



Office of the County Auditor

**Shelly A. Banks, C.P.A.**

Cook County Auditor

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

**TONI PRECKWINKLE**

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October 11, 2016

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

Dear President Preckwinkle and Board of Commissioners:

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

Please refer to the following FY'16 3<sup>rd</sup> Quarter Open Recommendations Status Report. As indicated in the report, since FY'13 there have been 116 recommendations made by the OCA for which 91 have been fully implemented and 25 not implemented. The status of the 25 open recommendations is reflected in the attached report.

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

Respectfully Submitted,

Shelly Banks, CPA  
Cook County Auditor

# Office of County Auditor

## FY'16 3rd Quarter Open Recommendations Status

### Capital Construction Contract Monitoring

Item #	Item	Corrective Action Plan (CAP)	Most Recent Update	ECD
1	A policy and procedure is not in place to ensure that projects remain in compliance and on track if the situation arises where the project manager is removed from the project (i.e. leave, another assignment, etc.).	The OCPP is looking to bring on a Program Manager and Construction Manager (PM/CM) to oversee the Capital Projects. This allows the Department to be seamless on transitions of projects as we will be able to target hiring additional staff when project loads are heavy and relieve that staff when the project loads do not require as many FTEs to oversee projects. The continuity of having PM/CM'S will ensure that projects are still completed timely when the Department suffers from critical staff on leave.	Program management services for the Public Safety will be introduced at the October 5 board meeting to go to committee on October 26. Construction management services for the health system will be on the October 26 meeting for full board approval.	11/30/2016

### Cash Reconciliation Project

Item #	Item	Corrective Action Plan (CAP)	Most Recent Update	ECD
4	There are no written policies and procedures documenting the bank reconciliation process for certain departments.	Management of the departments involved agreed and will implement corrective action.	One department is still working on finalizing written procedures. The Auditor's Office will follow up quarterly until procedures are finalized.	6/30/2016

Item #	Item	Corrective Action Plan (CAP)	Most Recent Update	ECD
6	Bank reconciliations were not always completed accurately with the proper support for variances.	Management of the departments involved agreed and will implement corrective action.	Two open departments are working on system implementations, which will address the open recommendations. The Auditor's Office will continue to monitor the system's implementation.	12/31/2017

## Circuit Court Revenue Process Audit

Item #	Item	Corrective Action Plan (CAP)	Most Recent Update	ECD
1	The CCC's documentation supporting the formulation of the annual budget revenue forecast is lacking in regards to the assumptions, financial modeling method, and analysis process. From the documentation provided it is unclear as to the methodology that was applied and how it is supported.	The CAP includes the development of an annual budget revenue forecast supported with documented and thorough measurements that clearly define the expectations.	The Clerk's Office has been working through the FY17 budget and through this process has been updating the processes. The Clerk's Office will codify the budget process and revenue justification process into policies and procedures by the start of FY17.	12/1/2016
2	The CCC did not support revenue deviations with detailed, written analysis. The CCC's statistical data provided was lacking in order to validate that the decrease in case filings is leading to the decrease in revenues.	The CAP includes the development of a process with more detail and support around revenue deviation justifications.	The Clerk's Office has been working through the FY17 budget and through this process has been updating the processes. The Clerk's Office will codify the budget process and revenue justification process into policies and procedures by the start of FY17.	12/1/2016
3	The CCC operations have an opportunity to become more efficient and effective with the reported decrease in case filings, which leads to a decrease in workload.	The CAP includes documentation on workload and cross training staff and implementation plan for operational improvements and efficiencies.	Through developing the FY17 budget and the implementation of iNovah, the Clerk's Office continues to work on operational efficiencies. The Clerk's Office anticipates by the start of FY17 to be able to provide documentation to support the improvements made within the Office as well as the written analysis for workload and cross training of staff.	12/1/2016

## Circuit Court Revenue Process Audit

Item #	Item	Corrective Action Plan (CAP)	Most Recent Update	ECD
4	The CCC provided a high level chart indicating over \$30 million outstanding accounts in the Traffic Division, but did not provide the detail to support what this number consists of and the collection activities that have occurred.	The CAP includes the following: analysis on \$30M outstanding to determine feasibility; collection agency detailed reports and internal tracking reports; Wage Garnishment Program plan; internal processes for submitting accounts to the Local Debt Recovery Program and the State's Income Tax Refund Intercept Program along with reports supporting the activity; and Collection Agency Performance Measures for next contract.	The Clerk's Office has been working with the third party collectors to develop performance metrics and enhanced month end reporting. Along with working with the third party collectors, the Clerk's Office is working on the internal processes for improved tracking and analysis of outstanding debt to include collection analysis, support for the wage garnishment program plan, and local debt recovery program reports. The Clerk's Office anticipates that everything will be in place by the start of FY17.	12/1/2016

