

**WASHINGTON, PITTMAN & McKEEVER, LLC**

*CERTIFIED PUBLIC ACCOUNTANTS AND*

*MANAGEMENT CONSULTANTS*

819 South Wabash Avenue

Suite 600

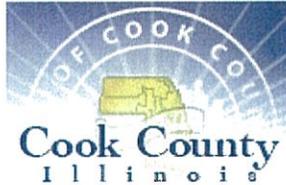
Chicago, Illinois 60605-2184

Ph. (312) 786-0330

Fax (312) 786-0323

[www.wpmck.com](http://www.wpmck.com)

**Cook County, Illinois**  
**Report on Federal Awards**  
(In accordance with the Single Audit Act  
Amendments of 1996, and Uniform Guidance)  
**For the Fiscal Year Ended November 30, 2017**



**COOK COUNTY, ILLINOIS**

**SINGLE AUDIT REPORT**

**NOVEMBER 30, 2017**

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**INDEPENDENT AUDITOR'S REPORT  
ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

To the Board of Commissioners of  
**Cook County, Illinois**

**Report on the Schedule of Expenditures of Federal Awards**

We have audited the accompanying Schedule of Expenditures of Federal Awards (Schedule) of **Cook County, Illinois** (the County) for the year ended November 30, 2017, and the related notes (the financial statement).

*Management's Responsibility*

Management is responsible for the preparation and fair presentation of this financial statement in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statement referred to above presents fairly, in all material respects, the expenditures of federal awards of the County for the year ended November 30, 2017, in accordance with accounting principles generally accepted in the United States of America.

*Washington, Pittman & McKeever, LLC*

WASHINGTON, PITTMAN & MCKEEVER, LLC

**Chicago, Illinois  
June 15, 2018**

COOK COUNTY, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended November 30, 2017

<u>Federal Grantor/Pass-Through Grantor/Program Name</u>	<u>CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>County Award Number</u>	<u>County Program Number</u>	<u>Legacy (Old) Business Unit</u>	<u>Responsible County Department</u>	<u>Pass-Through to Subrecipients</u>	<u>Federal Expenditures</u>	
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>									
Pass-Through Programs From:									
<i>Illinois State Board of Education</i>									
<b>Child Nutrition Cluster:</b>									
<b>School Breakfast Program</b>									
Child Nutrition Program	10.553	15-016-472P-00	10076	53320	7731601	Juvenile Temporary Detention Center	\$ -	\$ 120,491	
Child Nutrition Program	10.553	15-016-472P-00	10512	53514	N/A	Juvenile Temporary Detention Center	-	60,781	
Total School Breakfast Program							-	181,272	
<b>National School Lunch Program</b>									
Child Nutrition Program	10.555	15-016-472P-00	10077	53325	7741601	Juvenile Temporary Detention Center	-	225,591	
Child Nutrition Program	10.555	15-016-472P-00	10511	53515	N/A	Juvenile Temporary Detention Center	-	115,943	
Total National School Lunch Program							-	341,534	
<i>Illinois Department of Public Health</i>									
<b>Summer Food Service Program for Children</b>									
IDHS Food Inspections	10.559	55280007C	10347	51015	9961401	Public Health	-	4,225	
Total Child Nutrition Cluster							-	527,031	
<i>Illinois Department of Human Services</i>									
<b>WIC Special Supplemental Nutrition Program for Women, Infants, and Children</b>									
IDHS Supplemental WIC	10.557	FCSVQ00833	10335	53275	9461608	Stroger Hospital	-	130,549	
IDHS Supplemental WIC	10.557	FCSWQ00833	10494	53468	9461708	Stroger Hospital	-	81,134	
IDHS Supplemental WIC	10.557	FCSUQ00832	10493	53483	9791701	Public Health	-	955,380	
IDHS Supplemental WIC	10.557	FCSVQ00832	10341	53290	9791601	Public Health	-	1,451,434	
Supplemental Food WIC - Non-cash Award	10.557	N/A	N/A	N/A	N/A	Public Health	-	5,272,947	
Total Special Supplemental Nutrition Program for Women, Infants and Children							-	7,891,444	
<b>Total U.S. Department of Agriculture</b>							-	<b>8,418,475</b>	
<b><u>U.S. DEPARTMENT OF COMMERCE</u></b>									
Direct Program:									
<b>Economic Development Technical Assistance</b>									
Chicago Metro Metal Consortium	11.303	N/A	10361	50750	6071401	Department of Planning and Development	-	5,559	
<b>Total U.S. Department of Commerce</b>							-	<b>5,559</b>	
<b><u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u></b>									
Direct Programs:									
<b>CDBG - Entitlement Grants Cluster:</b>									
<b>Community Development Block Grants/Entitlement Grants</b>									
Community Development Block Grant	14.218	*	N/A	10000	50000	9428225	Department of Planning and Development	5,191	5,191
Community Development Block Grant	14.218	*	N/A	10009	50260	9421301-14	Department of Planning and Development	-	4,188
Community Development Block Grant	14.218	*	N/A	10012	50715	9421401-14	Department of Planning and Development	415,381	415,381
Community Development Block Grant	14.218	*	N/A	10014	51175	9421501-11	Department of Planning and Development	3,506,826	3,854,699
Community Development Block Grant	14.218	*	N/A	10403	53445	9421601	Department of Planning and Development	4,127,643	5,230,165
Total CDBG - Entitlement Grants Cluster							8,055,041	9,509,624	

\* Denotes Major Program

COOK COUNTY, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended November 30, 2017

<u>Federal Grantor/Pass-Through Grantor/Program Name</u>	<u>CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>County Award Number</u>	<u>County Program Number</u>	<u>Legacy (Old) Business Unit</u>	<u>Responsible County Department</u>	<u>Pass-Through to Subrecipients</u>	<u>Federal Expenditures</u>	
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (Continued)</b>									
Direct Programs (Continued):									
<b>Emergency Solutions Grant Program</b>									
Emergency Solutions	14.231	N/A	10640	50765	9411601	Department of Planning and Development	34,516	34,516	
Emergency Solutions	14.231	N/A	10015	51220	9411501-07	Department of Planning and Development	302,496	302,496	
Emergency Solutions	14.231	N/A	10400	53443	9411601	Department of Planning and Development	550,691	583,241	
Total Emergency Solutions Grant Program							<u>887,703</u>	<u>920,253</u>	
<b>HOME Investment Partnerships Program</b>									
HOME Investment Partnerships Program	14.239	N/A	10007	50115	7721200-07	Department of Planning and Development	410,000	410,000	
HOME Investment Partnerships Program	14.239	N/A	10016	51285	7721501	Department of Planning and Development	-	874,333	
HOME Investment Partnerships Program	14.239	N/A	10402	53240	7721601	Department of Planning and Development	-	2,168,421	
HOME Investment Partnerships Program	14.239	N/A	10636	53581	N/A	Department of Planning and Development	-	20,515	
Total HOME Investment Partnerships Program							<u>410,000</u>	<u>3,473,269</u>	
<b>CDBG - Disaster Recovery Grants - Pub. L. No. 113-2 Cluster:</b>									
<b>Hurricane Sandy Community Development Block Grant Disaster Recovery Grants (CDBG-DR)</b>									
CDBG Disaster Relief	14.269	*	N/A	10011	50685	9101401	Department of Planning and Development	8,840,941	14,555,976
<b>Total U.S. Department of Housing and Urban Development</b>							<b><u>18,193,686</u></b>	<b><u>28,459,122</u></b>	
<b>U.S. DEPARTMENT OF JUSTICE</b>									
Direct Programs:									
<b>Justice Systems Response to Families</b>									
Family Court Enhancement Project	16.021	N/A	10376	53431	8381401	Chief Judge	-	3,748	
Family Court Enhancement Project	16.021	N/A	10378	53432	8381601	Chief Judge	27,669	162,419	
Total Justice Systems Response to Families							<u>27,669</u>	<u>166,167</u>	
<b>Services for Trafficking Victims</b>									
Human Trafficking Task Force	16.320	N/A	10041	51295	6251501	State's Attorney	-	355,321	
<b>Community-Based Violence Prevention Program</b>									
Community Based Violence Prevention	16.123	N/A	10354	53421	8611601	Judicial Advisory Council	-	152,129	
<b>Missing Children's Assistance</b>									
Internet Crimes	16.543	N/A	10042	51330	6361501	State's Attorney	-	232,154	
Internet Crimes	16.543	N/A	10589	53549	N/A	State's Attorney	-	12,534	
Total Missing Children's Assistance							<u>-</u>	<u>244,688</u>	
<b>Drug Court Discretionary Grant Program</b>									
Drug Court Enhancement	16.585	N/A	10357	53420	8541601	Chief Judge	86,209	193,876	
Treatment Court Enhancement (TCE) Program	16.585	N/A	10046	51470	6501501	State's Attorney	-	109,155	
Total Drug Court Discretionary Grant Program							<u>86,209</u>	<u>303,031</u>	
<b>Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program</b>									
Violence on Illinois Campuses Elimination Strategies	16.590	N/A	10048	51510	7241501	State's Attorney	-	198,654	
<b>Criminal and Juvenile Justice and Mental Health Collaboration Program</b>									
Mentally Ill Offender Treatment and Crime Reduction	16.745	N/A	10358	53345	7101601	Public Health	-	465,302	

