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Office of the County Auditor

**Mary Modelski**

Cook County Auditor

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March 6, 2024

The Honorable Tony Preckwinkle, President  
Board of Cook County Commissioners  
118 N. Clark Street, Room 537  
Chicago, Illinois 60602

Dear President Preckwinkle and Board of Commissioners:

The Office of the Cook County Auditor has conducted an audit from the fiscal year 2023 audit plan of the Cash Process and Vendor Contract Compliance for the Medical Examiner's Office in accordance with the [Cook County Auditor Ordinance](#).

The objectives of our audit related to the Department of Revenue were to ensure there were adequate controls over the Medical Examiner's cash process. The Medical Examiner's Office fees are processed through the Department of Revenue's iNovah system. The scope of our work consisted of reviewing and testing samples of transaction activity and processes from December 2021 through June 2023.

Please refer to the following audit report for the results of the audit. The Executive Summary provides an overview of the audit and recommendations. The audit report contains three recommendations.

We appreciate the cooperation of the Department of Revenue during our audit. We have discussed our recommendations with the management of the Department of Revenue.

Mary Modelski  
County Auditor

CC: Tanya Anthony, Chief Financial Officer, Bureau of Finance  
Kenneth Harris, Director, Department of Revenue



**COOK COUNTY GOVERNMENT  
OFFICE OF THE COUNTY AUDITOR**

Medical Examiner's Office Cash Process and Vendor Contract Compliance Audit

Internal Audit Report

Report Date: March 6, 2024

Issued By:

Mary Modelski, County Auditor

Audit Conducted By:

Isaac Pablo, Field Auditor III

Julie Stack, Audit Supervisor

## EXECUTIVE SUMMARY

The Office of the County Auditor completed an audit of the Cash Process and Vendor Contract Compliance for the Medical Examiner's Office (MEO). The Department of Revenue (DOR) assists in processing the MEO fees, as well as refunds and Non-Sufficient Funds (NSF) checks related to the fees collected in the DOR iNovah system. The objectives of our audit related to the DOR were to ensure adequate internal controls over the cash process of the MEO fees. This was accomplished by gathering, reviewing, and testing relevant supporting documentation to reach a conclusion on the audit objective.

Management was presented and asked to respond to three recommendations. The DOR should:

- Track the date and email documentation for the NSF Check Notifications sent to the MEO.
- Notify the MEO if an NSF check was successfully redeposited by the bank.
- Ensure the NSF Procedures include actions for departments to take when an NSF check is uncollectible.

## BACKGROUND

The MEO was established by the Cook County Code of Ordinances, Chapter 38 Health and Human Services, Article VI Medical Examiner. The MEO ensures public health and safety by performing autopsies and postmortem examinations to determine cause and manner of death for individuals who die in Cook County. The MEO also provides items related to the decedents to appropriate parties such as the Certificate of Death, Autopsy Protocol, Toxicology Report, Special Study Reports, and Cremation Permit, as requested.

The MEO collects fees from customers for documentation requests. The families of decedents and the public can submit requests for records and pay the appropriate fees as a walk-in, mail-in, or an electronic request through the online LabLynx portal. The MEO implemented the payment portion of the LabLynx portal in August 2021. The LabLynx portal allows for a variety of transactions to be completed. Funeral directors can obtain legally required permits for cremation electronically, eliminating the need for them to travel to the MEO or to use a now phased-out fax account system.

Transactions are processed in the DOR cashiering system iNovah. The DOR is responsible for processing fees collected in iNovah and facilitates how customers make payments allowing the use of credit cards in person or through the online LabLynx portal. iNovah interfaces all areas of revenue allowing for better revenue management by the DOR. The transactions are manually entered into iNovah by the MEO Medical Records staff for walk-in and mail-in requests, while an online LabLynx portal request will automatically populate into iNovah.

## AUDIT SCOPE AND OBJECTIVES

Our audit was designed to assess the internal controls over the MEO's cash process to determine if they are adequate. The scope of our work consisted of reviewing samples of different types of transactions in iNovah, processed by the MEO and the DOR.

We conducted this audit in accordance with generally accepted accounting principles. These standards require that we plan and perform the audit to obtain sufficient and appropriate evidence to provide a reasonable basis for our findings and conclusions, based on our audit objectives. Our fieldwork was conducted from July through October 2023.

Our objective was to determine that:

- All funds received are accounted for and any variances can be explained and supported.

