

## **PROPOSED SUBSTITUTE TO RESOLUTION 14-4341**

Sponsored by

**JOHN A. FRITCHEY, COOK COUNTY COMMISSIONER AND TONI PRECKWINKLE, PRESIDENT**

### **COOK COUNTY SPECIAL PURPOSE FUND REPORTING**

**WHEREAS**, pursuant to the Cook County Annual Appropriation Bill, “special purpose funds are used to account for the proceeds from special revenue sources, and the expenditures for specified or restricted purposes”; and

**WHEREAS**, County expenditures from special purpose funds exceed \$500 million on an annual basis; and

**WHEREAS**, Cook County engaged McGladrey LLP to perform an audit of the FY2013 basic financial statements; and

**WHEREAS**, the FY2013 Cook County audit affirms that expenditures from said funds must be specific to an allowed purpose, and found a material weakness in the financial accounting and reporting relative to certain special purpose funds; and

**WHEREAS**, a material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected, on a timely basis; and

**WHEREAS**, the audit found that certain special revenue funds that receive resources that are restricted to a special purpose do not have sufficiently detailed information in each individual fund’s general ledger detail supporting expenditures; and

**WHEREAS**, without such information, there is not a sufficient audit trail to support that all expenditures are specific to an allowed purpose; and

**WHEREAS**, the Cook County Board of Commissioners has both a fiduciary and ethical duty to the County taxpayers to ensure that all financial matters are in accordance with best accounting practices and are fiscally responsible; and

**WHEREAS**, detailed reporting of special purpose fund transactions will allow the Board and the public to suitably scrutinize and ensure such funds are properly administered.

**NOW THEREFORE BE IT RESOLVED**, that the Cook County Board of Commissioners does hereby direct that a report of all special purpose fund transactions be made to the Secretary of the Cook County Board of Commissioners by the office or agency responsible for administering each special purpose fund beginning with the 3rd Quarter of Fiscal Year 2014 and on a quarterly basis thereafter;

**BE IT FURTHER RESOLVED**, that reports shall be provided to the Secretary’s office no later than 30 days after the end of each fiscal quarter, at which point the Secretary will aggregate the reports for distribution to the Board of Commissioners and the Director of Budget and Management Services on the next available Board Agenda;

**BE IT FURTHER RESOLVED**, that the reports shall be in a format as prescribed by the Director of Budget & Management Services. Such format shall ensure that the reports contain sufficiently detailed supporting information as to the specifics of each transaction and a justification regarding how each transaction relates to the purpose of the special purpose fund.