\* Denotes Major Program

**COOK COUNTY, ILLINOIS**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**For the Year Ended November 30, 2017**

<b>Federal Grantor/Pass-Through Grantor/Program Name</b>	<b>CFDA Number</b>	<b>Pass-Through Grantor's Number</b>	<b>County Award Number</b>	<b>County Program Number</b>	<b>Legacy (Old) Business Unit</b>	<b>Responsible County Department</b>	<b>Pass-Through to Subrecipients</b>	<b>Federal Expenditures</b>	
<b>U.S. DEPARTMENT OF JUSTICE (Continued)</b>									
Direct Programs (Continued):									
<b>Economic High-Tech and Cyber Crime Prevention</b>									
Property Crime Enforcement	16.752	N/A	10032	50125	6971201	Sheriff	-	79,109	
Property Crime Enforcement	16.752	N/A	10044	51405	6281501	State's Attorney	-	147,017	
Total Economic High-Tech and Cyber Crime Prevention							-	226,126	
<b>Postconviction Testing of DNA Evidence to Exonerate the Innocent</b>									
Post Conviction DNA	16.820	N/A	10043	51395	6161501	State's Attorney	-	202,873	
<b>Smart Prosecution Initiative</b>									
SMART Prosecution	16.825	N/A	10039	51000	6061401	State's Attorney	48,195	88,625	
<b>Equitable Sharing Program</b>									
Equitable Sharing	16.922	N/A	N/A	N/A	N/A	Sheriff	-	359,965	
Equitable Sharing	16.922	N/A	10603	53583	N/A	State's Attorney	-	278,249	
Total Equitable Sharing Program							-	638,214	
Total Direct Programs							162,073	3,041,130	
Pass-Through Programs From:									
<i>Illinois Department of Human Services</i>									
<b>Juvenile Accountability Block Grants</b>									
Juvenile Accountability	16.523	FCSVR04082	10031	51575	6791601-04	Chief Judge/Juvenile Probation	-	181,363	
<i>Illinois Criminal Justice Information Authority</i>									
<b>Crime Victim Assistance</b>									
Ser. Cook County Victim	16.575	214261	10053	51620	6151601	State's Attorney	-	305,372	
Ser. Cook County Victim	16.575	215161	10477	53520	N/A	State's Attorney	-	329,692	
Prosecution Based Victim	16.575	214241	10045	51410	7621601	State's Attorney	-	23,447	
Prosecution Based Victim	16.575	215041	10372	53437	N/A	State's Attorney	-	1,121,764	
Total Crime Victim Assistance							-	1,780,275	
<b>Violence Against Women Formula Grants</b>									
Domestic Violence Multi-disciplinary Team Response	16.588	614031	10050	51545	7291601	State's Attorney	-	28,709	
Domestic Violence Multi-disciplinary Team Response	16.588	616031	10388	53440	N/A	State's Attorney	-	278,440	
Sexual Assault Multi-disciplinary Team Response	16.588	614021	10054	51625	8011601	State's Attorney	-	38,312	
Sexual Assault Multi-disciplinary Team Response	16.588	615021	10389	53441	N/A	State's Attorney	-	350,108	
Total Violence Against Women Formula Grants							-	695,569	
<i>Center for Court Innovation</i>									
<b>Edward Byrne Memorial Justice Assistance Grant Program</b>									
2016 Community Court Grant Program	16.738	2015-DC-NY-K002	10068	51540	8081601	Chief Judge	-	84,812	
<i>City of Chicago</i>									
<b>Edward Byrne Memorial Justice Assistance Grant Program</b>									
Justice Assistance Grant	16.738	*	2012-H1210-IL-DJ	10061	50130	7671201-08	Emergency Mgt Homeland Security	54,604	79,237
Justice Assistance Grant	16.738	*	2013-H4359-IL-DJ	10062	50420	7671301	Emergency Mgt Homeland Security	394,885	526,961
Justice Assistance Grant	16.738	*	2014-H1672-IL-DJ	10063	50870	7671401	Emergency Mgt Homeland Security	551,186	551,186
Justice Assistance Grant	16.738	*	2015-H2452-IL-DJ	10064	51335	7671501-16	Emergency Mgt Homeland Security	69,069	86,301
Justice Assistance Grant	16.738	*	2016-H2837-IL-DJ	10395	53448	7671601	Emergency Mgt Homeland Security	-	13,034

\* Denotes Major Program

COOK COUNTY, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended November 30, 2017

<u>Federal Grantor/Pass-Through Grantor/Program Name</u>	<u>CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>County Award Number</u>	<u>County Program Number</u>	<u>Legacy (Old) Business Unit</u>	<u>Responsible County Department</u>	<u>Pass-Through to Subrecipients</u>	<u>Federal Expenditures</u>	
<b><u>U.S. DEPARTMENT OF JUSTICE (Continued)</u></b>									
Pass-Through Programs From (Continued):									
<i>Illinois Criminal Justice Information Authority (Continued)</i>									
<b>Edward Byrne Memorial Justice Assistance Grant Program</b>									
Complex Drug Prosecution	16.738	*	415089	10096	53410	8301601	State's Attorney	-	1,137,941
Complex Drug Prosecution	16.738	*	415789	10562	53543	N/A	State's Attorney	-	160,807
Community Justice Center	16.738	*	414835	10560	53434	6121601	State's Attorney	-	299,880
Community Justice Center	16.738	*	414835	10561	53478	N/A	State's Attorney	-	28,781
Human Trafficking Equipment	16.738	*	414854	10366	53436	6371601	State's Attorney	-	64,835
Human Trafficking Equipment	16.738	*	414854	10563	53495	N/A	State's Attorney	-	14,452
Mitigator Project	16.738	*	410860	10473	53513	N/A	Public Defender	-	54,185
Juvenile Justice	16.738	*	411035	10059	50895	6291401	Public Defender	-	112,140
DNA Backlog Reduction	16.738	*	411863	10100	53423	6311602	Public Defender	-	32,335
Total Edward Byrne Memorial Justice Assistance Grant Program								1,069,745	3,246,887
<b>Paul Coverdell Forensic Sciences Improvement Grant Program</b>									
National Forensic Sciences Improvement Act	16.742		716504	10394	51630	7271601	Medical Examiner's Office	-	15,152
Total Pass-Through Programs								1,069,745	5,919,246
<b>Total U.S. Department of Justice</b>								<b>1,231,817</b>	<b>8,960,376</b>
<b><u>U.S. DEPARTMENT OF TRANSPORTATION</u></b>									
Pass-Through Programs From:									
<i>Illinois Department of Transportation</i>									
<b>Highway Planning and Construction Cluster:</b>									
<b>Highway Planning and Construction</b>									
Highway Freight and Rail Study	20.205		B-12-UC-17-0001	10085	50785	6521301	Highway	-	184,481
Highway Kedzie Avenue	20.205		13-W-4612-07-LS	10086	50905	6031502	Highway	-	213,846
Highway Lincoln Highway	20.205		02-W5208-02-RP	10369	50925	6701401	Highway	-	119,763
Highway Happ Road over Skokie River	20.205		016-3050 (Structure No.)	10091	51245	7601501	Highway	-	852,522
Total Highway Planning and Construction Cluster								-	1,370,612
<b>Highway Safety Cluster:</b>									
<b>National Priority Safety Programs</b>									
Holiday Mobilization	20.616		OP-17-0176	10419	53433	6441601	Sheriff	-	52,035
<b>Total U.S. Department of Transportation</b>								-	<b>1,422,647</b>
<b><u>U.S. ENVIRONMENTAL PROTECTION AGENCY</u></b>									
Direct Programs:									
<b>Air Pollution Control Program Support</b>									
Air Pollution	66.001		N/A	10028	51530	9091601	Environmental Control	-	812,972
Air Pollution	66.001		N/A	10581	53459	N/A	Environmental Control	-	78,083
Total Air Pollution Control Program Support								-	891,055
<b>Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act</b>									
Clean Diesel Initiative	66.034		N/A	10029	51535	7481601	Environmental Control	-	254,389
<b>Brownfields Assessment and Cleanup Cooperative Agreements</b>									
Brownfields Investment	66.818		N/A	10025	50675	7661401	Environmental Control	-	191,465
Total Direct Programs								-	1,336,909

\* Denotes Major Program

See Accompanying Notes to Schedule of Expenditures of Federal Awards

COOK COUNTY, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended November 30, 2017

<u>Federal Grantor/Pass-Through Grantor/Program Name</u>	<u>CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>County Award Number</u>	<u>County Program Number</u>	<u>Legacy (Old) Business Unit</u>	<u>Responsible County Department</u>	<u>Pass-Through to Subrecipients</u>	<u>Federal Expenditures</u>
<b><u>U.S. ENVIRONMENTAL PROTECTION AGENCY (Continued)</u></b>								
Pass-Through Programs From:								
<i>Illinois Emergency Management Agency</i>								
<b>State Indoor Radon Grants</b>								
Radon Awareness	66.032	17COOK	10391	53442	9051601	Environmental Control	-	8,875
<i>Illinois Department of Public Health</i>								
<b>State Public Water System Supervision</b>								
Safe Drinking Water	66.432	75380121E	10345	53390	9951601	Public Health	-	15,825
Safe Drinking Water	66.432	85380117F	10606	53556	9951701	Public Health	-	3,318
Total State Public Water System Supervision							-	19,143
Total Pass-Through Programs							-	28,018
<b>Total U.S. Environmental Protection Agency</b>							-	<b>1,364,927</b>
<b><u>U.S. DEPARTMENT OF ENERGY</u></b>								
Direct Programs:								
<b>Renewable Energy Research and Development</b>								
Solar Market Pathways	81.087	N/A	10026	51005	6691401	Environmental Control	-	431,562
<b>Total U.S. Department of Energy</b>							-	<b>431,562</b>
<b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>								
Direct Programs:								
<b>Substance Abuse and Mental Health Services Projects of Regional and National Significance</b>								
Drug Court Enhancement	93.243	N/A	10557	53540	N/A	Chief Judge	-	5,832
SAMHSA	93.243	43CVC03159	10374	53438	N/A	Public Health	-	18,511
							-	24,343
<b>Partnerships to Improve Community Health</b>								
Partnerships to Improve Community Health	93.331	N/A	10350	51380	6051502	Public Health	-	50,957
Partnerships to Improve Community Health	93.331	N/A	10344	53350	6051602	Public Health	-	2,177,180
Total Partnerships to Improve Community Health							-	2,228,137
<b>Assisted Outpatient Treatment</b>								
Assisted Outpatient Treatment	93.997	N/A	10360	53335	8591601	Public Health	-	630,761
Assisted Outpatient Treatment	93.997	N/A	10568	53461	8591701-02	Public Health	-	93,242
Total Assisted Outpatient Treatment Program for Ind. With Serious Mental Illness							-	724,003
Total Direct Programs							-	2,976,483
Pass-Through Programs From:								
<i>Great Lakes Hemophilia Foundation</i>								
<b>Maternal and Child Health Federal Consolidated Programs</b>								
Hemophilia	93.110	H30MC24052	10337	53330	8471602	Stroger Hospital	-	1,523
<b>Blood Disorder Program: Prevention, Surveillance, and Research</b>								
Hemophilia	93.080	5 NU27DD001155-02-00	10507	53569	8471603	Stroger Hospital	-	11,550