## Delinquent Home Rule Tax Process

Item #	Item	Corrective Action Plan (CAP)	Most Recent Update	ECD
1	Tax delinquencies are not being followed up in a timely and efficient manner to ensure the most optimal return to the County of money owed.	Management agrees with the recommendations and has plans to address them within its current process and as part of its future state integrated tax processing system implementation (ITPS).	DOR is current with the delinquent mailings. Due to the interim database solution, DOR has improved the ability to recover delinquent tax dollars efficiently. The ITPS project implementation has been updated due to receiving the contract approval and final project plan.	12/31/2017
2	The delinquent tax account data is not being accurately and efficiently maintained to ensure the reliability of the delinquent tax accounts and amounts.	Management agrees that there is a need for a more accurate and comprehensive system to manage accounts, and as mentioned before, plans to address these issues as part of its ITPS implementation, with select improvements to its interim process.	DOR is current with the delinquent mailings. Due to the interim database solution, DOR has improved the ability to recover delinquent tax dollars efficiently. The ITPS project implementation has been updated due to receiving the contract approval and final project plan.	12/31/2017

## Liquor Control Commission

Item #	Item	Corrective Action Plan (CAP)	Most Recent Update	ECD
6	The Liquor Control Commission does not have a written policies and procedures manual.	The LCC will develop a written policies and procedures manual.	The LCC was transferred to the Revenue Department and administrative responsibilities were assigned to a position that vacated in April. The position was filled in August and is assigned to develop written policies and procedures.	11/30/2016

## Payroll

Item #	Item	Corrective Action Plan (CAP)	Most Recent Update	ECD
1	There is a lack of standardized payroll and timekeeping processes and procedures across the County.	As part of the implementation of the new system, management is reviewing policies and procedures to ensure consistent Countywide practices. This initiative is ongoing and has an anticipated completion date of January 2016. The Comptroller's Office Payroll Department will continue to conduct annual Countywide timekeeper training sessions, which include the issuance of an updated comprehensive user guide for time entry manual. The Comptroller's Office Payroll Department will continue to work with the timekeepers on a bi-weekly basis to ensure the accuracy of payroll. The Comptroller's Office will continue to work with the Bureau of Human Resources to have more standard and efficient Countywide human resource and payroll procedures in conjunction with the current payroll upgrade project and the planned time and attendance project.	The Time and Attendance System project (Cook County Time) is targeted for completion by the end of the fiscal year. The project will help standardized and automate time and attendance processes. The Comptroller's Office will continue to provide the updated status.	11/30/2016

## PD HOME Program

Item #	Item	Corrective Action Plan (CAP)	Most Recent Update	ECD
5	The Department does not have formal written policies and procedures for forgiving HOME loan accounts. In addition, documentation was not provided to support the specific criteria used for each HOME loan account that was listed as forgiven.	We have developed and provided to the County Auditor a draft policy. This policy will be discussed with HUD by senior management to ensure program compliance. Processes for recording the Department's decisions and record keeping will be added to the HOME Program Policies and Procedures Manual.	The PD Home Program drafted policies and procedures for the Lien Release/Loan Forgiveness process. The OCA met with PD on 6/8/16 on some additional recommendations for the draft policy and procedures. The PD will work with legal counsel on finalizing the policy and procedures.	11/30/2016

## Sheriff's Office Payroll Overtime

Item #	Item	Corrective Action Plan (CAP)	Most Recent Update	ECD
3	Documentation to support overtime incurred and paid was lacking, inconsistent and is not being adequately maintained. During our testing, 49 out of 50 or 98% of the employees tested were missing at least one of the three required forms/reports totaling 789 missing forms.	The documentation system used to track overtime is being automated, which will result in a greater level of consistency across the divisions and units of our operations. The 3-Part Forms are being automated. Once the County has implemented its automated timekeeping and attendance system, most processes will become more streamlined.	As part of the implementation of the Time and Attendance System (Cook County Time), the controls are being automated and processes will be more streamlined.	11/30/2016

