



Office of the County Auditor
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TONI PRECKWINKLE

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April 15, 2015

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 findings and recommendations. The OCA will submit a Quarterly Open Findings Status Report to the County Board for referral to Audit Committee every quarter.

Please refer to the following FY'15 1st quarter - Quarterly Open Findings Status Report. As indicated in the report, to date there have been 57 recommendations made by the OCA for which 38 have been fully implemented, 8 partially implemented and 11 not implemented. The status of the 19 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'15 1st Quarter Open Finding Recommendations

Liquor Control Commission

Finding #	Finding Statement	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 now take that experience and the notes gathered to develop a written policies and procedures manual as suggested.	Since the Ordinance changes have been approved, LCC is working on finalizing the policies and procedures manual.	11/30/2015

Cash Reconciliation Project

Finding #	Finding Statement	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.	The departments involved are working on finalizing written policies and procedures.	5/31/2015
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.	The departments involved are addressing the bank reconciliation process to ensure bank reconciliations are completed accurately with the proper support.	5/31/2015

Payroll

Finding #	Finding Statement	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 County-wide human resource and payroll procedures in conjunction with the current payroll upgrade project and the planned time and attendance project.	The Comptroller's Office Payroll team continues to work with Human Resources (HR) and the User Departments' Timekeepers during the bi-weekly payroll process. The Comptroller's Office continues to participate in Time and Attendance project meetings/work groups (that includes HR). The Comptroller's Office continues to update their payroll and garnishments business processes and procedures based on the recently implemented E1 system. The most recent estimate of completion for the Time and Attendance System is the third quarter of FY2016, ECD revised to 11/30/16.	11/30/2016

Finding #	Finding Statement	Corrective Action Plan (CAP)	Most Recent Update	ECD
2	There are numerous payroll codes and no specific guidelines for usage of the codes. There are errors in the Payroll system due to Departments utilizing codes that should not have been used to record payroll transactions.	The Comptroller's Office and the Bureau of Human Resources will conduct an annual review of the payroll codes to ensure they're accurate and used properly. The Bureau of Finance and the Bureau of Human Resources have started to review the payroll codes in conjunction with the current payroll upgrade project.	We continue to work on updating our procedures and business processes for payroll and garnishments (ongoing- due to post go live matters and items). Revised ECD to 5/31/15 due to ongoing post go live E1 items.	5/31/2015

Finding #	Finding Statement	Corrective Action Plan (CAP)	Most Recent Update	ECD
3	In the Facilities Management Department, there was a lack of controls, oversight and consistency for overtime usage during the period reviewed.	New overtime Punch Policy/approval process has been implemented as of April 14, 2014. Management will review other options such as seasonal flat rate contracts and/or posting bids with in-house staff for seasonal shifts to address peak demands without incurring overtime. Facilities Management will be working with the unions to have more cross training of staff to allow for the ability to cover different facilities if someone is off sick.	Overtime Policy is implemented and in use. Flat rate contract currently is in Procurement and is temporarily on hold. The implementation of seasonal shifts is in process. Cross training completed and will continue as necessary. 2014 DFM overtime has been reduced by 50% over 2013 (Facilities Overtime Costs \$885K vs 2014 Facilities Overtime Costs \$451K).	6/30/2015

Motor Fuel Card Purchases

Finding #	Finding Statement	Corrective Action Plan (CAP)	Most Recent Update	ECD
2	An accurate fuel card inventory listing is not maintained.	An accurate fleet card inventory is maintained. The Sheriff's Office maintains the inventory based upon information received from using agencies. Using agencies do not update our office in a timely manner when their information changes. The Sheriff's Office agrees that this is an issue that needs to be addressed.	The Fleet Manager was hired and will work with the Sheriff's Office to start receiving the monthly fuel reports. These reports will be reviewed and forwarded to the specific departments as necessary when issues arise.	6/30/2015

Finding #	Finding Statement	Corrective Action Plan (CAP)	Most Recent Update	ECD
3	The Sheriff's Office requests using Agencies to review their monthly billing detail for excessive use and possible abuse, there is no follow up to ensure that this is being completed.	<p>Sheriff's Office: It is not, nor should it be the responsibility of the Sheriff's office to review or monitor other agency's fuel usage. If a driver enters in an inconsistent odometer reading the Alerts System notifies the Sheriff's Office and the driver's supervisor is notified of the inconsistency. The Sheriff's Office has begun assigning a separate card for the equipment.</p> <p>Bureau of Administration: The BOA should be set up by the Sheriff to receive fuel card usage and cost data as well as alerts of possible abuse for all departments excluding the Sheriff and possibly State's Attorney.</p>	The Fleet Manager was hired and will work with the Sheriff's Office to start receiving the monthly fuel reports. These reports will be reviewed and forwarded to the specific departments as necessary when issues arise.	6/30/2015

