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Cook County, Illinois
Report on Federal Awards
(In accordance with the Single Audit Act
Amendments of 1996, and OMB Circular A-133)
For the Fiscal Year Ended November 30, 2014



COOK COUNTY, ILLINOIS

SINGLE AUDIT REPORT

NOVEMBER 30, 2014

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**INDEPENDENT AUDITOR'S REPORT
ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

To the Board of Commissioners of
Cook County, Illinois

We have audited the accompanying Schedule of Expenditures of Federal Awards (Schedule) of **Cook County, Illinois** (the County) for the year ended November 30, 2014, and the related notes (to the financial statement).

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this financial statement in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, "*Audits of States, Local Governments, and Non-Profit Organizations*". Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of risks of the material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

Auditor's Responsibility (Continued)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statement referred to above presents fairly, in all material respects, the expenditures of Federal awards of the County for the year ended November 30, 2014 in accordance with accounting principles generally accepted in the United States of America.

Washington, Pittman & McKeever, LLC

WASHINGTON, PITTMAN & McKEEVER, LLC

Chicago, Illinois
May 31, 2015

COOK COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended November 30, 2014

| Federal Grantor/Pass-Through Grantor/Program Name | CFDA Number | Pass-Through Grantor's Number | County Business Unit | Responsible County Department | Federal Expenditures |
|--|----------------|----------------------------------|-------------------------|--|--------------------------|
| U.S. DEPARTMENT OF AGRICULTURE | | | | | |
| Pass-Through Programs From | | | | | |
| <i>Illinois State Board of Education</i> | | | | | |
| Child Nutrition Cluster: | | | | | |
| School Breakfast Program | | | | | |
| Child Nutrition Program | 10 553 | 15-016-472P-00 | 4400638 | Juvenile Temporary Detention Center | \$ 228,699 |
| National School Lunch Program | | | | | |
| Child Nutrition Program | 10 555 | 15-016-472P-00 | 4400638 | Juvenile Temporary Detention Center | 375,224 |
| Child Nutrition Program - Non cash Award | 10 555 | 15-016-472P-00 | N/A | Juvenile Temporary Detention Center | 29,926 |
| Total Child Nutrition Cluster | | | | | <u>633,849</u> |
| <i>Illinois Department of Human Services</i> | | | | | |
| Special Supplemental Nutrition Program for Women, Infants, and Children | | | | | |
| IDHS Supplemental WIC | 10 557 * | FCSRE00833 | 9461208 | Stroger Hospital | 259,837 |
| IDHS Supplemental WIC | 10 557 * | FCSSQ00833 | 9461308 | Stroger Hospital | 193,317 |
| IDHS Supplemental WIC | 10 557 * | FCSTQ00833 | 9461408 | Stroger Hospital | 101,497 |
| IDHS Supplemental WIC | 10 557 * | FCSSQ00832 | 9791301 | Public Health | 2,024,922 |
| IDHS Supplemental WIC | 10 557 * | FCSTQ00832 | 9791401 | Public Health | 1,213,258 |
| Supplemental Food WIC - Non-cash Award | 10 557 * | N/A | N/A | Public Health | 8,967,325 |
| Total Special Supplemental Nutrition Program for Women, Infants and Children | | | | | <u>12,760,156</u> |
| <i>Illinois Department of Public Health</i> | | | | | |
| Summer Food Service Program for Children | | | | | |
| IDHS Food Inspections | 10 559 | 45080117B | 9751302 | Public Health | 5,750 |
| IDHS Food Inspections | 10 559 | 45280141B | 9961401 | Public Health | 519 |
| Total Summer Food Service Program for Children | | | | | <u>6,269</u> |
| Total U.S. Department of Agriculture | | | | | <u><u>13,400,274</u></u> |
| U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT | | | | | |
| Direct Programs | | | | | |
| CDBG - Entitlement Grants Cluster: | | | | | |
| Community Development Block Grants/Entitlement Grants | | | | | |
| CDBG Demolition Program | 14 218 * | N/A | 7960001 | State's Attorney | 25,130 |
| Neighborhood Stabilization Program 1 (NSP 1) | 14 218 * | N/A | 7530901 | Department of Planning and Development | 517,924 |
| Neighborhood Stabilization Program 1 (NSP 1) | 14 218 * | N/A | 7530902 | Department of Planning and Development | (411,185) |
