Reconciliation Project		Medical Examiner, Chief Judge		
Item #	Item	Corrective Action Plan (CAP)	Most Recent Update	ECD
6	Bank reconciliations were not always completed accurately with the proper support for variances.	Management of the departments involved agreed and will implement corrective action.	Two open departments are working on system implementations, which will address the open recommendations. The Auditor's Office will continue to monitor the system's implementation.	12/31/2017
Circuit Court Revenue Process Audit		Clerk of the Circuit Court		
Item #	Item	Corrective Action Plan (CAP)	Most Recent Update	ECD
4	The CCC 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 CAP 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; and Collection Agency Performance Measures for next contract.	The Clerk's Office has been working with the third party collectors to develop performance metrics and enhanced month end reporting. Along with working with the third party collectors, the Clerk's Office is working on the internal processes for improved tracking and analysis of outstanding debt to include collection analysis, support for the wage garnishment program plan, and local debt recovery program reports. The Clerk's Office will continue to provide quarterly updates on the progress.	11/30/2017
Delinquent Home Rule Tax Process		Revenue		
Item #	Item	Corrective Action Plan (CAP)	Most Recent Update	ECD
1	Tax delinquencies are not being followed up in a timely and efficient manner to ensure the most optimal return to the County of money owed.	Management agrees with the recommendations and has plans to address them within its current process and as part of its future state integrated tax processing system implementation (ITPS).	DOR is current with the delinquent mailings. Due to the interim database solution, DOR has improved the ability to recover delinquent tax dollars efficiently. The ITPS project implementation has been updated due to receiving the contract approval and final project plan.	12/31/2017

Delinquent Home Rule Tax Process		Revenue		
Item #	Item	Corrective Action Plan (CAP)	Most Recent Update	ECD
2	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 ITPS implementation, with select improvements to its interim process.	DOR is current with the delinquent mailings. Due to the interim database solution, DOR has improved the ability to recover delinquent tax dollars efficiently. The ITPS project implementation has been updated due to receiving the contract approval and final project plan.	12/31/2017

FPD Grant Procedures		FPD		
Item #	Item	Corrective Action Plan (CAP)	Most Recent Update	ECD
1	The FPD does not have central reporting and tracking of all grants with activity, expenditures and current status. Various spreadsheets and other methods of documentation exist, but there is no central repository to easily determine the grant population with grant name, term, status, awarded dollars, expenditures, grant requirements, and reporting.	The FPD IT Department will create a SharePoint Site as a central repository to track all grants. All applicable FPD users will be given access to the Site. The Site will be modeled after the Cook County Grant's SharePoint Site.	The FPD has started working on the Grant's Management SharePoint site and has assigned a contact person to work on setting it up.	12/31/2017

FPD Pool Revenue	FPD
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Item #	Item	Corrective Action Plan (CAP)	Most Recent Update	ECD
1	Documentation was not provided to support Swim Chicago Southland's compliance with the FPD Code for minority and women business participation (MBE/WBE) requiring that FPD establish contract specific goals for each contract.	The contract was not required to have MBE/WBE participation goals due to the limited subcontracting opportunities. The analysis concluded that the majority of the expenditures incurred by the vendor are for personnel costs. In an effort for inclusiveness and diversity of hiring under this contract, the vendor has committed to advertise employment opportunities with various non-profit and community based organizations. The vendor is encouraged to establish a policy to interview a minimum of two qualified minority candidates for each available employment opportunity before making a hire. It should also be noted that Swim Chicago is in the process of applying for MBE/WBE certification through the County.	Swim Chicago Southland (SCS) filed WBE paperwork and working with FPD Compliance Officer. FPD requested from SCS a staffing list with demographics of diversity.	11/30/2017

Law Library Revenue Operations	Law Library
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Item #	Item	Corrective Action Plan (CAP)	Most Recent Update	ECD
1	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.	The Law Library is working with the Department of Revenue on scheduling training for staff on processing transactions into iNovah for the credit card service. Law Library plans to conduct a cost benefit analysis on automating the photocopier revenue collection process.	11/30/2017

PD HOME Program	Planning & Development
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Item #	Item	Corrective Action Plan (CAP)	Most Recent Update	ECD
5	The Department does not have formal written policies and procedures for forgiving HOME loan accounts. In addition, documentation was not provided to support the specific criteria used for each HOME loan account that was listed as forgiven.	We have developed and provided to the County Auditor a draft policy. This policy will be discussed with HUD by senior management to ensure program compliance. Processes for recording the Department's decisions and record keeping will be added to the HOME Program Policies and Procedures Manual.	PD met with HUD in March 2017 and discussed this topic. The initial draft policies have been revised but PD is conducting further research of best practices before finalizing the policies. The goal is to have the lien and loan forgiveness policies finalized and incorporated into policies/procedures by the end of Summer 2017.	9/30/2017

Vendor Payment Process	Comptroller
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Item #	Item	Corrective Action Plan (CAP)	Most Recent Update	ECD
1	Vendor payment discounts are not being fully realized, and the majority of accounts payable payments are still being processed by check.	The Comptroller's Office plans to review and update vendor records as part of the Oracle EBS ERP implementation with the user departments who establish and maintain the vendor relationship. The epayable's payment initiative is promoted through the Procurement contract process and we work with the County's third party administrator on a continuing periodic basis to enhance vendor enrollment.	The Comptroller's Office continues to review and update vendor records with the user departments who establish and maintain the vendor relationship. The epayable's payment initiative is promoted through the Procurement contract process and the Comptroller's Office is currently working with the County's third party administrator to enhance vendor enrollment.	11/30/2017

Item #	Item	Corrective Action Plan (CAP)	Most Recent Update	ECD
2	Invoices are not being processed in the most efficient manner to ensure prompt payment.	The Comptroller's Office is planning with the implementation of the Oracle EBS ERP system to implement a number of process improvements: departments will enter their invoices in the system as soon as they are received and tracking of receiving / initial processing dates should occur in the system; department approvals and Comptroller's review and processing will be completed though an automated workflow process which should eliminate the need for processing a hardcopy 29A form and reduce the time needed for submission and maintaining hardcopy documents.	The automated workflow process was implemented, but the Comptroller's Office continues to address various invoice exceptions. The Comptroller's Office continues to work with the Oracle EBS system integrator to create a custom report to track AP cycle times to be able to analyze processing times and address accordingly with the user departments.	11/30/2017

Item #	Item	Corrective Action Plan (CAP)	Most Recent Update	ECD
4	The Comptroller's Office does not receive assurance from the departments that service invoices submitted for payment comply with the Procurement Code Section 34-310(d).	The Comptroller's Office currently reviews service invoices based on the Procurement Code, but staffing resources are limited and a large volume of invoices are processed. The Comptroller's Office agrees that the departments need to be responsible for attesting to the fact that their department has reviewed and approved the itemized work and expense records. As part of the implementation of the ERP system, the Comptroller's Office will develop an instruction manual and circulate it to user departments. With the implementation of ERP, policies will be established to strengthen controls for processing invoices.	The Comptroller's Office continues to review service invoices based on the Procurement Code as best they can, and is planning to circulate a reminder notification to the user departments regarding the invoice requirements contained in it.	11/30/2017

Recommendations Status Summary FY2013 to Date

Status	# Recommendations
Implemented	129
Not Implemented	11
Total	140