



Office of the County Auditor

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Cook County Auditor

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TONI PRECKWINKLE

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December 14, 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:

On October 23, 2015, the Office of County Auditor (OCA) issued the Clerk of the Circuit Court (CCC) Revenue Process Audit Report for which the CCC had not provided management responses within the period required under Section 2-311.11 of the Auditor's Ordinance. On December 14, 2015, the OCA received a written response from the CCC. The OCA addresses the main areas and open items in the summary below. For the open items listed below, we recommend the CCC provide estimated completion dates to enable the OCA to continue to track the implementation.

Finding #1:

The CCC stated their high level methods and processes along with various factors that affect revenue, but did not provide any detailed analysis with numbers to support.

The finding stated that these methods were lacking and that documentation was not provided to support any detailed analysis to determine budgeted revenue amounts. For example, the FY'15 chart indicated a 3 year average (\$87.5M) but projected a much higher amount (\$95M) without detailed analysis or numbers supporting these conclusions.

The CCC also provided a guideline document, which does not provide the specific detailed analysis supporting the budget revenue estimates.

Open Item:

- Development of an annual budget revenue forecast supported with documented and thorough measurements that clearly define the expectations

Finding #2:

The CCC states that a detailed analysis is conducted, but the documentation provided with their response and during the audit process was a high level summary. The CCC states various factors affecting revenue, but does not provide the analysis and documentation to support these conclusions.

The CCC did not provide documentation to support analysis around the case filings. The high level analysis of case filings shows inconsistency around the variances in case filing numbers. For example, there were decreases in case filings in certain instances when revenue increased. Therefore, case filings should have been analyzed further to determine the reason for the variance.

Open Item:

- CCC should utilize the statistical data that is captured in the systems to perform additional analysis on revenue deviations to improve forecasting of budget estimates and justify major fluctuations.

Finding #3:

CCC states that only new filings were reviewed during the audit, but the OCA performed detailed interviews, walkthroughs and observations on the workload activity which included reviewing the filing system for any backlogs.

CCC states that training initiatives and ongoing analysis of the staffing levels are in place to cross train staff, but did not provide this documentation with their response.

CCC states that the detailed handwritten spreadsheets provided to the OCA were note items only; however, these were the documents provided as support documentation when requested during the audit process.

The exhibit provided by the CCC is not a Records Retention Policy as requested by the OCA.

Open Items:

- Provide documentation on workload and cross training staff
- Provide written procedures to support that handwritten spreadsheets are no longer utilized
- Provide Records Retention Policy

Finding #4:

CCC states an analysis is performed on the feasibility of the collection activity, but this was not provided with their response or as part of the audit. CCC states in their response that over \$39 million has been collected from collection agencies, but no detailed reports were provided to support this amount.

The CCC refers to new case filings in their response; to clarify, the finding refers to the review of over \$30 million in outstanding accounts and not new case filings. There is a substantial amount outstanding; therefore, the OCA was recommending utilizing CCC staff in the collection efforts.

CCC provided high level reports with their response, which were not previously provided when the OCA requested reports to support any collection activity. We recommend detail analysis and follow up on the data to ensure the best collection efforts.

CCC states there is a system and processes in place to track and report on delinquent accounts, but they did not provide any support for the system and processes.

The CCC submitted the IGA for the Local Debt Recovery Program, but did not provide documentation to support internal processes for submitting accounts for debt recovery and tax intercept. In addition, we did not receive any reports on actual accounts and amounts submitted.

Open Items:

- Analysis of \$30M outstanding to determine feasibility
- Collection agency detailed reports and the related tracking system used
- Establishment of Wage Garnishment Program
- Internal process for submitting accounts to the Local Debt Recovery Program and the State's Income Tax Refund Intercept Program
- Reports supporting Local Debt Recovery Program and the State's Income Tax Refund Intercept Program activity
- General Counsel review of removing cases of deceased individuals
- Collection Agency Performance Measures

Finding #5:

CCC states that they track all fines and fees statutes on an ongoing basis, and there have been no changes to those statutes. The OCA is recommending the CCC review all no fee agencies since the CCC had made the determination that the City of Chicago was not billed for certain fee cases.

Open Items:

- Reexamine policies for government agencies
- General Counsel review of additional collection opportunities
- Process for ongoing review of no fee agencies and documentation supporting recent review

Finding #6:

Open Items:

- Review of passport services and cost benefit analysis
- Review of additional fee opportunities
- Establish amnesty program policy

Finding #7:

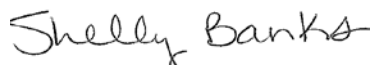
Open Items:

- Update electronic version of policies & procedures manual

During an exit conference, these types of items are discussed to ensure understanding for all parties involved. The OCA attempted to meet with the CCC for an exit conference upon issuance of the draft report. The CCC scheduled an exit conference with our Office, but did not attend or reschedule.

Please feel free to reach out with any questions.

Sincerely,



Shelly A. Banks

Cook County Auditor

cc: Dorothy Brown, Clerk of the Circuit Court
Wasiu Fashina, Clerk of the Circuit Court, Chief of Staff
Richard Abrams, Clerk of the Circuit Court, Chief Financial Officer