| Neighborhood Stabilization Program 1 (NSP 3) | 14 218 * | N/A | 7531101 | Department of Planning and Development | 1,376,171 |
| Neighborhood Stabilization Program 1 (NSP 3) | 14 218 * | N/A | 7531102 | Department of Planning and Development | 360,751 |
| Community Development Block Grant | 14 218 * | N/A | 9421201 | Department of Planning and Development | 52,015 |
| Community Development Block Grant | 14 218 * | N/A | 9421202 | Department of Planning and Development | 137,030 |
| Community Development Block Grant | 14 218 * | N/A | 9421204 | Department of Planning and Development | 172,117 |
| Community Development Block Grant | 14 218 * | N/A | 9421206 | Department of Planning and Development | 1,355,623 |
| Community Development Block Grant | 14 218 * | N/A | 9421207 | Department of Planning and Development | 191,244 |
| Community Development Block Grant | 14 218 * | N/A | 9421208 | Department of Planning and Development | 795,968 |
| Community Development Block Grant | 14 218 * | N/A | 9421212 | Department of Planning and Development | (99,948) |
| Community Development Block Grant | 14 218 * | N/A | 9421301 | Department of Planning and Development | 1,221,040 |
| Community Development Block Grant | 14 218 * | N/A | 9421302 | Department of Planning and Development | 68,966 |
| Community Development Block Grant | 14 218 * | N/A | 9421304 | Department of Planning and Development | 1,314,630 |
| Community Development Block Grant | 14 218 * | N/A | 9421305 | Department of Planning and Development | 3,779 |
| Community Development Block Grant | 14 218 * | N/A | 9421306 | Department of Planning and Development | 1,337,412 |
| Community Development Block Grant | 14 218 * | N/A | 9421307 | Department of Planning and Development | 214 |
| Community Development Block Grant | 14 218 * | N/A | 9421308 | Department of Planning and Development | 518,431 |
| Community Development Block Grant | 14 218 * | N/A | 9421311 | Department of Planning and Development | 35,000 |
| Community Development Block Grant | 14 218 * | N/A | 9421312 | Department of Planning and Development | 234,573 |
| Community Development Block Grant | 14 218 * | N/A | 9421401 | Department of Planning and Development | 225,187 |
| Community Development Block Grant | 14 218 * | N/A | 9428225 | Department of Planning and Development | 1,389,606 |
| Total CDBG - Entitlement Grants Cluster | | | | | <u>10,821,678</u> |
| Emergency Solutions Grant Program | | | | | |
| Emergency Shelter | 14 231 | N/A | 9411101 | Department of Planning and Development | 101,150 |
| Emergency Shelter | 14 231 | N/A | 9411102 | Department of Planning and Development | 26,318 |
| Emergency Shelter | 14 231 | N/A | 9411103 | Department of Planning and Development | 36,296 |
| Emergency Shelter | 14 231 | N/A | 9411201 | Department of Planning and Development | (10,162) |
| Emergency Shelter | 14 231 | N/A | 9411203 | Department of Planning and Development | 17,341 |
| Emergency Shelter | 14 231 | N/A | 9411204 | Department of Planning and Development | 137,330 |
| Emergency Shelter | 14 231 | N/A | 9411205 | Department of Planning and Development | 82,517 |
| Emergency Shelter | 14 231 | N/A | 9411206 | Department of Planning and Development | 113,676 |
| Emergency Shelter | 14 231 | N/A | 9411207 | Department of Planning and Development | 30,250 |
| Emergency Shelter | 14 231 | N/A | 9411301 | Department of Planning and Development | 78,158 |
| Emergency Shelter | 14 231 | N/A | 9411303 | Department of Planning and Development | 16,400 |
| Emergency Shelter | 14 231 | N/A | 9411304 | Department of Planning and Development | 240,312 |
| Emergency Shelter | 14 231 | N/A | 9411305 | Department of Planning and Development | 83,965 |
| Emergency Shelter | 14 231 | N/A | 9411306 | Department of Planning and Development | 152,009 |
| Emergency Shelter | 14 231 | N/A | 9411307 | Department of Planning and Development | 34,322 |
| Emergency Shelter | 14 231 | N/A | 9411401 | Department of Planning and Development | 17,151 |
| Emergency Shelter | 14 231 | N/A | 9418224 | Department of Planning and Development | (101,150) |
| Total Emergency Shelter Grants Program | | | | | <u>1,055,883</u> |