\* Denotes Major Program

**COOK COUNTY, ILLINOIS**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**For the Year Ended November 30, 2017**

<b>Federal Grantor/Pass-Through Grantor/Program Name</b>	<b>CFDA Number</b>	<b>Pass-Through Grantor's Number</b>	<b>County Award Number</b>	<b>County Program Number</b>	<b>Legacy (Old) Business Unit</b>	<b>Responsible County Department</b>	<b>Pass-Through to Subrecipients</b>	<b>Federal Expenditures</b>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)</b>								
Pass-Through Programs From (Continued):								
<i>Illinois Department of Healthcare and Family Services</i>								
<b>Child Support Enforcement</b>								
Expedited Child Support	93.563	2017-55-028-K	10070	51550	7781601	Chief Judge	-	284,164
Child Support Enforcement	93.563	2016-55-007-K2	10078	52650	7791601	Clerk of the Circuit Court	-	998,703
Child Support Enforcement	93.563	2016-55-007-K3	10491	53471	N/A	Clerk of the Circuit Court	-	619,562
Child Support Enforcement	93.563	2014-55-027-K3	10036	52655	7811601	Sheriff	-	1,346,480
Child Support Enforcement	93.563	2017-55-027-K2	10483	53474	N/A	Sheriff	-	917,695
Child Support Enforcement	93.563	2017-55-025-K	10049	52660	7821601	State's Attorney	-	5,451,843
Child Support Enforcement	93.563	2017-55-025-K2	10478	53472	N/A	State's Attorney	-	3,906,554
Total Child Support Enforcement							-	13,525,001
<b>Grants to States for Access and Visitation Programs</b>								
Access and Visitation	93.597	2015-55-024-KA	10066	51520	6201601	Chief Judge	-	52,221
Access and Visitation	93.597	2018-55-024-K1A	10418	53451	N/A	Chief Judge	-	43,017
Total Grants to States for Access and Visitation Programs							-	95,238
<i>Illinois Department of Human Services</i>								
<b>Social Services Block Grant</b>								
IDHS Case Management	93.667	FCSVU03178	10340	53280	9741606	Public Health	-	264,001
IDHS Case Management	93.667	FCSWU03178	10495	53482	N/A	Public Health	-	213,533
Total Social Services Block Grant							-	477,534
<b>State Targeted Response to the Opioid Crisis Grant</b>								
IDHS Case Management	93.788	43CW03168	10522	53562	9181701	Public Health	-	114,866
<i>Illinois Department of Public Health</i>								
<b>Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements</b>								
Ebola Supplemental	93.074	67180136D	10348	51210	6771501	Public Health	-	74,768
Bioterrorism Prep/Planning	93.074	77180016E	10332	53355	9031601	Public Health	-	738,730
Bioterrorism Prep/Planning	93.074	87180016F	10501	53463	N/A	Public Health	-	267,530
Cities Readiness Initiative	93.074	77180099E	10339	53380	9201601	Public Health	-	65,852
Cities Readiness Initiative	93.074	87180099F	10558	53476	9201701	Public Health	-	6,195
Total Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements							-	1,153,075
<b>Immunization Cooperative Agreements</b>								
Immunization Initiative	93.268	65180006D	10351	52730	9771601	Public Health	-	34,987
Immunization Initiative - Non-Cash Award	93.268	N/A	N/A	N/A	N/A	Public Health	-	626,756
Total Immunization Cooperative Agreements							-	661,743
<b>PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure</b>								
<b>Performance financed in part by Prevention and Public Health Funds</b>								
Immunization Initiative-Perinatal Hepatitis B Preventi	93.539	75180006E	10569	53506	9771701	Public Health	-	60,000
<b>Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations financed in part by Prevention and Public Health Funds</b>								
Breast and Cervical Cancer	93.752	76180006E	10333	53365	9971601	Public Health	-	105,042
Breast and Cervical Cancer	93.752	86180005F	10499	53464	9971701	Public Health	-	8,033
Total Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations financed in part by Prevention and Public Health Funds							-	113,075
<b>HIV Prevention Activities_Health Department Based</b>								
IPHA HIV/AIDS Prevent. Dir.	93.940	55780057C	10577	53492	9551701	Public Health	-	8,300

\* Denotes Major Program

COOK COUNTY, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended November 30, 2017

<u>Federal Grantor/Pass-Through Grantor/Program Name</u>	<u>CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>County Award Number</u>	<u>County Program Number</u>	<u>Legacy (Old) Business Unit</u>	<u>Responsible County Department</u>	<u>Pass-Through to Subrecipients</u>	<u>Federal Expenditures</u>
<b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)</u></b>								
Pass-Through Programs From (Continued):								
<i>Public Health Institute of Metropolitan Chicago</i>								
<b>HIV Prevention Activities_Health Department Based</b>								
PHIMC HIV/AIDS Prevention Services	93.940	11182015	10349	51270	9551501	Public Health	-	3,300
Total HIV Prevention Activities_Health Department Based							-	11,600
Total Pass-Through Programs							-	16,225,205
<b>Total U.S. Department of Health and Human Services</b>							<b>-</b>	<b>19,201,688</b>
<b><u>EXECUTIVE OFFICE OF THE PRESIDENT</u></b>								
Direct Program								
<b>High Intensity Drug Trafficking Areas Program</b>								
Chicago HIDTA	95.001	N/A	10034	51265	6551501-18	Sheriff	-	1,267,237
Chicago HIDTA	95.001	N/A	10037	52635	6551601-15	Sheriff	-	2,981,779
Chicago HIDTA	95.001	N/A	10424	53452	6551701-1713	Sheriff	-	93,977
Chicago HIDTA (Non-Cash)	95.001	N/A	N/A	N/A	N/A	Sheriff	-	3,503,760
<b>Total Executive Office of the President</b>							<b>-</b>	<b>7,846,753</b>
<b><u>U.S. DEPARTMENT OF HOMELAND SECURITY</u></b>								
Pass-Through Programs From:								
<i>Illinois Emergency Management Agency</i>								
<b>Emergency Management Performance Grants</b>								
Emergency Management	97.042	17EMACOOK	10650	53494	FY 17 EMA	Emergency Mgt Homeland Security	-	444,435
<b>Homeland Security Grant Program</b>								
Homeland Security	97.067	* 14UASICOOK	10398	51035	7691401-XX	Emergency Mgt Homeland Security	-	183,129
Homeland Security	97.067	* 15UASICOOK	10065	51475	7691501-49	Emergency Mgt Homeland Security	3,404,662	11,361,784
Homeland Security	97.067	* 16UASICOOK	10469	53453	7691601-XX	Emergency Mgt Homeland Security	-	2,263,740
Total Homeland Security Grant Program							3,404,662	13,808,653
Total Pass-Through Programs							3,404,662	14,253,088
<b>Total U.S. Department of Homeland Security</b>							<b>3,404,662</b>	<b>14,253,088</b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>							<b>22,830,165</b>	<b>90,364,197</b>

\* Denotes Major Program

**COOK COUNTY**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**FOR THE YEAR ENDED NOVEMBER 30, 2017**

**NOTE 1 – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes all Federal programs attributable to the County's reporting entity except those administered by the Forest Preserve District of Cook County and its component units.

The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principle, and Audit Requirements for Federal Awards (Uniform Guidance)*. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Federal awards received directly from Federal agencies, as well as the Federal portion of grants passed through non-Federal agencies, are included in the Schedule.

The County now tracks grant expenditures by the award and program numbers. In prior years, the business unit was used to track expenditures. In the current Schedule we have included the business unit to assist in identifying older grant award expenditures.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule has been prepared to include expenditures reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, and the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The underlying accounting records for all grant programs are maintained on the modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized when measurable and available for financing current obligations. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are expected to be paid with available expendable resources and are recognized when obligations are incurred.

Accordingly, the accompanying Schedule is not intended to present the financial position and the results of operations in conformity with accounting principles generally accepted in the United States of America.

**COOK COUNTY, ILLINOIS**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**(Continued)**

**FOR THE YEAR ENDED NOVEMBER 30, 2017**

**NOTE 3 – NON-CASH AWARDS**

Non-cash awards identified during the current period have been included in the Schedule. The County had no non-cash Federally-funded insurance during fiscal year 2017.

**NOTE 4 – EXPENDITURES AMOUNTS**

The County assigns each new grant an award and program number. Expenditures for new grants are accumulated in the prior year's award/program number until the new award/program number has been authorized/assigned. Once the new award/program number has been authorized/assigned, expenditures applicable to the new grant, previously recorded in the prior year award/program number, are transferred to the new award/program number. When the authorization of a new grant occurs in the subsequent fiscal year (after the normal year-end closing), the transfer of the expenditures from the prior year award/program number to the new award/program number can result in a negative expenditure in the prior year award/program number.

During the current fiscal year, the County continued its analysis of grants that remained open but had no activity and anticipated no future activities. This analysis resulted in additional credits to the Schedule to correct grant amounts which were determined to be over expended in prior fiscal years.

**NOTE 5 – HUD LOAN GUARANTEE PROGRAM**

Cook County received approval from the U.S. Department of Housing and Urban Development (HUD) for a \$30 million loan guarantee program, sourced by HUD, to finance four types of sustainable development. They are: transit-oriented, mixed-use developments within a half-mile of passenger rail; cargo-oriented projects near freight rail lines and terminals; mixed-use hospitality/service sector projects near transit lines and business development loans.

Also known as the Section 108 Loan Pool, BUILT (Broadening Urban Investment to Leverage Transportation) in Cook will allow the County to borrow money to private businesses at reduced interest rates to promote economic development, stimulate job growth and improve public facilities. Such public investment is often needed to inspire private contributions, to provide seed money, or to simply boost confidence that many private firms and individuals need to invest in distressed areas.

The County's Bureau of Economic Development has 2 contracts with the Secretary of Housing and Urban Development (HUD) under the Section 108 Guaranteed Loan Program as of November 30, 2017. The outstanding note balance at November 30, 2017 is \$5,500,000 due in various annual amounts not exceeding \$527,000 through August 1, 2035. The interest rate for the note is reset monthly and is equal to 0.2% above the LIBOR Rate. The proceeds have been loaned to secondary authorized representatives under the guidelines of the County and HUD contract, for capital infrastructure projects, and for the acquisition of equipment for the Cermak Fresh Market Grocery Store, to aid in the creation and retention of new jobs.

**COOK COUNTY, ILLINOIS**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**(Continued)**

**FOR THE YEAR ENDED NOVEMBER 30, 2017**

**NOTE 6 – HURRICANE SANDY COMMUNITY DEVELOPMENT BLOCK GRANT DISASTER RECOVERY GRANTS (CDBG-DR)**

In prior years, the CDBG-DR grant (CFDA #14.269) was previously reported as part of the CDBG/Entitlement grant (CFDA #14.218). Additionally these program expenditures were audited as part of the fiscal year 2015 CDBG major program testing. The following amounts were reported in previous SEFAs in the respective years under CFDA #14.218.

<b><u>Fiscal Year</u></b>	<b><u>Program</u></b>	<b><u>Business Unit</u></b>	<b><u>Amount</u></b>
2015	CDBG-Disaster Relief	9101401	\$3,557,932
2016	CDBG-Disaster Relief	9101401	7,670,934
2016	CDBG-Disaster Relief	9101402	820,579
2016	CDBG-Disaster Relief	9101403	900,000

**NOTE 7 – INDIRECT COST RATE**

Cook County has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**WASHINGTON, PITTMAN & McKEEVER, LLC**

**CERTIFIED PUBLIC ACCOUNTANTS AND  
MANAGEMENT CONSULTANTS**

819 South Wabash Avenue  
Suite 600  
Chicago, Illinois 60605-2184

Ph. (312) 786-0330  
Fax (312) 786-0323  
www.wpmck.com

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR  
FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Commissioners of  
**Cook County, Illinois**

**Report on Compliance for Each Major Federal Program**

We have audited **Cook County, Illinois'** (the County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of County's major federal programs for the year ended November 30, 2017. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

The County's basic financial statements include the operations of the Forest Preserve District of Cook County (a discretely presented component unit), which received Federal awards that are not included in the Schedule of Expenditures of Federal Awards for the year ended November 30, 2017. Our audit described below, did not include the operations of the Forest Preserve District of Cook, because the Forest Preserve District of Cook, engaged other auditors, when required, to perform audits in accordance with Uniform Guidance.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended November 30, 2017.

### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2017-001, 2017-002, 2017-003, 2017-004, 2017-005, 2017-006, and 2017-007. Our opinion on each major federal program is not modified with respect to these matters.

The County's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control over Compliance**

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2017-001, 2017-002, 2017-003, 2017-004, 2017-005, 2017-006, 2017-007, and 2017-008, that we consider to be significant deficiencies.

The County's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Washington, Pittman & McKeever, LLC*

WASHINGTON, PITTMAN & McKEEVER, LLC

Chicago, Illinois  
June 15, 2018

COOK COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED NOVEMBER 30, 2017

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**SECTION I: SUMMARY OF AUDITOR'S RESULTS**

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**Financial Statements**

Other auditors issued an unmodified opinion on whether the financial statements were prepared in accordance with GAAP.

