



Office of the County Auditor

Shelly A. Banks, C.P.A.

Cook County Auditor

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TONI PRECKWINKLE

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June 14, 2017

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

Dear President Preckwinkle and Board of Commissioners:

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

Please refer to the following FY'17 2nd Quarter Open Recommendations Status Report. As indicated in the report, since FY'13 there have been 138 recommendations made by the OCA for which 123 have been implemented and 15 not implemented. The status of the 15 open recommendations is reflected in the attached report.

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

Respectfully Submitted,

Shelly Banks, CPA
Cook County Auditor

Office of County Auditor

FY'17 2nd Quarter Open Recommendations Status

Cash Reconciliation Project		Medical Examiner, Chief Judge		
Item #	Item	Corrective Action Plan (CAP)	Most Recent Update	ECD
6	Bank reconciliations were not always completed accurately with the proper support for variances.	Management of the departments involved agreed and will implement corrective action.	Two open departments are working on system implementations, which will address the open recommendations. The Auditor's Office will continue to monitor the system's implementation.	12/31/2017
Circuit Court Revenue Process Audit		Clerk of the Circuit Court		
Item #	Item	Corrective Action Plan (CAP)	Most Recent Update	ECD
4	The CCC provided a high level chart indicating over \$30 million outstanding accounts in the Traffic Division, but did not provide the detail to support what this number consists of and the collection activities that have occurred.	The CAP includes the following: analysis on \$30M outstanding to determine feasibility; collection agency detailed reports and internal tracking reports; Wage Garnishment Program plan; internal processes for submitting accounts to the Local Debt Recovery Program and the State's Income Tax Refund Intercept Program along with reports supporting the activity; and Collection Agency Performance Measures for next contract.	The Clerk's Office has been working with the third party collectors to develop performance metrics and enhanced month end reporting. Along with working with the third party collectors, the Clerk's Office is working on the internal processes for improved tracking and analysis of outstanding debt to include collection analysis, support for the wage garnishment program plan, and local debt recovery program reports. The Clerk's Office will continue to provide quarterly updates on the progress.	11/30/2017
Delinquent Home Rule Tax Process		Revenue		
Item #	Item	Corrective Action Plan (CAP)	Most Recent Update	ECD
1	Tax delinquencies are not being followed up in a timely and efficient manner to ensure the most optimal return to the County of money owed.	Management agrees with the recommendations and has plans to address them within its current process and as part of its future state integrated tax processing system implementation (ITPS).	DOR is current with the delinquent mailings. Due to the interim database solution, DOR has improved the ability to recover delinquent tax dollars efficiently. The ITPS project implementation has been updated due to receiving the contract approval and final project plan.	12/31/2017

Delinquent Home Rule Tax Process		Revenue		
Item #	Item	Corrective Action Plan (CAP)	Most Recent Update	ECD
2	The delinquent tax account data is not being accurately and efficiently maintained to ensure the reliability of the delinquent tax accounts and amounts.	Management agrees that there is a need for a more accurate and comprehensive system to manage accounts, and as mentioned before, plans to address these issues as part of its ITPS implementation, with select improvements to its interim process.	DOR is current with the delinquent mailings. Due to the interim database solution, DOR has improved the ability to recover delinquent tax dollars efficiently. The ITPS project implementation has been updated due to receiving the contract approval and final project plan.	12/31/2017

FPD Grant Procedures		FPD		
Item #	Item	Corrective Action Plan (CAP)	Most Recent Update	ECD
1	The FPD does not have central reporting and tracking of all grants with activity, expenditures and current status. Various spreadsheets and other methods of documentation exist, but there is no central repository to easily determine the grant population with grant name, term, status, awarded dollars, expenditures, grant requirements, and reporting.	The FPD IT Department will create a SharePoint Site as a central repository to track all grants. All applicable FPD users will be given access to the Site. The Site will be modeled after the Cook County Grant's SharePoint Site.	The FPD has started working on the Grant's Management SharePoint site and has assigned a contact person to work on setting it up. The FPD will work with the Auditor's Office on structuring the site.	8/31/2017

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

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

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

Travel Expenditures	Administration
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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.	The Travel and Business Expenses Policy and Procedures was received and filed by the Board on March 8. The policy includes a standardized pdf fillable Travel Request Form (TRF) and Travel Reimbursement Voucher (TRV). The policy will be distributed to all employees by mid June.	8/31/2017

Item #	Item	Corrective Action Plan (CAP)	Most Recent Update	ECD
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.	The Travel and Business Expenses Policy and Procedures was received and filed by the Board on March 8. The policy includes a standardized pdf fillable Travel Request Form (TRF) and Travel Reimbursement Voucher (TRV). The policy will be distributed to all employees by mid June.	8/31/2017

Travel Expenditures

Administration

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.	The Travel and Business Expenses Policy and Procedures was received and filed by the Board on March 8. The policy includes a standardized pdf fillable Travel Request Form (TRF) and Travel Reimbursement Voucher (TRV). Employees will be required to complete and submit a TRF to their department head prior to any travel being approved. After travel is completed, the employee will be required to complete a TRV which shows all the costs associated with the travel. The policy will be distributed to all employees by mid June.	8/31/2017

Item #	Item	Corrective Action Plan (CAP)	Most Recent Update	ECD
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.	The Travel and Business Expenses Policy and Procedures was received and filed by the Board on March 8. The policy includes a standardized pdf fillable Travel Request Form (TRF) and Travel Reimbursement Voucher (TRV). Employees will be required to complete and submit a TRF to their department head prior to any travel being approved. After travel is complete, the employee will be required to complete the TRV which shows all the costs associated with the travel. The policy will be distributed to all employees by mid June.	8/31/2017

Vendor Payment Process**Comptroller**

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

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

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

Recommendations Status Summary FY2013 to Date

Status	# Recommendations
Implemented	123
Not Implemented	15
Total	138