COOK COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended November 30, 2014

| Federal Grantor/Pass-Through Grantor/Program Name | CFDA Number | Pass-Through Grantor's Number | County Business Unit | Responsible County Department | Federal Expenditures | |
|--|----------------|----------------------------------|-------------------------|--|--------------------------|---------|
| U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (Continued) | | | | | | |
| Direct Programs (Continued) | | | | | | |
| HOME Investment Partnerships Program | | | | | | |
| HOME Investment Partnerships Program | 14.239 | N/A | 7721201 | Department of Planning and Development | (35,809) | |
| HOME Investment Partnerships Program | 14.239 | N/A | 7721301 | Department of Planning and Development | 481,582 | |
| HOME Investment Partnerships Program | 14.239 | N/A | 7721401 | Department of Planning and Development | 96,772 | |
| HOME Investment Partnerships Program | 14.239 | N/A | 7728202 | Department of Planning and Development | 5,231,905 | |
| Total HOME Investment Partnerships Program | | | | | 5,774,450 | |
| Total U.S. Department of Housing and Urban Development | | | | | 17,652,011.00 | |
| U.S. DEPARTMENT OF JUSTICE | | | | | | |
| Direct Programs | | | | | | |
| Services for Trafficking Victims | | | | | | |
| Human Trafficking Task Force | 16 320 | N/A | 6251001 | State's Attorney | 66,257 | |
| Human Trafficking Task Force | 16 320 | N/A | 6251201 | State's Attorney | 248,737 | |
| Total Services for Trafficking Victims | | | | | 314,994 | |
| Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grant Program | | | | | | |
| Internet Crimes | 16.580 | N/A | 6361101 | State's Attorney | 351,655 | |
| Internet Crimes | 16.580 | N/A | 6361401 | State's Attorney | 44,424 | |
| Total Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grant Program | | | | | 396,079 | |
| Drug Court Discretionary Grant Program | | | | | | |
| Drug Court Enhancement | 16.585 | N/A | 6181301 | Chief Judge | 45,058 | |
| Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program | | | | | | |
| D.V. Targeted Abuser Call | 16.590 | N/A | 6131101 | State's Attorney | 107,926 | |
| State Criminal Alien Assistance Program | | | | | | |
| State Criminal Alien Assistance Program | 16.606 | N/A | N/A | Chief Financial Officer/Sheriff | 1,381,552 | |
| Protecting Inmates & Safeguarding Communities Discretionary Grant Program | | | | | | |
| Prison Rape Elimination | 16.735 | N/A | 6571101 | Sheriff | 56,478 | |
| Criminal and Juvenile Justice and Mental Health Collaboration Program | | | | | | |
| Mental Health Collaboration | 16.745 | N/A | 9860901 | Sheriff | (919) | |
| Economic High-Tech and Cyber Crime Prevention | | | | | | |
| Property Crime Enforcement | 16.752 | N/A | 6281301 | State's Attorney | 156,793 | |
| Property Crime Enforcement | 16.752 | N/A | 6971201 | State's Attorney | 131,371 | |
| Total Economic High-Tech and Cyber Crime Prevention | | | | | 288,164 | |
| Second Chance Act Prisoner Reentry Initiative | | | | | | |
| Second Chance Reentry | 16.812 | N/A | 6811001 | Chief Judge | 53,941 | |
| Smart Prosecution Initiative | | | | | | |
| SMART Prosecution | 16.825 | N/A | 6061401 | State's Attorney | 163 | |
| Total Direct Programs | | | | | 2,643,436 | |
| Pass-Through Programs From | | | | | | |
| <i>Illinois Department of Human Services</i> | | | | | | |
| Juvenile Accountability Block Grants | | | | | | |
| Juvenile Accountability Block Grant (JABG) | 16.523 | * | FCSTR03613 | 6011401 | Justice Advisory Council | 44,356 |
| JABG Employment Training and Placement | 16.523 | * | FCSSR03435 | 6671401 | Chief Judge | 17,249 |
| Project Reclaim | 16.523 | * | FCSSR03290 | 6991301 | State's Attorney | 175,967 |
| Project Reclaim | 16.523 | * | FCSSR03290 | 6991302 | State's Attorney | 45,857 |
| JABG Pre-Employment Program | 16.523 | * | FCSSR03435 | 8351401 | Chief Judge | 21,062 |
| <i>Illinois Criminal Justice Information Authority</i> | | | | | | |
| Juvenile Accountability Block Grants | | | | | | |
| Project Reclaim | 16.523 | * | 510014 | 8331201 | State's Attorney | 17,430 |
| Project Reclaim | 16.523 | * | 509314 | 8331301 | State's Attorney | 147,348 |
| Project Reclaim | 16.523 | * | 509214 | 8331302 | State's Attorney | 11,822 |
| Pre-Employment Program | 16.523 | * | 509314 | 8351301 | Chief Judge | 4,645 |
| Total Juvenile Accountability Block Grants | | | | | 485,736 | |
| Crime Victim Assistance | | | | | | |
| Ser Cook County Victim | 16.575 | * | 211261 | 6151301 | State's Attorney | 160,758 |
| Ser Cook County Victim | 16.575 | * | 213161 | 6151401 | State's Attorney | 284,530 |
| Prosecution Based Victim | 16.575 | * | 211241 | 7621301 | State's Attorney | 16,663 |
| Prosecution Based Victim | 16.575 | * | 213041 | 7621401 | State's Attorney | 642,341 |
| Total Crime Victim Assistance | | | | | 1,104,292 | |
| Drug Court Discretionary Grant Program | | | | | | |
| Adult Redeploy IL | 16.585 | 194052 | 7931301 | Chief Judge | 345,798 | |
| Adult Redeploy IL | 16.585 | 194052 | 7931302 | State's Attorney | 389 | |
| Total Drug Court Discretionary Grant Program | | | | | 346,187 | |

COOK COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended November 30, 2014