Internal control over financial reporting:

- Material weakness (es) identified?                      X   yes                           none reported
- Significant deficiency (ies) identified?                           yes                      X   none reported

Noncompliance material to financial statements noted?                           yes                      X   no

**Federal Awards**

Internal control over major Federal programs:

- Material weakness (es) identified?                           yes                      X   none reported
- Significant deficiency (ies) identified?                      X   yes                           none reported

The auditor's report on compliance for the major federal award programs for the County expresses an unmodified opinion on all major federal programs.

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)                      X   yes                           no

The programs tested as major programs were:

<u>Name of Federal Program or Cluster</u>	<u>CFDA #</u>
CDBG-Entitlement Grants Cluster	14.218
CDBG-Disaster Recovery Grants-Pub. L. No. 113-2 Cluster	14.269
Edward Byrne Memorial Justice Assistance Grant Program	16.738
Homeland Security Grant Program	97.067

The dollar threshold for distinguishing Type A and Type B programs was \$2,710,926.

Auditee qualified as low-risk auditee? No

**COOK COUNTY, ILLINOIS**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**(Continued)**

**FOR THE YEAR ENDED NOVEMBER 30, 2017**

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**SECTION II: FINANCIAL STATEMENT FINDINGS**

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The financial statement findings are included in the Summary of Basic Financial Statement Findings with the Independent Auditor's Report on the Basic Financial Statements presented by other auditors.

**COOK COUNTY, ILLINOIS**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**(Continued)**

**FOR THE YEAR ENDED NOVEMBER 30, 2017**

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**SECTION III: FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

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**Subrecipient Monitoring**

**Federal Department – U.S. Department of Housing and Urban Development**

**Federal Award Identification Number/ Year-13-15-UC-17-001 and 2015; M16-DC170213 and 2016  
CDBG-Entitlement Grants Cluster:**

**Community Development Block Grants/Entitlement Grants (CDBG), CFDA #14.218**

**County Department – Department of Planning and Development (DPD)**

**Finding 2017 – 001**

**Questioned Costs: None**

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**CRITERIA**

2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Subpart D - Post Federal Award Requirements Standards for Financial and Program Management, Section 200.331, Requirements for pass-through entities, requires that “All pass-through entities must: (b) Evaluate each subrecipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring described in paragraphs (d) and (e) of this section, which may include consideration of such factors as: (1) The subrecipient's prior experience with the same or similar subawards; (2) The results of previous audits including whether or not the subrecipient receives a Single Audit in accordance with Subpart F Audit Requirements of this part, and the extent to which the same or similar subaward has been audited as a major program; (3) Whether the subrecipient has new personnel or new or substantially changed systems; and (4) The extent and results of Federal awarding agency monitoring (e.g., if the subrecipient also receives Federal awards directly from a Federal awarding agency). (c) Consider imposing specific subaward conditions upon a subrecipient if appropriate as described in §200.207 Specific conditions. (d) Monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved. Pass-through entity monitoring of the subrecipient must include: (1) Reviewing financial and performance reports required by the pass-through entity. (2) Following-up and ensuring that the subrecipient takes timely and appropriate action on all deficiencies pertaining to the Federal award provided to the subrecipient from the pass-through entity detected through audits, on-site reviews, and other means. (3) Issuing a management decision for audit findings pertaining to the Federal award provided to the subrecipient from the pass-through entity as required by §200.521 Management decision. (e) Depending upon the pass-through entity's assessment of risk posed by the subrecipient (as described in paragraph (b) of this section), the following monitoring tools may be useful for the pass-through entity to ensure proper accountability and compliance with program requirements and achievement of performance goals: (1) Providing subrecipients with training and technical assistance on program-related matters; and (2) Performing on-site reviews of the subrecipient's program operations; (3) Arranging for agreed-upon-procedures engagements as described in §200.425 Audit services. (f) Verify that every subrecipient is audited as required by Subpart F Audit Requirements of this part when it is expected that the subrecipient's Federal awards expended during the respective fiscal year equaled or exceeded the threshold set forth in §200.501 Audit requirements. (g) Consider whether the results of the subrecipient's audits, on-site reviews, or other monitoring indicate conditions that necessitate adjustments to the pass-through entity's own records.

**COOK COUNTY, ILLINOIS**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**(Continued)**

**FOR THE YEAR ENDED NOVEMBER 30, 2017**

**Subrecipient Monitoring**

**Federal Department – U.S. Department of Housing and Urban Development**

**Federal Award Identification Number/ Year-13-15-UC-17-001 and 2015; M16-DC170213 and 2016**

**CDBG-Entitlement Grants Cluster:**

**Community Development Block Grants/Entitlement Grants (CDBG), CFDA #14.218**

**County Department – Department of Planning and Development (DPD)**

**Finding 2017 – 001 (Continued)**

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**CRITERIA (Continued)**

(h) Consider taking enforcement action against noncompliant subrecipients as described in §200.338 Remedies for noncompliance of this part and in program regulations. Per the Cook County Community Development Block Grant (CDBG) Program Procedures and Operations Guide Revised Manual (effective

January 2014), states "The County conducts annual monitoring of its HOME-, CDBG-, and ESG-funded activities. Under Required Frequency of On-Site Monitoring Visits during Program Implementation Phase, for any activity administered by a subrecipient or contractor, while contract is in effect, the frequency of on-site monitoring visit is annually."

**CONDITION**

During the current audit period, the Cook County Department of Planning and Development (DPD) failed to perform financial monitoring of its subrecipients as required by Federal regulations.

**CONTEXT**

In fiscal year 2015, we reviewed nineteen (19) subrecipient files, noting that: 1) financial monitoring was not performed for all 19 subrecipients; and 2) DPD did not request the A-133 Single audit information, which includes documentation to support whether the subrecipient met the audit requirement for completion of a single audit under OMB Circular A-133 for 2 subrecipients.

Since 2015, DPD has not fully implemented its corrective action plan. Based on discussions with management, we noted no financial monitoring was completed in both fiscal years 2017 and 2016, respectively. Also, based on current year's discussions with management, it appears documentation is not maintained to support DPD's evaluation of each subrecipient's risk of noncompliance. However, DPD management stated that they evaluate the risks when initiating the subawards and keep programmatic monitoring of subrecipients over the years.

**IDENTIFICATION OF REPEATED FINDING**

Repeated (Prior Finding Nos. 2016-001, 2015-001, 2014-003, 2013-003, 2012-5, 2011-7, and 2010-12).

**COOK COUNTY, ILLINOIS**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**(Continued)**

**FOR THE YEAR ENDED NOVEMBER 30, 2017**

**Subrecipient Monitoring**

**Federal Department – U.S. Department of Housing and Urban Development**

**Federal Award Identification Number/ Year-13-15-UC-17-001 and 2015; M16-DC170213 and 2016  
CDBG-Entitlement Grants Cluster:**

**Community Development Block Grants/Entitlement Grants (CDBG), CFDA #14.218**

**County Department – Department of Planning and Development (DPD)**

**Finding 2017 – 001 (Continued)**

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**EFFECT**

Failure to adequately monitor the activities and performance of subrecipients could result in Federal awards being used for unauthorized purposes and DPD's inability to adequately perform risk assessments on subrecipients.

**CAUSE**

Based on discussions with management, the responsibility for financial monitoring of DPD projects was assigned to the Project Director. The Project Director failed to complete the financial monitoring processes before leaving the employment of the County. DPD did not have the resources necessary to have the responsibilities re-assigned and performed within the remaining months attributed to the audit period.

**RECOMMENDATION**

We recommend DPD ensure adequate staff resources and training are in place to oversee the process of completing the required subrecipient monitoring.

**VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS**

The County's corrective action plan is on page 42.

**COOK COUNTY, ILLINOIS**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**(Continued)**

**FOR THE YEAR ENDED NOVEMBER 30, 2017**

**Special Tests and Provisions (Wage Rate Requirements)**

**Federal Department – U.S. Department of Housing and Urban Development**

**Federal Award Identification Number/Year – M-15-UC-17-0213/2015; M16-DC170213/2016**

**Home Investment Partnerships Program (HOME), CFDA #14.239**

**County Department – Department of Planning and Development (DPD)**

**Finding 2017 – 002**

**Questioned Costs: None**

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**CRITERIA**

In accordance with the requirements of the Davis-Bacon Act and the DOL regulations (29 CFR Part 5, "Labor Standards Provisions Applicable to Contracts Governing Federally Financed and Assisted Construction"), non-federal entities shall include in their construction contracts a requirement that the contractor or subcontractor comply with the Davis-Bacon Act. This includes a requirement for the contractor or subcontractor to submit to the non-federal entity weekly, for each week in which any contract work is performed, a certified copy of the payroll and a statement of compliance (29 CFR sections 5.5 and 5.6 and 2 CFR Part 200, Section 200.326).

2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Subpart D - Post Federal Award Requirements Standards for Financial and Program Management Section 200.303 Internal controls states "The non-Federal entity must: (1) establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and terms and conditions of the Federal award."

The Bureau of Economic Development, Department of Planning and Development HOME Program Policies and Procedures Manual (November 2011) states "Cook County Bureau of Economic Development will monitor all development projects subject to Davis-Bacon requirements to ensure compliance with all applicable regulations."

**CONDITION**

During the current audit period, the Department of Planning and Development (DPD) did not adequately document its compliance with federal Wage Rate (Davis Bacon) requirements for the HOME program.

**CONTEXT**

During the prior audit period, we tested six (6) contractors' files; we reviewed thirty (30) weekly certified payrolls and noted no evidence of review conducted by DPD for all 30 weekly certified payrolls. Without adequate written policies and procedures, we could not substantiate the review of the certified payrolls.

During the current audit period, DPD did not implement its corrective action plan which had an anticipated timeline for full implementation by 9/30/2017. Based on discussions with management, no reviews were required for the HOME program during the implementation period. The reviews would be for Program Year 2017 (period from 10/1/2017 to 9/30/2018). As a result, we could not adequately follow up on this finding.

**COOK COUNTY, ILLINOIS**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**(Continued)**

**FOR THE YEAR ENDED NOVEMBER 30, 2017**

**Special Tests and Provisions (Wage Rate Requirements)**

**Federal Department – U.S. Department of Housing and Urban Development**

**Federal Award Identification Number/Year – M-15-UC-17-0213/2015; M16-DC170213/2016**

**Home Investment Partnerships Program (HOME), CFDA #14.239**

**County Department – Department of Planning and Development (DPD)**

**Finding 2017 – 002 (Continued)**

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**IDENTIFICATION OF REPEATED FINDING**

Repeated (Prior Finding No. 2016-006).

**EFFECT**

Failure to document the review of weekly certified payrolls submitted by contractors is a violation of Federal regulations and impairs DPD's ability to adequately monitor the federally funded program.

**CAUSE**

Based on discussions with management, DPD implemented new procedures, effective September 30, 2017, that require the transference of wage information from the developer or contractor to DPD electronically, minimally on a monthly basis, with hard copies forwarded quarterly. Internally, wage reviews are to be signed off by the Development Analyst and evidenced by the Wage Review form. DPD trained all Development Analysts on the new procedures but documentation evidencing the newly implemented procedures was inconsistent and untimely.