Veterans Assistance Commission

Finding #	Finding Statement	Corrective Action Plan (CAP)	Most Recent Update	ECD
10	According to the Cook County Bureau of Administration (BOA), the VACCC has not been working with them to ensure that proper oversight is provided over the distribution of funds to the VACCC.	The VACCC is in the process of meeting with our Veterans Assistance Commission Executive Board to jointly review, develop and update any changes needed to our current policy and procedures manual. The Superintendent provides a thorough monthly report and quarterly report to the VACCC executive board as per our written by laws. The VAC has provided monthly and quarterly reports during the last two years to the Bureau of Administration Bureau Chief on a consistent basis.	The VACCC has consistently provided monthly and quarterly reports to the proper authorities as required, to include the Cook County Budget Department on a timely basis. VACCC is waiting for a scheduled date to meet with the Cook County Board of Commissioners Veterans Committee to discuss and mutually develop a written agreement between the Veterans Assistance Commission of Cook County and the County.	11/30/2015

Capital Construction Contract Monitoring

Finding #	Finding Statement	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.	The OCPP is working through the procurement process.	6/30/2015

Delinquent Home Rule Tax Process

Finding #	Finding Statement	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).	Management has implemented many of the recommendations within the current process and has included the efficiencies as part of the ITPS implementation process.	6/30/2016

Finding #	Finding Statement	Corrective Action Plan (CAP)	Most Recent Update	ECD
2	The delinquent tax account data is not being accurately and efficiently maintained to ensure the reliability of the delinquent tax accounts and amounts.	Management agrees that there is a need for a more accurate and comprehensive system to manage accounts, and as mentioned before, plans to address these issues as part of its ITPS implementation, with select improvements to its interim process.	Management has made improvements to the interim process and continues to move forward with the ITPS implementation.	6/30/2016

Finding #	Finding Statement	Corrective Action Plan (CAP)	Most Recent Update	ECD
3	The Tax Delinquency Assessment Process and Procedures Manual was last updated May 2012 and does not fully define the processes and requirements.	Management agrees with the finding. DOR is currently undertaking an update of all process and procedure documents to ensure that we have a comprehensive set of documents for each of our areas, which is estimated to be completed by Q3 of 2015.	Management continues to work on updating the written procedure documents.	8/31/2015

PD CDBG Program

Finding #	Finding Statement	Corrective Action Plan (CAP)	Most Recent Update	ECD
1	Planning and Development does not conduct an annual risk assessment of the County's CDBG funded activities or develop an annual monitoring plan as stated in Section 8-Monitoring Policies of the Department's policies and procedures manual.	A consultant team worked with Dept. of Planning and Development (DPD) to revise and update our Policies and Procedures Manual. The manual incorporated recommended best practices, including some practices that DPD had not yet implemented. Different types of monitoring are required for different project types, and some projects may not be suitable for remote monitoring due to data privacy concerns. DPD expects to complete its assessment of risk-based monitoring for CDBG in early 2015 and finalize its risk assessment policy and an annual monitoring plan for projects underway in 2015.	DPD expects to complete its assessment of risk-based monitoring for CDBG, finalize its risk assessment policy and develop an annual monitoring plan for projects underway in 2015.	5/31/2015

Wage Garnishments

Finding #	Finding Statement	Corrective Action Plan (CAP)	Most Recent Update	ECD
1	The Comptroller's Office does not have strong internal controls in place to ensure that wage garnishments cannot be changed or stopped without the appropriate management approval.	The Comptroller's Office will continue to conduct periodic training to ensure staff are up to date on garnishment matters. The Comptroller's Office created an internal payroll procedure manual which includes the garnishment process in FY2013 to address a FY2012 external audit finding and maintains a comprehensive system user manual for the garnishment staff. Comptroller's office is updating the garnishment procedures to ensure duties are properly segregated and documented between staff and supervisors, bi-weekly reconciliations and reviews are preformed and documented in a timely manner to address any potential issues, and staff disciplinary matters are addressed according to the Bureau of Human Resources disciplinary process. The garnishment procedures and user manual will be submitted to the staff for review and a signed acknowledgment upon approval by the Bureau of Human Resources in conjunction with corresponding collective bargaining agreement. The Comptroller's Office is working with the County's ERP and external vendor team to implement software controls to prevent unauthorized changes to garnishments.	The Garnishment Supervisor is reviewing the bi-weekly report that identifies garnishment changes from pay period to pay period to address outstanding items with staff and to ensure the status of garnishments is properly reflected. Also, the Garnishment Supervisor processes and reviews a User Audit Security Report on a periodic basis. Garnishment team completed post live cleanup of previous system data (FMIS) that was interfaced into the E1 system during the implementation phase. We continue to work on updating our procedures and business processes for payroll and garnishments (ongoing- due to post go live items). Revised ECD from 10/31/14 and 3/31/15 to 5/31/15 due to ongoing post go live items.	5/31/2015

