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June 16, 2014

The Honorable John P. Daley
 Chairman, Audit Committee
 Cook County Board of Commissioners
 118 N. Clark Street
 Chicago, IL 60602

Dear Chairman Daley,

Pursuant to the Audit Committee's request, attached is the annual matrix of our audit findings. The FY-2013 matrix continues to include our corrective actions, when we plan to complete the corrective action plan, and when the finding is eliminated. As noted below, during FY-2013, seven audit findings, including one material weakness, were eliminated. Our strategic plan implemented a number of process improvements that reduced the number of year-end reporting errors and improved quality controls in the areas where the findings are repeated.

	Fiscal Year Findings			
	2013	2012	2011	2010
Total	4	10	11	12
Non-repeated	7	3	3	N/A
New	1	2	0	2
Material Weaknesses	2	3	2	3

The remaining findings will be addressed through implementation of a new financial reporting system (ERP) as well as additional process improvements.

We are continuing to implement corrective actions because the new system will only be as good as the information that goes in it and will depend upon users applying best practices. The most critical corrective action continues to be an updated ERP financial reporting system. The Bureau of Finance is working with the Bureau of Technology to recommend and select a software vendor during this fiscal year. We plan to begin the implementation of such a system during FY-2015. As a result, the four remaining findings have targeted completion dates between FY-2014 to FY-2017, with those that are targeting FY-2017 truly reliant on an updated ERP system. Our goal however, continues to be improving on our systems and processes in advance of the new system implementation and, accordingly, to further reduce findings in coming years.

We appreciate the input of the Board of Commissioners in these initiatives, and look forward to briefing you further in the future. Please contact me directly should you have any questions regarding the Office of the Comptroller's plan to address County audit findings in coming years.

Sincerely,

Lawrence L. Wilson, Comptroller

cc: The Honorable Toni Preckwinkle
 Cook County Board of Commissioners

Attachments

FY-2012 and FY-2013 Findings

FY-2013 Findings	Description	Repeat/ New	Status as of June 2014	Plan to Complete	Actual Completion Date
2013 - 1	Financial Accounting and Reporting	Repeat	*Need a new ERP System *Continue to implement best practices to reduce errors and improve quality control. *During FY-13 CO hired a Comptroller, Director of Financial Reporting, and 2 experienced accountants, besides closing earlier to reduce year-end errors.	FY-2017	
2013-02	Workers' Compensation and Other Claims	New	Risk management implemented a corrective action plan during FY-13 and in conjunction with the SAO, expected to eliminate the finding during FY-14	FY-2014	
2013 - 3	Fixed / Capital Assets Accounting	Repeat	*Need ERP System and county-wide uniformity to accurate & timely reporting. * Need to complete the tracking database / repository in JD Edwards to record and report all Capital asset additions and deletions and construction in progress items. * Will continue working with BOT to implement interim improvements.	FY-2017	
2013 - 4	Grant Accounting	Repeat	*Need a new ERP System *Budget and Comptroller offices continue meetings with grant holder departments. *Maintain comprehensive grant manual, budget close out policy and policies and procedures including loan write-offs and allowances for doubtful accounts	FY-2015	

The following 2012 findings did not reoccur in FY 2013:

FY-2012 Finding	Status	Repeat	Description	Plan to Complete	Actual Completion Date
2012 - 3	Corrected	No	Accounts Payable	FY-2016	FY-2013
2012 - 4	Corrected	No	Journal Entries / Inadequate Controls	FY-2014	FY-2013
2012 - 5	Corrected	No	Bank Reconciliations	FY-2014	FY-2013
2012 - 6	Corrected	No	Agency Funds - Public Guardian	FY-2014	FY-2013
2012 - 7	Corrected	No	Lack of Formal written policies/procedures	FY-2014	FY-2013
2012 - 9	Corrected	No	Anti-fraud programs / controls	FY-2013	FY-2013
2012 - 10	Corrected	No	Information Security & Controls	FY-2013	FY-2013