**RECOMMENDATIONS**

We recommend the DPD ensure certified payrolls are reviewed timely and the documentation of procedures performed is appropriately maintained. Also, the HOME Program Policies and Procedures Manual should be updated to adequately document these procedures.

**VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS**

The County's Corrective Action Plan is on page 42.

**COOK COUNTY, ILLINOIS**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**(Continued)**

**FOR THE YEAR ENDED NOVEMBER 30, 2017**

**Subrecipient Monitoring**

**Federal Department – U.S. Department of Housing and Urban Development**

**Federal Award Identification Number/Year – 13-13-US-17-0001 and 2014**

**CDBG-Disaster Recovery Grants-Pub. L. No. 113-2 Cluster**

**Hurricane Sandy Community Development Block Grant Disaster Recovery Grants (CDBG-DR), CFDA  
#14.269**

**County Department – Department of Planning and Development (DPD)**

**Finding 2017 – 003**

**Questioned Costs: None**

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**CRITERIA**

2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Subpart D - Post Federal Award Requirements Standards for Financial and Program Management, Section 200.331, Requirements for pass-through entities, requires that “All pass-through entities must: (b) Evaluate each subrecipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring described in paragraphs (d) and (e) of this section, which may include consideration of such factors as: (1) The subrecipient's prior experience with the same or similar subawards; (2) The results of previous audits including whether or not the subrecipient receives a Single Audit in accordance with Subpart F Audit Requirements of this part, and the extent to which the same or similar subaward has been audited as a major program; (3) Whether the subrecipient has new personnel or new or substantially changed systems; and (4) The extent and results of Federal awarding agency monitoring (e.g., if the subrecipient also receives Federal awards directly from a Federal awarding agency). (c) Consider imposing specific subaward conditions upon a subrecipient if appropriate as described in §200.207 Specific conditions. (d) Monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved. Pass-through entity monitoring of the subrecipient must include: (1) Reviewing financial and performance reports required by the pass-through entity. (2) Following-up and ensuring that the subrecipient takes timely and appropriate action on all deficiencies pertaining to the Federal award provided to the subrecipient from the pass-through entity detected through audits, on-site reviews, and other means. (3) Issuing a management decision for audit findings pertaining to the Federal award provided to the subrecipient from the pass-through entity as required by §200.521 Management decision.(e) Depending upon the pass-through entity's assessment of risk posed by the subrecipient (as described in paragraph (b) of this section), the following monitoring tools may be useful for the pass-through entity to ensure proper accountability and compliance with program requirements and achievement of performance goals: (1) Providing subrecipients with training and technical assistance on program-related matters; and (2) Performing on-site reviews of the subrecipient's program operations; (3) Arranging for agreed-upon-procedures engagements as described in §200.425 Audit services. (f) Verify that every subrecipient is audited as required by Subpart F Audit Requirements of this part when it is expected that the subrecipient's Federal awards expended during the respective fiscal year equaled or exceeded the threshold set forth in §200.501 Audit requirements. (g) Consider whether the results of the subrecipient's audits, on-site reviews, or other monitoring indicate conditions that necessitate adjustments to the pass-through entity's own records.(h) Consider taking enforcement action against noncompliant subrecipients as described in §200.338 Remedies for noncompliance of this part and in program regulations.ö

**COOK COUNTY, ILLINOIS**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**(Continued)**

**FOR THE YEAR ENDED NOVEMBER 30, 2017**

**Subrecipient Monitoring**

**Federal Department – U.S. Department of Housing and Urban Development**

**Federal Award Identification Number/Year – 13-13-US-17-0001 and 2014**

**CDBG-Disaster Recovery Grants-Pub. L. No. 113-2 Cluster**

**Hurricane Sandy Community Development Block Grant Disaster Recovery Grants (CDBG-DR), CFDA**

**#14.269**

**County Department – Department of Planning and Development (DPD)**

**Finding 2017 – 003 (Continued)**

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**CRITERIA (Continued)**

Per the Cook County Community Development Block Grant (CDBG) Program Procedures and Operations Guide Revised Manual (effective January 2014), states “The County conducts annual monitoring of its HOME-, CDBG-, and ESG-funded activities. Under Required Frequency of On-Site Monitoring Visits during Program Implementation Phase, for any activity administered by a subrecipient or contractor, while contract is in effect, the frequency of on-site monitoring visit is annually.”

**CONDITION**

During the current audit period, the Cook County Department of Planning and Development (DPD) failed to perform financial monitoring of its subrecipients as required by Federal regulations.

**CONTEXT**

During the current audit period, we reviewed five (5) subrecipient files, noting that: 1) financial monitoring was not performed for all 5 subrecipients; and 2) DPD did not request the Single audit information, which includes documentation to verify whether the subrecipient met the audit requirement for completion of a single audit in accordance with Subpart F-Audit Requirements of the Uniform Guidance.

Also, based on current year’s discussions with management, it appears documentation is not maintained to support DPD’s evaluation of each subrecipients’ risk of noncompliance. However, DPD management stated that they evaluate the risks when initiating the subawards and keep programmatic monitoring of subrecipients over the years.

**EFFECT**

Failure to adequately monitor the activities and performance of subrecipients could result in Federal awards being used for unauthorized purposes and DPD’s inability to adequately perform risk assessments on subrecipients.

**COOK COUNTY, ILLINOIS**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**(Continued)**

**FOR THE YEAR ENDED NOVEMBER 30, 2017**

**Subrecipient Monitoring**

**Federal Department – U.S. Department of Housing and Urban Development**

**Federal Award Identification Number/Year – 13-13-US-17-0001 and 2014**

**CDBG-Disaster Recovery Grants-Pub. L. No. 113-2 Cluster**

**Hurricane Sandy Community Development Block Grant Disaster Recovery Grants (CDBG-DR), CFDA  
#14.269**

**County Department – Department of Planning and Development (DPD)**

**Finding 2017 – 003 (Continued)**

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**CAUSE**

Based on discussions with management, the responsibility for financial monitoring of DPD projects was assigned to the Project Director. The Projector Director failed to complete the financial monitoring processes before leaving the employment of the County. DPD did not have the resources necessary to have the responsibilities re-assigned and performed within the remaining months attributed to the audit period.

**RECOMMENDATION**

We recommend DPD ensure adequate staff resources and training are in place to oversee the process of completing the required subrecipient monitoring.

**VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS**

The County's corrective action plan is on page 43.

**COOK COUNTY, ILLINOIS**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**(Continued)**

**FOR THE YEAR ENDED NOVEMBER 30, 2017**

**Procurement and Suspension and Debarment**

**Federal Department (s) – Various**

**Passed-through Agencies – Various**

**County Department – Office of the Chief Procurement Officer**

**Finding 2017 – 004**

**Questioned Costs: None**

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**CRITERIA**

Federal regulations (28 CFR 66. 36 (i)) require all contracts, awarded by a recipient, shall contain the following provisions as applicable: 1) Termination for cause and for convenience by the grantee or subgrantee including the manner by which it will be effected and the basis for settlement. (All contracts in excess of \$10,000); 2) Equal Employment Opportunity; 3) Copeland Anti-Kickback Act; 4) Davis Bacon Act; 5) Contract Work Hours and Safety Standards Act; 6) Rights to Inventions Made Under a Contract or Agreement; 7) Clean Air Act and the Federal Water Pollution Control Act; 8) Mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act; 9) Byrd Anti-Lobbying Amendment; and 10) Debarment and Suspension. (Uniform Guidance 2 CFR Part 200, Subpart D, Section 200.326 and Appendix II to Part 200)

The Office of Management and Budget (OMB) issued an addendum to the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) on May 17, 2017. The amendment allows nonfederal entities an additional year to implement the Uniform Guidance requirements related to procurement. Therefore, the new standards will apply starting with fiscal years beginning on or after December 26, 2017. The addendum also states that if a non-Federal entity chooses to use the previous procurement standards for all or part of these three fiscal years before adopting the procurement standards in this part, the non-Federal entity must document this decision in its internal procurement policies.

Per the Cook County Grants Management Manual, the using agency will use federal funding in order to award various contracts to Contractors. If a using agency is seeking to use federal funding for any contract awarded by Cook County, the using agency must provide a copy of the grant or funding award to the Office of the Chief Procurement Officer (OCPO). The grant or funding award will enable the OCPO to determine the appropriate procurement method, whether the federal agency must approve any contracts, bonding requirements, as well as any required federal contract clauses.

In addition, during 2017 OCPO implemented a new contract template for procurement under \$25,000 which contains the required federal contractual clauses.

**CONDITION**

During the current audit period, Cook County OCPO did not adequately ensure federally funded contracts issued to vendor(s) were in compliance with certain federal guidelines and the provisions of its Grants Management Manual.

**COOK COUNTY, ILLINOIS**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**(Continued)**

**FOR THE YEAR ENDED NOVEMBER 30, 2017**

**Procurement and Suspension and Debarment**  
**Federal Department (s) – Various**  
**Passed-through Agencies – Various**  
**County Department – Office of the Chief Procurement Officer**  
**Finding 2017 – 004 (Continued)**

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**CONTEXT**

During our tests of nine (9) federally funded procurement contracts, we noted that three (3) contracts did not contain the required federal provisions. Furthermore, one (1) of the three (3) contracts tested was under the \$25,000 threshold; however, the contract template implemented by OCPO was not utilized.

In addition, OCPO elected to delay implementation of procurement standards under Uniform Guidance. However, we noted that the current internal procurement manual does not document this decision

**IDENTIFICATION OF REPEATED FINDING**

Repeated (Prior Finding No. 2016-003).

**EFFECT**

Failure to include the required contract provisions is a violation of Federal regulations and could result in non-compliance with Federal regulations by contractors, subcontractors, and vendors of Federally-funded contracts.

**CAUSE**

Based on discussions with management, this occurred due to OCPO utilizing data from the prior financial management system (which more readily identified grant funded contracts) and Using Agencies' identification of grant funded contracts to include the required federal clauses in the Professional Services Agreement (PSA). The contracts not in compliance were PSAs and as such, did not contain the clauses that OCPO had incorporated into the revised template for Instruction to Bidders and General Conditions.

**RECOMMENDATION**

We recommend OCPO management review all federally funded contracts to ensure all required contract provisions are included as required. Also, we recommend OCPO document its decision to use the previous procurement standards until implementation of Uniform Guidance, which for Cook County is effective for fiscal year 2019.

**VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS**

The County's corrective action plan is on page 44.