The following procedures were performed to assess the objective:

- For the transactions tested from the iNovah Transactions Report, verified they are consistent with the iNovah Bank Deposit information and the Oracle EBS information.
- Reviewed documentation for iNovah refunds and NSF Checks.
- Verified DOR refunds and NSFs with the MEO refunds and NSFs, noting discrepancies.

## AUDIT RESULTS

Based on our analysis and evaluation of the internal controls over the cash process we have reached the following conclusions on our audit objectives.

- The transactions tested in the iNovah Transactions Report are consistent with the iNovah Bank Deposit information and the Oracle EBS information.
- Not all iNovah NSF transaction notifications sent to the MEO could be supported.
- MEO is not notified by the DOR for NSF's that have been redeposited successfully by the bank.
- There are no written policies for departments on how to collect NSF checks and what to do when repeated attempts to collect the NSF checks fail.

# RECOMMENDATIONS

## **Recommendation 1:**

Four out of 10 NSF Checks tested did not have an NSF Check Notification sent to the MEO by the DOR. For these NSF checks, the DOR could not provide email documentation of the notification sent to the MEO. If the MEO is not notified, they cannot reach out to the customer to collect repayment.

The DOR should track the date and email documentation for the NSF Check Notifications sent to the MEO in the manual listing kept by the Senior Collections Analyst.

## **Management Response:**

Management agrees. Entry fields have been added to the NSF tracking spreadsheet to log the date that the NSF notification was sent to the user department and to document those who were notified.

## **Estimated Completion Date:**

Completed

## **Recommendation 2:**

The log of NSF checks sent to the MEO contains additional NSFs not logged in iNovah due to a second successful redeposit by the bank. When an NSF check is received by the DOR, it is logged into a manual listing maintained by the Senior Collections Analyst. The Senior Collections Analyst will then use this manual listing to enter the NSF entry into iNovah. This listing also indicates the NSF checks that the DOR notified the MEO. Once the NSF checks are logged, they are not reconciled to iNovah to detect any NSF checks successfully redeposited by the bank. This causes the MEO to be unaware of any changes in the payment status of NSF checks and the MEO may withhold services and continue attempting to collect for the check even though it is no longer an NSF check.

The DOR should notify the MEO if a check was successfully redeposited by the bank.

## **Management Response:**

Management agrees. A business rule has been put in place to hold NSF notifications that are received from JPMC for one week before DOR contacts the departments to notify them that they need to recover the initial payment. JPMC has confirmed that checks are redeposited twice as part of this process and will not be resubmitted after the hold period.

## **Estimated Completion Date:**

Completed

**Recommendation 3:**

The DOR NSF procedures do not include procedures for uncollectible NSF checks for departments to follow. The NSF Procedures used by the DOR relies on the departments to collect the NSF checks and does not provide insight on how many times they should attempt to collect or further steps to take if checks are uncollectible. Uncollectible NSF checks may remain uncollected as no further actions are detailed for departments to follow.

The DOR should ensure the NSF Procedures include actions for departments to take when an NSF check is uncollectible.

**Management Response:**

Management agrees. While DOR believes that each Department will have differing mechanisms to collect on NSFs based on their ongoing interactions with the payers, we are currently updating our procedures document to include some suggestions that can apply across all areas. Below are steps that the departments could take after DOR internal NSF processing has been completed:

- Each department is notified of the NSF and supporting documents are sent via email (i.e., reason for NSF, amount, allocation code, name, etc.) for their review.
- Each department must verify and re-open the original debt in their invoicing/AR system and contact the payer to recover the payment and NSF fee (if applicable).
- If a recovery payment is made, the DOR should be notified and will add notes to the NSF log.
- If a recovery payment is not made, the department should continue with its normal collection process (Additional Notice/Invoice, Administrative Hearings (AH) process, etc.).
- If the debt is unrecoverable by the department and has gone through the AH process, the DOR will pursue the debt through the Outside Collections Agency (OCA) or the Tax Intercept program. Prior to placing department debt with an OCA or Tax Intercept, a list of eligible debt will be sent to each department to review for approval.
- Once the debt is placed with either the OCA or the Tax Intercept program, DOR will process any collections received on the department's behalf and payments will be reflected in iNovah. Each department has access to iNovah to run reports and should continue their normal reconciliation process to balance iNovah to their respective hosts/AR systems.

These suggested steps are being added to our NSF procedure document along with other updates within the next two weeks. The procedure document will be shared with each department as part of the notification email mentioned above.

**Estimated Completion Date:**

March 20, 2024