| Federal Grantor/Pass-Through Grantor/Program Name | CFDA Number | Pass-Through Grantor's Number | County Business Unit | Responsible County Department | Federal Expenditures |
|---|--------------------|--------------------------------------|-----------------------------|---|-----------------------------|
| U.S. DEPARTMENT OF JUSTICE (Continued) | | | | | |
| Pass-Through Programs From (Continued) | | | | | |
| <i>Illinois Criminal Justice Information Authority (Continued)</i> | | | | | |
| Violence Against Women Formula Grants | | | | | |
| Domestic Violence Prosecution Coord | 16.588 | 611010 | 7561301 | State's Attorney | 79,793 |
| Domestic Violence Prosecution Coord | 16.588 | 612010 | 7561401 | State's Attorney | 575,564 |
| Total Violence Against Women Formula Grants | | | | | <u>655,357</u> |
| Project Safe Neighborhoods | | | | | |
| Project Safe Neighborhood | 16.609 | 112053 | 6531201 | State's Attorney | 4,947 |
| <i>City of Chicago</i> | | | | | |
| JAG Program Cluster: | | | | | |
| Edward Byrne Memorial Justice Assistance Grant Program | | | | | |
| Justice Assistance Grant | 16.738 | 2013-H4359-IL-DJ | 7671202 | Homeland Security & Emergency Management | 111,452 |
| Justice Assistance Grant | 16.738 | 2014-H1672-IL-DJ | 7671401 | Homeland Security & Emergency Management | 1,244 |
| <i>Illinois Criminal Justice Information Authority</i> | | | | | |
| Edward Byrne Memorial Justice Assistance Grant Program | | | | | |
| Complex Drug Prosecution | 16.738 | 410089 | 8301201 | State's Attorney | 270,771 |
| Complex Drug Prosecution | 16.738 | 410289 | 8301301 | State's Attorney | 699,247 |
| Complex Drug Prosecution | 16.738 | 411089 | 8301401 | State's Attorney | 115,061 |
| Human Trafficking Equipment | 16.738 | 410854 | 6371301 | State's Attorney | 107,563 |
| Human Trafficking Equipment | 16.738 | 412854 | 6371401 | State's Attorney | 6,010 |
| Total Edward Byrne Memorial Justice Assistance Grant Program | | | | | <u>1,311,348</u> |
| ARRA - Edward Byrne Memorial Justice Assistance Grant (JAG) | | | | | |
| Program/Grants to States and Territories | | | | | |
| Community Justice Center | 16.803 | 809035 | 6121001 | State's Attorney | (26,841) |
| Community Justice Center | 16.803 | 410835 | 6121301 | State's Attorney | 245,263 |
| Community Justice Center | 16.803 | 412835 | 6121401 | State's Attorney | 22,648 |
| Human Trafficking Equipment | 16.803 | 809054 | 6371201 | State's Attorney | 13,007 |
| Forensic DNA | 16.803 | 809063 | 6311301 | Public Defender | 8,000 |
| Forensic DNA | 16.803 | 410863 | 6311302 | Public Defender | 21,282 |
| Mitigator Project | 16.803 | 410860 | 6321201 | Public Defender | 10,241 |
| Mitigator Project | 16.803 | 410860 | 6321301 | Public Defender | 123,317 |
| Mitigator Project | 16.803 | 410860 | 6321401 | Public Defender | 17,338 |
| Cold Case Homicide Unit | 16.803 | 809034 | 7951001 | State's Attorney | (8,528) |
| Domestic Violence Div. Ser | 16.803 | 410856 | 8381002 | Chief Judge | 74,903 |
| Total Edward Byrne Memorial Justice Assistance Grant(JAG) Program/Grants to States and Territories | | | | | <u>500,630</u> |
| <i>City of Chicago</i> | | | | | |
| ARRA - Edward Byrne Memorial Justice Assistance Grant (JAG) | | | | | |
| Program/Grants To Units Of Local Government | | | | | |
| Justice Assistance Grant | 16.804 | 2009-F2358-IL-SU | 7940901 | Justice Adv Council/Homeland Security & Emerg Mgt | 18,483 |
| Justice Assistance Grant | 16.804 | 2009-F2358-IL-SU | 7940902 | Justice Adv Council/Homeland Security & Emerg Mgt | 6,316 |
| Justice Assistance Grant | 16.804 | 2009-F2358-IL-SU | 7940903 | Justice Adv Council/Homeland Security & Emerg Mgt | 4,726 |
| Total Edward Byrne Memorial Justice Assistance Grant(JAG) Program/Grants to Units of Local Governments | | | | | <u>29,525</u> |
| Total JAG Program Cluster | | | | | <u>1,841,503</u> |
| Postconviction Testing of DNA Evidence to Exonerate the Innocent | | | | | |
| Post Conviction DNA | 16.820 | 133001 | 6161401 | State's Attorney | 135,954 |
| Total Pass-Through Programs | | | | | <u>4,573,976</u> |
| Total U.S. Department of Justice | | | | | <u>7,217,412</u> |
| U.S. DEPARTMENT OF TRANSPORTATION | | | | | |
| Pass-Through Programs From | | | | | |
| <i>Illinois Department of Transportation</i> | | | | | |
| Highway Safety Cluster: | | | | | |
| State and Community Highway Safety | | | | | |
| Sustained Traffic Enforcement Program | 20.600 | OP-14-0113 | 6441301 | Sheriff | 31,698 |
| Alcohol Impaired Driving Countermeasures Incentive Grants I | | | | | |
| Local Alcohol Program | 20.601 | AL2-13-236 | 6901201 | Sheriff | 11,866 |
| Total Highway Safety Cluster | | | | | <u>43,564</u> |
| Total U.S. Department of Transportation | | | | | <u>43,564</u> |
| U.S. ENVIRONMENTAL PROTECTION AGENCY | | | | | |
| Direct Programs | | | | | |
| Air Pollution Control Program Support | | | | | |
| Air Pollution | 66.001 | N/A | 9091202 | Environmental Control | 598,795 |
| Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act | | | | | |
| Air Pollution Particulate Monitoring | 66.034 | N/A | 7481202 | Environmental Control | 81,496 |
| Air Pollution Particulate Monitoring | 66.034 | N/A | 7481401 | Environmental Control | 104,533 |
| Total Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act | | | | | <u>186,029</u> |
| Total Direct Programs | | | | | <u>784,824</u> |