**COOK COUNTY, ILLINOIS**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**(Continued)**

**FOR THE YEAR ENDED NOVEMBER 30, 2017**

**Equipment and Real Property Management**  
**Federal Department – U.S. Elections Assistance Commission**  
**Passed-through the Illinois State Board of Election**  
**Help America Vote Act Requirements Payments, CFDA # 90.401**  
**County Department – County Clerk**  
**Finding 2017-005**

**Questioned Costs: None**

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**CRITERIA**

Federal Regulations (41 CFR 105-71.132 (d)) *Management requirements*, requires that "Procedures for managing equipment (including replacement equipment), whether acquired in whole or in part with grant funds, until disposition takes place will, as a minimum, meet the following requirements: (1) Property records must be maintained that include a description of the property, a serial number or other identification number, the source of property, who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the cost of the property, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property. (2) A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years. (3) A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft shall be investigated. (4) Adequate maintenance procedures must be developed to keep the property in good condition. (5) If the grantee or subgrantee is authorized or required to sell the property, proper sales procedures must be established to ensure the highest possible return." (Uniform Guidance, 2 CFR Part 200, Section 200.313)

**CONDITION**

During the current audit period, the County Clerk failed to maintain equipment records that comply with Federal regulations.

**CONTEXT**

During the prior audit period, the County Clerk provided a 2016 physical inventory listing which included some updates to physical inventories conducted in 2016; however, the inventory process was not completed at fiscal year end. Based on discussions with management, a physical inventory was being conducted during fiscal year 2017. Once the inventory was completed, the County Clerk was to perform a complete reconciliation of the inventory to the property records. We also noted that the County Clerk developed several forms to enhance its equipment inventory process. However, these forms are currently not a part of its written policies and procedures manual.

During the current audit period, the County Clerk did not fully implement its prior corrective action plan. We were provided a physical inventory listing which totaled \$24,332,445 in active assets. This inventory listing was compared to the accounting (property) records provided which totaled \$14,444,947, for a difference of \$9,887,498. Hence, it appears that a complete reconciliation of the current physical inventory to the property records was not performed, as required.

**COOK COUNTY, ILLINOIS**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**(Continued)**

**FOR THE YEAR ENDED NOVEMBER 30, 2017**

**Equipment and Real Property Management**  
**Federal Department – U.S. Elections Assistance Commission**  
**Passed-through the Illinois State Board of Election**  
**Help America Vote Act Requirements Payments, CFDA # 90.401**  
**County Department – County Clerk**  
**Finding 2017-005 (Continued)**

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**CONTEXT (Continued)**

As a result of the discrepancies between the two listings, we did not perform any further procedures as County Clerk management believes that some of the items on the inventory listing may not be related to the Help America Vote Act Requirements Payments grant.

**IDENTIFICATION OF REPEATED FINDING**

Repeated (Prior Finding Nos. 2016-10, 2015-003, 2014-005).

**EFFECT**

The failure to maintain required equipment records and to perform a physical inventory and reconciliation to property records as required is a violation of Federal regulations.

**CAUSE**

Based on our discussions with management, the failure to reconcile inventory to property records occurred due to incomplete historical data which shows a smaller inventory in the Comptroller's records than what the Clerk's inventory count shows, resulting in a discrepancy that was unable to be resolved by end of fiscal year.

**RECOMMENDATION**

We recommend the County Clerk implement procedures to conduct a complete physical inventory of all grant funded equipment. The physical inventory results should then be reconciled to the property records as required by federal regulations.

**VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS**

The County's corrective action plan is on page 45.

**COOK COUNTY, ILLINOIS**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**(Continued)**

**FOR THE YEAR ENDED NOVEMBER 30, 2017**

**Allowable Cost Principles**

**Federal Department – U.S. Department of Homeland Security**

**Passed-through the Illinois Emergency Management Agency**

**Homeland Security Grant Program, CFDA # 97.067**

**County Department – Homeland Security and Emergency Management**

**Finding 2017- 006**

**Questioned Costs: \$2,084**

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**CRITERIA**

2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Subpart E ó Cost Principles, Section 200.403 states òExcept where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under Federal awards: (a) Be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles. (b) Conform to any limitations or exclusions set forth in these principles or in the Federal award as to types or amount of cost items. (c) Be consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the non-Federal entity. (d) Be accorded consistent treatment. A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost. (e) Be determined in accordance with generally accepted accounting principles (GAAP), except, for state and local governments and Indian tribes only, as otherwise provided for in this part. (f) Not be included as a cost or used to meet cost sharing or matching requirements of any other federally-financed program in either the current or a prior period. (g) Be adequately documented.ö

Also, 2 CFR Part 200, Section 200.430 (i) *Standards for Documentation of Personnel Expenses* (1) states òCharges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must: (i) Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated; (ii) Be incorporated into the official records of the non-Federal entity; (iii) Reasonably reflect the total activity for which the employee is compensated by the non-Federal entity, not exceeding 100% of compensated activities; (iv) Encompass both federally assisted and all other activities compensated by the non-Federal entity on an integrated basis, but may include the use of subsidiary records as defined in the non-Federal entity's written policy; (v) Comply with the established accounting policies and practices of the non-Federal entity; and (vi) [Reserved] (vii) Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity.ö

Per the Cook County Grants Management Manual, Personnel Activity Reports (PAR) need to be completed at least monthly, after the work has been completed. The PAR must reflect the individual's total work time and identify the portion of time spent on the federal project. The PAR must be signed by the employee. The PAR must be supported with documentation of actual effort, not estimates. Supporting documentation could be a work calendar, work product, time log, or class schedule. The employee signing off on the PAR must have supporting documentation for the time reported. Relying on time estimates identified in the grant budget rather than actual time recorded through a work calendar or class schedule will result in an audit or monitoring finding of unallowable cost.

**COOK COUNTY, ILLINOIS**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**(Continued)**

**FOR THE YEAR ENDED NOVEMBER 30, 2017**

**Allowable Cost Principles**

**Federal Department – U.S. Department of Homeland Security**

**Passed-through the Illinois Emergency Management Agency**

**Homeland Security Grant Program, CFDA # 97.067**

**County Department – Homeland Security and Emergency Management**

**Finding 2017- 006 (Continued)**

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**CONDITION**

During the current audit period, Cook County Department of Homeland Security and Emergency Management (DHSEM) did not adequately comply with federal guidelines and the provisions of its Grants Management Manual over allowable costs.

**CONTEXT**

During our test of 40 expenditure items, no supporting documentation (invoice) was provided for 4 items tested, totaling \$2,084.

During the current audit period, we noted that DHSEM did not implement its prior year's corrective action plan which required completion of an A-87 Form every six months to certify employees' time spent on federal grant(s). Specifically, we tested eight (8) employees for three (3) pay periods (3/19/17-4/1/17, 8/20/17-9/2/17, and 12/10/17-12/23/17) a total of twenty-four (24) bi-weekly timecards were reviewed. We noted the employees' timecards did not identify the hours charged to the Federal program. Also, we were not provided any PARs to support the employees' actual time spent on the Federal program as required by the County's Grants manual.

It was also noted that during 2017 the County implemented an electronic timekeeping system that has the capabilities of tracking and reporting time charged to federal program. However, the procedures regarding the new system were not included in either the County's Grants manual or DHSEM's policies and procedures manual.

**IDENTIFICATION OF REPEATED FINDING**

Repeated (Prior Finding No. 2016-007).

**EFFECT**

Failure to maintain adequate supporting documentation to ensure all expenditures is allowable and reasonable resulted in questioned costs of \$2,084. Failure to maintain documentation to support and/or certify employees' actual time spent on the program is a violation of federal regulations and the Cook County Grants Management Manual.

**COOK COUNTY, ILLINOIS**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**(Continued)**

**FOR THE YEAR ENDED NOVEMBER 30, 2017**

**Allowable Cost Principles**

**Federal Department – U.S. Department of Homeland Security**

**Passed-through the Illinois Emergency Management Agency**

**Homeland Security Grant Program, CFDA # 97.067**

**County Department – Homeland Security and Emergency Management**

**Finding 2017- 006 (Continued)**

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**CAUSE**

Based on discussions with management, the missing invoices occurred due to staff transitions and failure to keep electronic copies of all invoices on our shared drive. The failure to record Personnel Activity Reports (PARs) was a result of management transition and ongoing efforts to use the County's new electronic timekeeping system to eliminate the need to record monthly activity reports.

**RECOMMENDATION**

We recommend that both DHSEM and County update its Grants manual to documents its procedures to ensure compliance with federal regulations over personnel charges. The procedures should document the controls in place to ensure charges to federal programs are accurate and properly allocated. Also, procedures should be in place to ensure supporting documentation is maintained on all expenditures in accordance with federal regulations.

**VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS**

The County's corrective action plan is on pages 46.

**COOK COUNTY, ILLINOIS**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**(Continued)**

**FOR THE YEAR ENDED NOVEMBER 30, 2017**

**Equipment and Real Property Management**

**Federal Department – U.S. Department of Homeland Security**

**Passed-through the Illinois Emergency Management Agency**

**Homeland Security Grant Program, CFDA # 97.067**

**County Department – Homeland Security and Emergency Management**

**Finding 2017 – 007**

**Questioned Costs: None**

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**CRITERIA**

2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Subpart D - Post Federal Award Requirements Standards for Financial and Program Management, Section 200.313(d) *Management requirements* requires that "Procedures for managing equipment (including replacement equipment), whether acquired in whole or in part under a Federal award, until disposition takes place will, as a minimum, meet the following requirements: (1) Property records must be maintained that include a description of the property, a serial number or other identification number, the source of funding for the property (including the federal award identification number (FAIN)), who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the project costs for the Federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property. (2) A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years. (3) A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft must be investigated. (4) Adequate maintenance procedures must be developed to keep the property in good condition. (5) If the non-Federal entity is authorized or required to sell the property, proper sales procedures must be established to ensure the highest possible return." (formerly 44 CFR 13.32(d))

**CONDITION**

During the current year, the Cook County Department of Homeland Security and Emergency Management (DHSEM) failed to maintain accurate and complete inventory records in accordance with the Federal regulations.

**CONTEXT**

During our test of equipment inventory procedures, we noted DHSEM maintains a current master equipment listing, which includes the date equipment items were last inventoried. Hence, this list serves as evidence of the physical inventory. We noted that DHSEM did not provide evidence of the reconciliation of this listing to the property records (Comptroller's records).

**COOK COUNTY, ILLINOIS**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**(Continued)**

**FOR THE YEAR ENDED NOVEMBER 30, 2017**

**Equipment and Real Property Management**  
**Federal Department – U.S. Department of Homeland Security**  
**Passed-through the Illinois Emergency Management Agency**  
**Homeland Security Grant Program, CFDA # 97.067**  
**County Department – Homeland Security and Emergency Management**  
**Finding 2017 – 007 (Continued)**

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**CONTEXT (Continued)**

We also selected 60 equipment items from the master equipment listing to test the accuracy of the inventory dates and were unable to obtain documentation to evidence whether or not the 60 items had been physically inventoried as stated on the master equipment listing. Specifically, we noted the following:

- For twenty-five (25) of the items, it appears that a physical inventory was not conducted within the two year required period. We noted that the last inventory date ranged from 3/25/2014 to 11/17/2015, with the majority of these dates in July 2015 (18 items).
- Thirty-one (31) items did not include an inventory date on the master equipment listing.

As a result, we could not satisfy ourselves that a complete physical inventory was performed in accordance with Federal regulations.