Item #	Item	Corrective Action Plan (CAP)	Most Recent Update	ECD
6	There is no documented payroll supervisory review or reconciliation of overtime entered and paid to prevent or detect errors or abuse.	A payroll supervisory review and reconciliation process will be established within the next six months.	As part of the implementation of the Time and Attendance System (Cook County Time), the controls are being established for a payroll supervisory review and reconciliation process.	11/30/2016

## Software Licenses

Item #	Item	Corrective Action Plan (CAP)	Most Recent Update	ECD
1	Countywide policies and procedures in regards to software licensing processes are lacking. Software licensing processes are managed separately by the Bureau of Technology and the Elected Offices. The Bureau of Technology and Elected Offices have varying procedures that address various components of the software licensing process but not the entire process to ensure that all the proper controls are in place.	BOT intends to purchase and deploy a software asset management solution in FY' 2016. This solution will permit the County to monitor software deployment and usage. BOT will engage the Elected Officials (via CIO roundtable) to evaluate the feasibility of a Software Asset Management Policy that can be adopted by each of the respective agencies.	BOT has deployed a software asset management solution called LanDesk for Offices under the President. The final draft of BOT's Software Asset Management policy is with the President's legal staff for review.	11/30/2016

## Software Licenses

Item #	Item	Corrective Action Plan (CAP)	Most Recent Update	ECD
2	Procedures or specific guidelines do not exist Countywide on the usage of the Enterprise Licensing Agreements (ELA's).	BOT recommends the adoption of a share-first policy applicable to Offices under the President and all Elected Officials and require usage of BOT-managed contracts where multiple agencies use the same license or product. BOT will explore opportunities to communicate the availability shared/enterprise products to using agencies via the CIO roundtable.	BOT has engaged the separately Elected Official CIOs on the issue of ELAs. BOT has made each official aware of the various agreements and will manage the procurement of software licenses through its Countywide concurrence policy.	11/30/2016
3	Periodic monitoring throughout the year is not in place to ensure software licenses are appropriately accounted for and in compliance with relevant agreements.	BOT plans to adopt a software asset management solution that will permit BOT to monitor software deployment and usage on a regular basis.	BOT has deployed a software asset management solution to monitor license consumption for the Offices under the President.	11/30/2016
4	There is a lack of a central repository of software usage and license entitlements across the County. The Bureau of Technology and Elected Offices have various tools/systems used to track software licenses, but there is no consistency as to the information and level of data that is maintained.	BOT will work through the CIO Roundtable to evaluate the feasibility of a policy requiring that Offices under the President and the Elected Officials share information regarding software deployment and usage. BOT will also engage Elected Officials about the possibility of using a software asset management solution to monitor software assets throughout the County. The value of this solution to the County as a whole will be contingent upon the Elected Officials' permission to deploy the solution on their systems.	BOT has deployed a software asset management solution to monitor license consumption for the Offices under the President. BOT will work through the CIO Roundtable to evaluate the feasibility of a policy requiring that Offices under the President and the Elected Officials share information regarding software deployment and usage. BOT will also engage Elected Officials about the possibility of using the software asset management solution to monitor software assets throughout the County. The value of this solution to the County as a whole will be contingent upon the Elected Officials' permission to deploy the solution on their systems.	11/30/2016

## Travel Expenditures

Item #	Item	Corrective Action Plan (CAP)	Most Recent Update	ECD
1	A standardized travel voucher does not exist to reduce opportunities for errors and to ensure an accurate reporting of all travel expenditures.	BOA established a new Transportation Expense Voucher System (TEVS) on December 1, 2015 to allow County employees to prepare and submit electronic reimbursement vouchers for mileage, taxi and public transportation reimbursement. BOA, with the Comptroller's Office assistance, plans to update the TEVS to include a fillable PDF form for requesting travel authorization as well as a travel reimbursement form to be completed once the travel event concludes.	BOA established a new Transportation Expense Voucher System (TEVS) on December 1, 2015 to allow County employees to prepare and submit electronic reimbursement vouchers for mileage, taxi and public transportation reimbursement. The BOA and Comptroller are currently designing a new travel reimbursement pdf fillable form. This form will be in compliance with the new Transportation and Travel Expense Policy, which is currently being finalized through the Vehicle Steering Committee.	11/30/2016
2	Procedures for Countywide travel do not fully define all the current processes and requirements as well as contain all necessary controls over the travel reimbursement process.	BOA is currently working with the Vehicle Steering Committee on updating the Countywide Transportation and Travel Expense Reimbursement Policy and procedures manual to include best practices and controls. Once the policy manual is updated, a Countywide communication and distribution will occur. The Comptroller's Office will update its internal payroll procedures and processes and implement these into its payroll operation to reflect the new requirements and processes.	BOA updated the Countywide Transportation and Travel Expense Reimbursement Policy Manual and submitted the draft to the Vehicle Steering Committee for approval. Once the Manual is approved Countywide communication and distribution will occur.	11/30/2016