COOK COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended November 30, 2014

| Federal Grantor/Pass-Through Grantor/Program Name | CFDA Number | Pass-Through Grantor's Number | County Business Unit | Responsible County Department | Federal Expenditures |
|--|----------------|----------------------------------|-------------------------|----------------------------------|-------------------------|
| U.S. ENVIRONMENTAL PROTECTION AGENCY (Continued) | | | | | |
| Pass-Through Programs From | | | | | |
| <i>Illinois Emergency Management Agency</i> | | | | | |
| State Indoor Radon Grants | | | | | |
| Radon Awareness | 66.032 | 12COOK | 9051101 | Environmental Control | 20 |
| Radon Awareness | 66.032 | 13COOK | 9051201 | Environmental Control | 2,240 |
| Total State Indoor Radon Grants | | | | | 2,260 |
| <i>Illinois Department of Public Health</i> | | | | | |
| State Public Water System Supervision | | | | | |
| Potable Water Supply | 66.432 | 35382017A | 9951201 | Environmental Control | 2,513 |
| Potable Water Supply | 66.432 | 45382017B | 9951301 | Environmental Control | 9,537 |
| Total State Public Water System Supervision | | | | | 12,050 |
| Total Pass-Through Programs | | | | | 14,310 |
| Total U.S. Environmental Protection Agency | | | | | 799,134 |
| U.S. DEPARTMENT OF ENERGY | | | | | |
| Direct Programs | | | | | |
| ARRA - Energy Efficiency and Conservation Block Grant Program (EECBG) | | | | | |
| EE & MC Strategy | 81.128 | N/A | 9371010 | Environmental Control | 15,000 |
| EECBG Personnel & Equipment | 81.128 | N/A | 9371017 | Environmental Control | 4,958 |
| Total U.S. Department of Energy | | | | | 19,958 |
| U.S. ELECTION ASSISTANCE COMMISSION | | | | | |
| Pass-Through Programs From | | | | | |
| <i>Illinois State Board of Election</i> | | | | | |
| Help America Vote Act Requirements Payments | | | | | |
| Election Assistance | 90.401 | * | N/A | 6190901 | County Clerk |
| Total U.S. Election Assistance Commission | | | | | 2,307,030 |
| U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES | | | | | |
| Direct Programs | | | | | |
| HIV Prevention Activities_Health Department Based (HIV Prevention Program) | | | | | |
| Treatment Court Enhancement | 93.940 | N/A | 6501301 | State's Attorney | 91,470 |
| Coal Miners Respiratory Impairment Treatment Clinics and Services | | | | | |
| Black Lung | 93.965 | N/A | 9311201 | Stroger Hospital | 278,057 |
| Total Direct Programs | | | | | 369,527 |
| Pass-Through Programs From | | | | | |
| <i>Great Lakes Hemophilia Foundation</i> | | | | | |
| Disabilities Prevention | | | | | |
| Hemophilia | 93.184 | 5H30MC24052 | 8471302 | Stroger Hospital | 15,226 |
| Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease | | | | | |
| Hemophilia | 93.918 | 2U27DD000862-04 | 8471303 | Stroger Hospital | 13,031 |
| <i>Illinois Department of Public Health</i> | | | | | |
| Public Health Emergency Preparedness | | | | | |
| Cities Readiness Initiative | 93.069 | 27181099 | 9201101 | Public Health | 5,453 |
| Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements | | | | | |
| Bioterrorism Prep/Planning | 93.074 | 37180016A | 9031201 | Public Health | 24,699 |
| Bioterrorism Prep/Planning | 93.074 | 47180016B | 9031301 | Public Health | 813,148 |
| Bioterrorism Prep/Planning | 93.074 | 57180016C | 9031401 | Public Health | 182,321 |
| Bioterrorism Prep/Planning | 93.074 | 37180099A | 9201201 | Public Health | 4,482 |
| Cities Readiness Initiative | 93.074 | 47180099B | 9201301 | Public Health | 93,999 |
| Cities Readiness Initiative | 93.074 | 57180099C | 9201401 | Public Health | 49,982 |
| Total Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements | | | | | 1,168,631 |
| Project Grants and Cooperative Agreements for Tuberculosis Control Programs | | | | | |
| TB Directly Observed | 93.116 | 35180065A | 9141301 | Public Health | 60,000 |
| TB Directly Observed | 93.116 | 45180033B | 9141401 | Public Health | 60,000 |
| Total Project Grants and Cooperative Agreements for Tuberculosis Control Programs | | | | | 120,000 |
| Immunization Cooperative Agreements | | | | | |
| Immunization Initiative | 93.268 | 35180051A | 9771301 | Public Health | 93,750 |
| Immunization Initiative-Non-Cash Award | 93.268 | N/A | N/A | Public Health | 118,647 |
| Total Immunization Cooperative Agreements | | | | | 212,397 |
| Centers for Disease Control and Prevention_ Investigations and Technical Assistance | | | | | |
| Breast and Cervical Cancer | 93.283 | 36180007A | 9971201 | Public Health | 45,027 |
| Breast and Cervical Cancer | 93.283 | 46180006B | 9971301 | Public Health | 145,304 |
| Total Centers for Disease Control and Prevention_ Investigations and Technical Assistance | | | | | 190,331 |
| Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations financed in part by Prevention and Public Health Funds | | | | | |
| Breast and Cervical Cancer | 93.752 | 56180006C | 9971401 | Public Health | 47,553 |