Additionally, we performed a physical observation of the above 60 equipment items and noted the following:

- Ten (10) items, we were unable to observe the equipment.
- Four (4) items did not have tag numbers on the master listing.
- Five (5) items did not have tag numbers on the equipment.
- Twenty-three (23) items had asset tag numbers on the equipment which was different than the tag numbers on the master listing. We noted 22 of the 23 items were radio equipment.
- Two (2) items did not have tag numbers on both the equipment and the master listing.
- Four (4) items did not include an acquisition cost on the master listing. Also, two additional items did not include acquisition cost, acquisition date and source of funding for the property.

We observed an additional twenty (20) items during our inspection visits which we traced to the current master equipment listing and noted the following:

- Four (4) items tag number were not located on the master listing.
- Three (3) items did not include an acquisition cost and/or acquisition date the master listing.

**IDENTIFICATION OF REPEATED FINDING**

Repeated (Prior Finding Nos. 2016-009, 2015-004, 2014-008).

**COOK COUNTY, ILLINOIS**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**(Continued)**

**FOR THE YEAR ENDED NOVEMBER 30, 2017**

**Equipment and Real Property Management**  
**Federal Department – U.S. Department of Homeland Security**  
**Passed-through the Illinois Emergency Management Agency**  
**Homeland Security Grant Program, CFDA # 97.067**  
**County Department – Homeland Security and Emergency Management**  
**Finding 2017 – 007 (Continued)**

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**EFFECT**

The failure to maintain equipment records as required, and to document whether or not the required equipment physical inventory and reconciliation to property records was performed as required by Federal regulations could result in the misstatement of perpetual records and inaccurate reporting of federally funded equipment.

**CAUSE**

Based on our discussions with management, a Fixed Asset Accountant has been hired in the past year. Since then, DHSEM has worked to rectify its master equipment list to ensure that it is accurate and up to date. This ongoing process has taken longer than expected due to the number of assets held by County partners and the challenges presented by equipment located at multiple sites.

**RECOMMENDATION**

We recommend the DHSEM implement procedures that include providing appropriate resources and training to ensure 1) equipment records include all required information; 2) physical inventories are performed and the documentation maintained to support to results of the inventory and; 3) the results reconciled to property records as required by Federal regulations.

**VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS**

The County's corrective action plan is on pages 47.

**COOK COUNTY, ILLINOIS**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**(Continued)**

**FOR THE YEAR ENDED NOVEMBER 30, 2017**

**Internal Controls Over Financial Reporting**

**Federal Department – Various**

**Federal Programs – Various**

**County Department – Various**

**Finding 2017-008**

**Questioned Costs: None**

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**CRITERIA**

2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Subpart D – Post Federal Award Requirements, Section 200.302 (b) states “the financial management system of each non-Federal entity must provide for the following: (1) Identification, in its accounts, of all Federal awards received and expended and the Federal programs under which they were received; (4) Effective control over, and accountability for, all funds, property, and other assets.”

Also, Section 200.508 Audit Responsibilities states the auditee must: (b) Prepare appropriate financial statements, including the schedule of expenditures of Federal awards in accordance with §200.510 Financial statements. Section 200.510 (b) states the auditee must also prepare a schedule of expenditures of Federal awards for the period covered by the auditee’s financial statements which must include the total Federal awards expended as determined in accordance with §200.502 Basis for determining Federal awards expended.

**CONDITION**

The County failed to maintain adequate controls over the reporting of expenditures of Federal awards.

**CONTEXT**

During the current year, the County presented a final Schedule of Expenditures of Federal Awards (SEFA) for audit. Subsequently, it was determined that expenditures on this report did not consider adjustments made through the modified accrual (MA) ledger, which includes accruals at year end as well as any chargebacks/manual adjustments made related to fiscal year 2017. Some of these adjustments were the result of expenditures recorded in the projects ledger and not the general ledger. As a result, the County provided an updated final SEFA, which resulted in significant revision in amounts reported in the updated final SEFA.

Specifically, we noted the following from our tests:

- Department of Homeland Security and Emergency Management grant expenditures of \$2.8 million were incorrectly included in the SEFA. It was determined that approximately \$1.7 million of these amounts related to prior year’s accruals that was not reversed in the current year. Additionally, we noted \$0.7 million in expenditures related to prior year’s activities that were never reported as expenditures in prior year’s SEFA.
- The County implemented its new ERP accounting system during fiscal year 2017; we noted that the system has the ability to generate a SEFA. However, the report currently only includes project

**COOK COUNTY, ILLINOIS**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**(Continued)**

**FOR THE YEAR ENDED NOVEMBER 30, 2017**

**Internal Controls Over Financial Reporting**

**Federal Department – Various**

**Federal Programs – Various**

**County Department – Various**

**Finding 2017-008 (Continued)**

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**CONTEXT (Continued)**

level expenditures. Hence, accrual and other adjustments are not reported. This resulted in the County's Comptroller's Office using a different report performing additional review as well as manual adjustments to ensure all expenditures are properly reported and accounted for in the SEFA.

- We also noted that the current Grant Manual dated November 2015 has not been updated to properly reflect procedures surrounding grant accounting and reporting (including grant close out process) under its new accounting system.

**CAUSE**

Based on discussions with management, this situation occurred due to County departments that manage grants not reconciling expenditures and submitting requested financial information in a timely manner, significant learning curves related to implementation and development of enhanced financial reporting processes in the new ERP system County-wide, and turnover in the Grant Manager position, which has been vacant since July 2017. This left less time for detailed supervisory / management reviews once the information was prepared.

**EFFECT**

Failure to adequately review grant activities and related expenditures in a timely manner could result in the over or understatement of federal expenditures in the SEFA. It also resulted in an inaccurate SEFA submitted for audit that could have impaired the audit planning and risk assessment process required by Uniform Guidance. The net effect of the current year analysis of these grants, if not adjusted, would have resulted in an overstatement of the current year's SEFA by approximately \$7.7 million.

**RECOMMENDATION**

We recommend the County implement procedures to ensure that: 1) timely reconciliations of grant activities are performed; and 2) the final SEFA is adequately reviewed to ensure all accruals and adjustments have been reported and recorded for each grant received and expended by each County department. Also, we recommend that features of the new accounting system be reviewed to determine system capabilities of generating a SEFA on the modified accrual basis.

**VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS:**

The County's Corrective Action Plan is on page 48.

**COOK COUNTY, ILLINOIS**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**AND CORRECTIVE ACTION PLAN**

**FOR THE YEAR ENDED NOVEMBER 30, 2017**

<b><u>Prior Year Findings</u></b>	<b><u>Current Year Status</u></b>
<b><u>Federal Award Findings</u></b>	
<b><u>Finding 2016 – 001</u></b>	
During the prior fiscal year, the Department of Planning and Development (DPD) did not adequately document its procedures for monitoring its subrecipients for the CDBG program, which resulted in the noncompliance with Federal regulations.	Repeated ó (See Finding 2017-001) first reported 11/30/10.
<b><u>Finding 2016 - 002</u></b>	
During the prior fiscal year, the Department of Public Health (DPH) did not adequately comply with federal guidelines and the provisions of its Grants Management Manual. DPH did not provide personnel activity reports to support time spent on federal program. (HPP and PHEP)	Not Repeated - During the current fiscal year, DPH implemented its corrective action plan and provided adequate documentation to support time spent on federal program.
<b><u>Finding 2016 -003</u></b>	
During the prior fiscal year, the Cook County OCPO did not adequately ensure federally funded contracts issued to vendors were in compliance with federal regulations.	Repeated - (See Finding 2017-004) first reported 11/30/16.
<b><u>Finding 2016 -004</u></b>	
During the prior fiscal year, the Department of Public Health (DPH) did not adequately comply with federal guidelines and the provisions of its Grants Management Manual. DPH did not provide personnel activity reports to support time spent on federal program. (WIC)	Not Repeated - During the current fiscal year, DPH implemented its corrective action plan and provided adequate documentation to support time spent on federal program.
<b><u>Finding 2016 -005</u></b>	
During the prior fiscal year, the Department of Planning and Development (DPD) did not adequately document its compliance with 2 CFR Part 200 Section 330, subrecipient monitoring.	Not Repeated ó During the current fiscal year, DPD implemented its corrective action plan and complied with federal regulations.
<b><u>Finding 2016 -006</u></b>	
During the prior fiscal year, the the Department of Planning and Development (DPD) did not adequately document its compliance with federal wage rate (Davis Bacon) requirements for the HOME program.	Repeated ó (See Finding 2017-002) first reported 11/30/2016.

**COOK COUNTY, ILLINOIS**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**AND CORRECTIVE ACTION PLAN**

**FOR THE YEAR ENDED NOVEMBER 30, 2017**

<b><u>Prior Year Findings</u></b>	<b><u>Current Year Status</u></b>
<b><u>Finding 2016 -007</u></b> During the prior fiscal year, the Department of Homeland Security and Emergency Management (DHSEM) did not adequately comply with federal guidelines and the provisions of its Grants Management Manual. DHSEM did not provide personnel activity reports to support time spent on federal program.	Repeated ó (See Finding 2017-006) first reported 11/30/2016.
<b><u>Finding 2016 -008</u></b> During the prior fiscal year, DHSEM did not comply with federal regulations and its grant agreement requirements over cash management.	Not Repeated ó During the current fiscal year DHSEM implemented its corrective action plan and complied with federal regulations.
<b><u>Finding 2016 – 009</u></b> During the prior fiscal year, DHSEM did not maintain adequate controls over managing federal equipment.	Repeated ó (See Finding 2017-007) first reported 11/30/2014.
<b><u>Finding 2016 – 010</u></b> During the prior fiscal year, the County Clerk failed to maintain equipment records that comply with federal regulations.	Repeated ó (See Finding 2017-005) first reported 11/30/2014.



June 5, 2018

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Lawrence Wilson, CPA  
Cook County Controller  
118 N. Clark Street, Suite 500  
Chicago, IL 60602

RE: FY2017 Single Audit Corrective Action Plan

Dear Mr. Wilson:

Washington, Pittman & McKeever Single Audit for Cook County's Fiscal Year 2017 determined that the Cook County's Department of Planning and Development(DPD) did not adequately document its compliance with 2 CFR Part 200, Section 200.331 and 200.326.

**FINDINGS**

**Summary Finding- CDBG, CFDA 14.218:** During the current audit period, the Cook County Department of Planning and Development failed to perform financial monitoring of its subrecipients as required by federal law.

**Finding 2017-001 Corrective Action Plan**

DPD has recently undergone reorganization of staff assignments and hired new personnel. DPD is in the process of developing written policies and procedures for financial monitoring of all subrecipients. Once implemented, the new policies and procedures will ensure that the financial monitoring of the subrecipients is performed and comply with 2 CFR Part 200, Uniform Administrative Requirements for Federal Awards, Subpart D – Post Federal Award Requirements Standards for Financial and Program Management, Section 200.331.

The new monitoring policy will require an annual schedule to be created by the Project Director and approved by the Director of Financial Controls. In accordance with Uniform Guidance, risk assessments will be performed to evaluate the subrecipient's risk of non-compliance with federal statutes, regulations and the terms and conditions of the subaward for purposes of determining the appropriate level of subrecipient monitoring. Some of the monitoring will be completed remotely via a desk review whereas others will be conducted on site. In order to maximize resources and conserve related administrative costs, any monitoring that can be conducted via desk review and still be compliant with HUD and the Uniform Guidance, will follow this practice.