Finding #	Finding Statement	Corrective Action Plan (CAP)	Most Recent Update	ECD
2	The garnishment amounts are not reconciled each pay period to ensure that the amounts required to be garnished are actually being garnished each pay period and to account for any changes made to existing garnishments.	Starting in FY2014, the Comptroller's Office garnishment supervisor is performing bi-weekly reconciliations by comparing each transaction contained on the current bi-weekly payroll deduction report to the previous bi-weekly report to ensure that each deduction was made successfully and to address any potential issues with staff or vendors in a timely manner. The Comptroller's Office is planning to work with the County Auditor and the County's ERP and external vendor team to automate the reconciliation process during FY2014.	The Garnishment Supervisor is reviewing the bi-weekly report that identifies garnishment changes from pay period to pay period to address outstanding items with staff and to ensure the status of garnishments is properly reflected. Also, the Garnishment Supervisor processes and reviews a User Audit Security Report on a periodic basis. Garnishment team completed post live cleanup of previous system data (FMIS) that was interfaced into the E1 system during the implementation phase. We continue to work on updating our procedures and business processes for payroll and garnishments (ongoing- due to post go live items). Revised ECD from 10/31/14 and 3/31/15 to 5/31/15 due to ongoing post go live items.	5/31/2015

Finding #	Finding Statement	Corrective Action Plan (CAP)	Most Recent Update	ECD
4	The written policies and procedures for the Garnishment Department are outdated and do not include the necessary controls to ensure compliance.	The Comptroller's Office created an internal payroll procedure manual which includes the garnishment process in FY2013 to address a FY2012 external audit finding and maintains a comprehensive system user manual for the garnishment staff. The Comptroller's office is updating the garnishment procedures to ensure internal controls are in place and duties are properly segregated between staff and supervisors. The supervisors are performing bi-weekly reconciliations and reviews in a timely manner to address any potential issues. The Comptroller's Office plans to conduct an annual review and update of the garnishment procedures on an on-going basis.	The Garnishment Supervisor is reviewing the bi-weekly report that identifies garnishment changes from pay period to pay period to address outstanding items with staff and to ensure the status of garnishments is properly reflected. Also, the Garnishment Supervisor processes and reviews a User Audit Security Report on a periodic basis. Garnishment team completed post live cleanup of previous system data (FMIS) that was interfaced into the E1 system during the implementation phase. We continue to work on updating our procedures and business processes for payroll and garnishments (ongoing- due to post go live items). Revised ECD from 10/31/14 and 3/31/15 to 5/31/15 due to ongoing post go live items.	5/31/2015

Court Reporting Orders Process

Finding #	Finding Statement	Corrective Action Plan (CAP)	Most Recent Update	ECD
1	Cook County does not have in place internal centralized Countywide oversight and monitoring of the court report orders process to prevent excessive, unnecessary or duplicate requests. Our tests resulted in 16 noted discrepancies within the court report orders process.	<p>Public Defender - We are not sure if it is legal for the County to take ownership of the Countywide court reporting order process due to attorney client privilege and work product privilege.</p> <p>State's Attorney - We currently send all 29As for the payment of Official Court Reporter transcripts to our Chief of the Felony Trial Division for sign off, prior to submission to the Comptroller. The Office of the Chief Judge has directed that all 29As be accompanied by the original order form, certified by the Court Reporter Supervisor as accurate in terms of rate and page count.</p> <p>Chief Judge - The Office of the Official Court Reporters in Cook County is a state office operating under the governing authority of Chief Judge Timothy Evans. We have no objection to the recommendation that the county monitor the transcript billing process and the ordering process as well, as long as the monitoring of orders is limited to Cook County offices.</p>	The individual entities implemented controls to address the deficiencies. A central County entity for County ordering of transcripts has not been established.	11/30/2015

Finding #	Finding Statement	Corrective Action Plan (CAP)	Most Recent Update	ECD
2	Currently, court report orders are received in hard copy format generating an immense amount of paper. Transcripts are paper processed and paper processing of court transcripts for use by Cook County departments is antiquated and is not consistent with environmental sustainability.	<p>Public Defender - We are concerned with the mechanics of a centralized document management system.</p> <p>State's Attorney - We have requested an opinion from our Civil Actions Bureau with respect to the legal issues raised at the exit interview involving the acceptance of electronic versions of the transcripts and the possibility of a centralized document management system.</p> <p>Chief Judge - We agree with the auditors in their interpretation of Administrative Regulations for Court Reporting Services Section II.F.S, that beginning January 1, 2015, reporters must upload electronic files of court proceedings to online directories through the state Share File system.</p>	State's Attorney still reviewing for final opinion.	11/30/2015

Finding Recommendations Status Summary to Date

Status	# Recommendations
Implemented	38
Not Implemented	11
Partially Implemented	8
Total	57