COOK COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended November 30, 2014

| <u>Federal Grantor/Pass-Through Grantor/Program Name</u> | <u>CFDA Number</u> | <u>Pass-Through Grantor's Number</u> | <u>County Business Unit</u> | <u>Responsible County Department</u> | <u>Federal Expenditures</u> | |
|---|--------------------|--------------------------------------|-----------------------------|--|-----------------------------|-----------|
| U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued) | | | | | | |
| Pass-Through Programs From (Continued) | | | | | | |
| <i>Illinois Department of Public Health (Continued)</i> | | | | | | |
| HIV Prevention Activities_Health Department Based (HIV Prevention Program) | | | | | | |
| IPHA HIV/AIDS Prevent. Dir. | 93.940 | 45780033B | 9511301 | Public Health | 95,029 | |
| IPHA HIV/AIDS Prevent. Dir. | 93.940 | 45780047B | 9511401 | Public Health | 112,788 | |
| Total HIV Prevention Activities_Health Department Based | | | | | <u>207,817</u> | |
| <i>Illinois Department of Healthcare and Family Services</i> | | | | | | |
| Child Support Enforcement | | | | | | |
| Expedited Child Support | 93.563 | 2014-55-028-K | 7781301 | Chief Judge | 551,795 | |
| Expedited Child Support | 93.563 | 2014-55-028-K2 | 7781401 | Chief Judge | 402,677 | |
| Child Support Enforcement | 93.563 | 9K0K00002 | 7791201 | Clerk of the Circuit Court | 8,652 | |
| Child Support Enforcement | 93.563 | 9K0K00002 | 7791301 | Clerk of the Circuit Court | 1,728,637 | |
| Child Support Enforcement | 93.563 | 9K0K00002 | 7791401 | Clerk of the Circuit Court | 1,251,303 | |
| Child Support Enforcement | 93.563 | 1K0K00003 | 7811201 | Sheriff | 6,725 | |
| Child Support Enforcement | 93.563 | 1K0K00003 | 7811301 | Sheriff | 934,035 | |
| Child Support Enforcement | 93.563 | 1K0K00003 | 7811401 | Sheriff | 610,940 | |
| Child Support Enforcement | 93.563 | 2014-55-025-K | 7821301 | State's Attorney | 4,759,860 | |
| Child Support Enforcement | 93.563 | 2014-55-025-K2 | 7821401 | State's Attorney | 3,205,964 | |
| Total Child Support Enforcement | | | | | <u>13,460,588</u> | |
| Grants to States for Access and Visitation Programs | | | | | | |
| Access and Visitation | 93.597 | 2012-55-024-K5a | 6201301 | Chief Judge | 40,490 | |
| Access and Visitation | 93.597 | 2015-55-024-K1a | 6201401 | Chief Judge | 43,523 | |
| Total Grants to States for Access and Visitation Programs | | | | | <u>84,013</u> | |
| <i>Illinois Department of Human Services</i> | | | | | | |
| Social Services Block Grant | | | | | | |
| IDHS Case Management | 93.667 | FCSSU03178 | 9741306 | Public Health | 374,991 | |
| IDHS Case Management | 93.667 | FCSSU01901 | 9741307 | Public Health | 86,051 | |
| IDHS Case Management | 93.667 | FCSSU03178 | 9741406 | Public Health | 256,038 | |
| Total Social Services Block Grant | | | | | <u>717,080</u> | |
| <i>Illinois State Board of Election</i> | | | | | | |
| Voting Access for Individuals with Disabilities_Grants to States | | | | | | |