\*Anticipated timeline for full implementation of Corrective Action Plan is August 31, 2018.  
Task oversight and implementation assigned to Michelle Royster, Project Director.

**Summary Finding- HOME, CFDA 14.239:** During the current audit period, the Cook County Department of Planning and Development did not adequately document its compliance with federal Wage Rate (Davis Bacon) requirements for HOME program.

**Finding 2017-002 Corrective Action Plan**

Effective September 30, 2017 DPD implemented new procedures that require the transference of wage information from the developer or contractor to DPD electronically, minimally on monthly

basis, with hard copies forwarded quarterly. Internally, wage reviews are signed off by the respective Administrative Analyst and evidenced by the Wage Review form. To ensure adherence to policy, a copy of the Wage Review Form will be required to be submitted by the Administrative Analyst along with their reimbursement request for all Housing program developers and contractors. DPD Policies and Procedures will be updated to reflect this change.

\*Anticipated timeline for full implementation of Corrective Action Plan is August 31, 2018.  
Task oversight and implementation assigned to Karl Bradley, Deputy Director.

**Summary Finding- CDBG-DR, CFDA 14.269:** During the current audit period, the Cook County Department of Planning and Development failed to perform financial monitoring of its subrecipients as required by federal law.

Finding 2017-003 Corrective Action Plan

DPD has recently undergone reorganization of staff assignments and hired new personnel. DPD is in the process of developing written policies and procedures for financial monitoring of all subrecipients. Once implemented, the new policies and procedures will ensure that the financial monitoring of the subrecipients is performed and comply with 2 CFR Part 200, Uniform Administrative Requirements for Federal Awards, Subpart D – Post Federal Award Requirements Standards for Financial and Program Management, Section 200.331.

The new monitoring policy will require an annual schedule to be created by the Project Director and approved by the Director of Financial Controls. In accordance with Uniform Guidance, risk assessments will be performed to evaluate the subrecipient's risk of non-compliance with federal statutes, regulations and the terms and conditions of the subaward for purposes of determining the appropriate level of subrecipient monitoring. Some of the monitoring will be completed remotely via a desk review whereas others will be conducted on site. In order to maximize resources and conserve related administrative costs, any monitoring that can be conducted via desk review and still be compliant with HUD and the Uniform Guidance, will follow this practice.

\*Anticipated timeline for full implementation of Corrective Action Plan is August 31, 2018.  
Task oversight and implementation assigned to Michelle Royster, Project Director.

Sincerely,



Susan M. Campbell, Director  
Department of Planning and Development



**SHANNON E. ANDREWS**

CHIEF PROCUREMENT OFFICER

118 North Clark Street, Room 1018 • Chicago, Illinois 60602 • (312) 603-5370

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**MEMORANDUM**

**To:** Lawrence Wilson  
Comptroller

**From:**   
Shannon E. Andrews  
Chief Procurement Officer

**Subject:** 2017-004 Single Audit Action Plan

**Date:** June 15, 2018

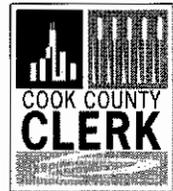
You have asked the Office of the Chief Procurement Officer (“OCPO”) to provide a Corrective Action Plan to the 2017 Single Audit Action Plan. The Auditor’s Finding No. 2017-004 was made against the OCPO. Specifically, the Auditor stated that it selected nine (9) federally funded contracts for review. The Auditor found that three (3) of those contracts did not include the required federal clauses. The Auditor further identified that one (1) of the non-compliant contracts was under \$25,000.

The OCPO uses two contract templates, the Instruction to Bidders and General Conditions (“GCs”), primarily used for goods and personal services and the Professional Services Agreement (“PSA”) for services such as Information Technology and consulting. In FY 2017, the OCPO redesigned its GC contract template for goods and services under \$25,000 to incorporate the required federal clauses. The OCPO previously utilized data from the prior financial management system (which more readily identified grant funded contracts) and Using Agencies’ identification of grant funded contracts to include the required federal clauses in the PSA. The contracts that the Auditor found to not be in compliance were PSAs and as such, did not contain the clauses that the OCPO had incorporated into the GC contract template.

Based upon my review of Finding 2017-004, the OCPO shall implement the following changes to address the audit findings effective June 30, 2018:

1. The OCPO will revise the PSA template to include the required federal clauses by July 12, 2018, such that all contract templates automatically include the federal clauses.
2. The OCPO has also revised the new contract request form that Using Agencies submit at the time of requisition. The revised form requests information regarding the funding source and allow OCPO staff to more readily identify federally-funded procurements and ensure the necessary clauses are included.
3. The OCPO will conduct training to re-emphasize the requirement to include the required federal clauses in federally-funded procurements.
4. The OCPO will document its decision to utilize the previous Procurement Standards until the implementation of the Office of Management and Budget’s Uniform Guidance. The OCPO will work with other County stakeholders, including the Comptroller’s Office and Budget to ensure implementation which complies with the Uniform Guidance requirements.

The persons responsible for the implementation of the Corrective Action Plan are Shannon E. Andrews, Chief Procurement Officer and Jacinta Epting, Special Assistant for Legal Affairs. Please advise if you have any additional questions.



**OFFICE OF COOK COUNTY CLERK DAVID ORR**  
**118 N. CLARK STREET, ROOM #1034, CHICAGO, IL 60602**

**JOSE VIRELLA**  
**DIRECTOR OF OPERATIONS/PURCHASING**  
**TEL: 312.603.7689 FAX: 312.603.6943**

**EMAIL: Jose.Virella2@cookcountyil.gov**  
**WEBSITE: COOKCOUNTYCLERK.COM**

June 12, 2018

Office of the Cook County Comptroller  
Lawrence Wilson  
118 North Clark Street, Suite 500  
Chicago, IL 60602  
Re: Finding 2017-005 (Equipment and real Property Management)

Dear Mr. Wilson:

In response to the audit findings of Washington, Pittman and McKeever stating the County Clerk's Office failed to maintain equipment records that comply with Federal regulations (41 CFR 105-71.132(d)). The Clerk's Office will address the recommendation of the auditors by taking the following corrective actions:

1. Finalize policies and procedures for performing physical inventory of equipment by updating procedures to include new processes and documents/forms
2. Reconcile physical inventory with fixed asset list as provided by Cook County Comptroller to remediate discrepancy in accounting (property) records
3. A full reconciliation will be done to eliminate the \$9 million discrepancy.

These actions will be added to the County Clerk's policies and procedures on Federally-funded grants and distributed to all employees who have contact with grant-funded equipment. The CAP will be completed by the County Clerk's Operations Department under the lead of Director, Jose Virella. Target date for completion is July 31, 2018

Upon completion of these corrective actions, the Clerk's Office will have met the recommendation of Washington, Pittman and McKeever and be in full compliance the HAVA Phase III grant.

Please contact me for any further information.

Respectfully,

Jose Virella  
Director of Operations/Purchasing  
Office of the County Clerk



COOK COUNTY DEPARTMENT OF HOMELAND SECURITY AND EMERGENCY MANAGEMENT

MEMORANDUM

TO: Marsha Lopez  
Washington, Pittman & McKeever, LLC

CC: Bill Barnes  
Executive Director

FROM: Jeffrey Singer  
Director of Financial Control

DATE: June 11, 2018

SUBJECT: 2018 Single Audit

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Below is the response to the two preliminary audit findings identified by your staff during this year's Single Audit:

- 1) Finding 2017-006 (Allowable Costs – missing four invoices and no Personnel Activity Reports):

**Cause:**

"Based on discussions with management, the missing invoices occurred due to staff transitions and failure to keep electronic copies of all invoices on our Shared Drive. The failure to record Personnel Activity Reports (PARs) was a result of management transition and ongoing efforts to use the County's new electronic timekeeping system to eliminate the need to record monthly activity reports."

**Corrective Actions:**

"DHSEM's current policy is to scan and save on our Shared Drive all invoices we pay out of corporate funds or submit for reimbursement with grant funds. In addition, we will update DHSEM's Grants Policies and Procedures Manual so that monthly PARs are no longer required. Instead, the County's electronic timekeeping system will be used to match employee time allocations to their grant funding. Monique Caston, the Grant Coordinator, will be responsible for implementing this new system which will be in place fully by the beginning of our next grant cycle which mirrors the State's fiscal year – August 1, 2018. The electronic timekeeping system will record employees' time spent on each individual grant and generate a monthly report detailing this grant allocation. In this way DHSEM will ensure controls are in place so that charges to federal programs are accurate and properly allocated."

2) Finding 2017-007 (Inventory – failed to reconcile with Comptroller’s list and to conduct recent inventory):

**Cause:**

“Based on discussions with management, a Fixed Asset Accountant has been hired in the past year. Since then, DHSEM has worked to rectify its master equipment list to ensure that it is accurate and up to date. This ongoing process has taken longer than expected due to the number of assets held by County partners and the challenges presented by equipment located at multiple sites.

**Corrective Actions:**

“DHSEM remains committed to conducting a complete physical inventory this fiscal year in cooperation with our County and municipal partners responsible for DHSEM equipment. This will include finalization of the inventory list, verification that tags and tag numbers are placed/recorded appropriately, and acquisition costs are included in the master list. In addition, we will reconcile our equipment list with the Comptroller’s property records. Both activities will be completed by the end of the County’s current Fiscal Year, November 30, 2018 by our Fixed Asset Accountant, Angelika Lepp.”



OFFICE OF THE COMPTROLLER  
**LAWRENCE L. WILSON, CPA**  
 COMPTROLLER  
 118 North Clark St. Room 500 • Chicago, Illinois 60602 • (312) 603-5605

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**DATE:** June 8, 2018  
**To:** Lawrence L. Wilson, Comptroller  
**From:** Patrick King, Director of Financial Reporting *PK*  
**Subject:** **Finding 2017-008 Corrective Action Plan**

The Comptroller's Office has prepared a corrective action plan for finding 2017-008 related to the County's fiscal year ending November 30, 2017 single audit. As part of the audit, it was determined that the County failed to maintain adequate controls over the reporting of expenditures of federal awards.

Based upon my review of Finding 2017-008, the Comptroller's Office shall implement the following changes during FY 18 to address the finding:

- The FY 2018 Single Audit Notification and Reports Request memo will be sent in October 2018 and the departments that manage grants will be given a deadline of January 4, 2019 to provide all requested financial information. The Comptroller's Office will increase County-wide communication and follow-up in regards to the financial requests in the memo.
- Automation and streamlining of existing manual County-wide accounting and financial reporting processes will be explored in conjunction with the full implementation of Oracle EBS.
- The Comptroller's Office will work with the Department of Budget and Management Services (DBMS) to ensure the Grant Manual is updated in FY 2018.
- The Comptroller's Office will continue to try and fill the vacancy for the Grant Manager position. Having a Grant Manager in place will allow for more detailed supervisory review of the Schedule of Expenditures of Federal Awards (SEFA) as well allow for increased communication and follow-up with departments that manage grants throughout the fiscal year.

The changes noted above will be implemented by the Director of Financial Reporting, Grants Manager, and Senior Accounting Analyst in the Comptroller's Office and it is anticipated to be completed by November 30, 2018.

Thank you and please advise if you have any questions regarding this plan.