## Travel Expenditures

Item #	Item	Corrective Action Plan (CAP)	Most Recent Update	ECD
3	Government rates were not obtained in all cases of hotel bookings and garage parking, and per diem rates were not properly applied.	BOA plans to update the TEVS to include a fillable pdf form for requesting travel authorization as well as a travel reimbursement form to be completed once the travel event concludes. BOA is currently working with the Vehicle Steering Committee on updating the Countywide Transportation and Travel Expense Reimbursement Policy and manual to include best practices and controls. BOA plans to coordinate with BOF on establishing cost reducing measures to be included in the policy manual.	BOA updated the Countywide Transportation and Travel Expense Reimbursement Policy Manual and submitted the draft to the Vehicle Steering Committee for approval. Once the Manual is approved Countywide communication and distribution will occur.	11/30/2016
4	Departments are not consistently granting authorization to employees prior to traveling.	BOA is currently working with Vehicle Steering Committee on updating the Countywide Transportation and Travel Expense Reimbursement Policy and procedures manual to include best practices and controls and plans to include a section on the travel request form and reimbursement form for the department's/agency's signature as authorization. The Comptroller's Office will ensure that a department's/ agency's authorization is provided along with the necessary support to process payment.	BOA updated the Countywide Transportation and Travel Expense Reimbursement Policy Manual and submitted the draft to the Vehicle Steering Committee for approval. The Comptroller's Office will ensure that a department/agency's authorization is provided along with the necessary support to process payment.	11/30/2016

## Vendor Payment Process

Item #	Item	Corrective Action Plan (CAP)	Most Recent Update	ECD
1	Vendor payment discounts are not being fully realized, and the majority of accounts payable payments are still being processed by check.	The Comptroller's Office plans to review and update vendor records as part of the Oracle EBS ERP implementation with the user departments who establish and maintain the vendor relationship. The payable's payment initiative is promoted through the Procurement contract process and we work with the County's third party administrator on a continuing periodic basis to enhance vendor enrollment.	The Comptroller's Office is reviewing and updating vendor records as part of the Oracle EBS ERP implementation with the user departments who establish and maintain the vendor relationship. The payable's payment initiative is promoted through the Procurement contract process and the Comptroller's Office works with the County's third party administrator on a periodic basis to enhance vendor enrollment.	12/1/2016
2	Invoices are not being processed in the most efficient manner to ensure prompt payment.	The Comptroller's Office is planning with the implementation of the Oracle EBS ERP system to implement a number of process improvements: departments will enter their invoices in the system as soon as they are received and tracking of receiving / initial processing dates should occur in the system; department approvals and Comptroller's review and processing will be completed through an automated workflow process which should eliminate the need for processing a hardcopy 29A form and reduce the time needed for submission and maintaining hardcopy documents.	The Comptroller's Office is planning with the implementation of the Oracle EBS ERP system to implement a number of process improvements: departments will enter their invoices in the system once received and tracking of receiving/initial processing dates will occur in the system; department approvals and Comptroller's review and processing will be completed through an automated workflow process, which will eliminate the need for processing a hardcopy 29A form and reduce the time needed for submission and maintaining hardcopy documents.	12/1/2016

## Vendor Payment Process

Item #	Item	Corrective Action Plan (CAP)	Most Recent Update	ECD
4	The Comptroller's Office receives no assurance from the departments that service invoices submitted for payment comply with the Procurement Code Section 34-310(d).	The Comptroller's Office currently reviews service invoices based on the Procurement Code, but staffing resources are limited and a large volume of invoices are processed. The Comptroller's Office agrees that the departments need to be responsible for attesting to the fact that their department has reviewed and approved the itemized work and expense records. As part of the implementation of the ERP system, the Comptroller's Office will develop an instruction manual and circulate it to user departments. With the implementation of ERP, policies will be established to strengthen controls for processing invoices.	The Comptroller's Office continues to review service invoices based on the Procurement Code, and is working with the ERP team on the system improvements.	12/1/2016

### Recommendations Status Summary FY2013 to Date

Status	# Recommendations
Implemented	91
Not Implemented	25
<b>Total</b>	<b>116</b>