| Election Assistance | 93.617 | N/A | 6261301 | County Clerk | 4,800 | |
| Total Pass-Through Programs | | | | | <u>16,246,920</u> | |
| Total U.S. Department of Health and Human Services | | | | | <u>16,616,447</u> | |
| EXECUTIVE OFFICE OF THE PRESIDENT | | | | | | |
| Direct Program | | | | | | |
| High Intensity Drug Trafficking Area Program (HIDTA) | | | | | | |
| Chicago HIDTA | 95.001 | * | N/A | 6551202 | Sheriff | 60,026 |
| Chicago HIDTA | 95.001 | * | N/A | 6551203 | Sheriff | 38,974 |
| Chicago HIDTA | 95.001 | * | N/A | 6551206 | Sheriff | 121,581 |
| Chicago HIDTA | 95.001 | * | N/A | 6551207 | Sheriff | 49,016 |
| Chicago HIDTA | 95.001 | * | N/A | 6551209 | Sheriff | 246,307 |
| Chicago HIDTA | 95.001 | * | N/A | 6551211 | Sheriff | 7,768 |
| Chicago HIDTA | 95.001 | * | N/A | 6551212 | Sheriff | 102,005 |
| Chicago HIDTA | 95.001 | * | N/A | 6551213 | Sheriff | 185,850 |
| Chicago HIDTA | 95.001 | * | N/A | 6551215 | Sheriff | 91,365 |
| Chicago HIDTA | 95.001 | * | N/A | 6551216 | Sheriff | 38,272 |
| Chicago HIDTA | 95.001 | * | N/A | 6551301 | Sheriff | (7,000) |
| Chicago HIDTA | 95.001 | * | N/A | 6551302 | Sheriff | 549,071 |
| Chicago HIDTA | 95.001 | * | N/A | 6551303 | Sheriff | 897,322 |
| Chicago HIDTA | 95.001 | * | N/A | 6551306 | Sheriff | 200,590 |
| Chicago HIDTA | 95.001 | * | N/A | 6551307 | Sheriff | 117,666 |
| Chicago HIDTA | 95.001 | * | N/A | 6551309 | Sheriff | 327,962 |
| Chicago HIDTA | 95.001 | * | N/A | 6551310 | Sheriff | 73,634 |
| Chicago HIDTA | 95.001 | * | N/A | 6551311 | Sheriff | 13,714 |
| Chicago HIDTA | 95.001 | * | N/A | 6551312 | Sheriff | 176,300 |
| Chicago HIDTA | 95.001 | * | N/A | 6551313 | Sheriff | 323,216 |
| Chicago HIDTA | 95.001 | * | N/A | 6551314 | Sheriff | 6,087 |
| Chicago HIDTA | 95.001 | * | N/A | 6551315 | Sheriff | 109,255 |
| Chicago HIDTA | 95.001 | * | N/A | 6551402 | Sheriff | 221,366 |
| Chicago HIDTA | 95.001 | * | N/A | 6551403 | Sheriff | 399,941 |
| Chicago HIDTA | 95.001 | * | N/A | 6551406 | Sheriff | 28,584 |
| Chicago HIDTA | 95.001 | * | N/A | 6551409 | Sheriff | 25,348 |
| Chicago HIDTA | 95.001 | * | N/A | 6551412 | Sheriff | 29,631 |
| Chicago HIDTA | 95.001 | * | N/A | 6551413 | Sheriff | 29,349 |
| Chicago HIDTA | 95.001 | * | N/A | 6551415 | Sheriff | 124 |
| Chicago HIDTA (Non-cash) | 95.001 | * | N/A | N/A | Sheriff | 3,223,549 |
| Total Executive Office of the President | | | | | <u>7,686,873</u> | |
| Pass-Through Programs From: | | | | | | |
| <i>Illinois Emergency Management Agency</i> | | | | | | |
| Emergency Management Performance Grants | | | | | | |
| Emergency Management | 97.042 | 12EMACOOK | 6951101 | Homeland Security & Emergency Management | 101,845 | |
| Emergency Management | 97.042 | 13EMACOOK | 6951301 | Homeland Security & Emergency Management | 200,541 | |
| Emergency Management | 97.042 | 14EMACOOK | 6951401 | Homeland Security & Emergency Management | 467,175 | |
| Total Emergency Management Performance Grants | | | | | <u>769,561</u> | |

COOK COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended November 30, 2014

| <u>Federal Grantor/Pass-Through Grantor/Program Name</u> | <u>CFDA Number</u> | <u>Pass-Through Grantor's Number</u> | <u>County Business Unit</u> | <u>Responsible County Department</u> | <u>Federal Expenditures</u> |
|---|--------------------|--------------------------------------|-----------------------------|--|-----------------------------|
| U.S. DEPARTMENT OF HOMELAND SECURITY | | | | | |
| Pass-Through Programs From (Continued) | | | | | |
| <i>Illinois Emergency Management Agency (Continued)</i> | | | | | |
| Hazard Mitigation Grant | | | | | |
| Pre-Disaster Mitigation | 97.039 | FEMA-DR-1771-IL | 6471001 | Homeland Security & Emergency Management | 306,215 |
| Regional Catastrophic Preparedness Grant Program (RCPGP) | | | | | |
| Homeland Security | 97.111 | 09RCPGPCOO | 7861201 | Homeland Security & Emergency Management | 2,900 |
| Homeland Security | 97.111 | 10RCPGPCOO | 7861202 | Homeland Security & Emergency Management | 5,694 |
| Homeland Security | 97.111 | 11RCPGPCOO | 7861301 | Homeland Security & Emergency Management | 78,148 |
| Total Regional Catastrophic Preparedness Grant Program (RCPGP) | | | | | <u>86,742</u> |
| Homeland Security Grant Program | | | | | |
| Homeland Security | 97.067 * | 10UASICOOK | 7691001 | Homeland Security & Emergency Management | (121) |
| Homeland Security | 97.067 * | 10UASICOOK | 7691002 | Homeland Security & Emergency Management | (50,071) |
| Homeland Security | 97.067 * | 10UASICOOK | 7691004 | Homeland Security & Emergency Management | (50) |
| Homeland Security | 97.067 * | 10UASICOOK | 7691010 | Homeland Security & Emergency Management | (410) |
| Homeland Security | 97.067 * | 10UASICOOK | 7691013 | Homeland Security & Emergency Management | (640) |
| Homeland Security | 97.067 * | 10UASICOOK | 7691014 | Homeland Security & Emergency Management | 11,406 |
| Homeland Security | 97.067 * | 10UASICOOK | 7691015 | Homeland Security & Emergency Management | (10,386) |
| Homeland Security | 97.067 * | 10UASICOOK | 7691016 | Homeland Security & Emergency Management | 50,753 |
| Homeland Security | 97.067 * | 11UASICOOK | 7691101 | Homeland Security & Emergency Management | 373,844 |
| Homeland Security | 97.067 * | 11UASICOOK | 7691103 | Homeland Security & Emergency Management | 2,643,635 |
| Homeland Security | 97.067 * | 11UASICOOK | 7691104 | Homeland Security & Emergency Management | 1,771,897 |
| Homeland Security | 97.067 * | 11UASICOOK | 7691105 | Homeland Security & Emergency Management | 585,908 |
| Homeland Security | 97.067 * | 11UASICOOK | 7691108 | Homeland Security & Emergency Management | 190,869 |
| Homeland Security | 97.067 * | 11UASICOOK | 7691109 | Homeland Security & Emergency Management | (48) |
| Homeland Security | 97.067 * | 11UASICOOK | 7691112 | Homeland Security & Emergency Management | 882,291 |
| Homeland Security | 97.067 * | 11UASICOOK | 7691113 | Homeland Security & Emergency Management | 813,014 |
| Homeland Security | 97.067 * | 11UASICOOK | 7691114 | Homeland Security & Emergency Management | 47,654 |
| Homeland Security | 97.067 * | 11UASICOOK | 7691116 | Homeland Security & Emergency Management | 184,065 |
| Homeland Security | 97.067 * | 11UASICOOK | 7691117 | Homeland Security & Emergency Management | 31,298 |
| Homeland Security | 97.067 * | 11UASICOOK | 7691118 | Homeland Security & Emergency Management | 834,655 |
| Homeland Security | 97.067 * | 11UASICOOK | 7691119 | Homeland Security & Emergency Management | 198,861 |
| Homeland Security | 97.067 * | 11UASICOOK | 7691120 | Homeland Security & Emergency Management | 50,152 |
| Homeland Security | 97.067 * | 11UASICOOK | 7691121 | Homeland Security & Emergency Management | 1,188,221 |
| Homeland Security | 97.067 * | 11UASICOOK | 7691122 | Homeland Security & Emergency Management | 1,060,961 |
| Homeland Security | 97.067 * | 11UASICOOK | 7691123 | Homeland Security & Emergency Management | 187,958 |
| Homeland Security | 97.067 * | 11UASICOOK | 7691124 | Homeland Security & Emergency Management | 33,434 |
| Homeland Security | 97.067 * | 11UASICOOK | 7691126 | Homeland Security & Emergency Management | 450 |
| Homeland Security | 97.067 * | 12UASICOOK | 7691202 | Homeland Security & Emergency Management | 1,187,839 |
| Homeland Security | 97.067 * | 12UASICOOK | 7691205 | Homeland Security & Emergency Management | 260,105 |
| Homeland Security | 97.067 * | 12UASICOOK | 7691206 | Homeland Security & Emergency Management | 19,039 |
| Homeland Security | 97.067 * | 12UASICOOK | 7691208 | Homeland Security & Emergency Management | 211,281 |
| Homeland Security | 97.067 * | 12UASICOOK | 7691209 | Homeland Security & Emergency Management | 2,123,263 |
| Homeland Security | 97.067 * | 12UASICOOK | 7691210 | Homeland Security & Emergency Management | 3,867,423 |
| Homeland Security | 97.067 * | 12UASICOOK | 7691211 | Homeland Security & Emergency Management | (10,750) |
| Homeland Security | 97.067 * | 12UASICOOK | 7691213 | Homeland Security & Emergency Management | 251,794 |
| Homeland Security | 97.067 * | 12UASICOOK | 7691215 | Homeland Security & Emergency Management | 151,890 |
| Homeland Security | 97.067 * | 12UASICOOK | 7691216 | Homeland Security & Emergency Management | 6,414,086 |
| Homeland Security | 97.067 * | 12UASICOOK | 7691217 | Homeland Security & Emergency Management | 1,507,180 |
| Homeland Security | 97.067 * | 12UASICOOK | 7691218 | Homeland Security & Emergency Management | 71,940 |
| Homeland Security | 97.067 * | 12UASICOOK | 7691219 | Homeland Security & Emergency Management | 413,499 |
| Homeland Security | 97.067 * | 12UASICOOK | 7691220 | Homeland Security & Emergency Management | 839,137 |
| Homeland Security | 97.067 * | 12UASICOOK | 7691222 | Homeland Security & Emergency Management | 457,001 |
| Homeland Security | 97.067 * | 12UASICOOK | 7691223 | Homeland Security & Emergency Management | 97,122 |
| Homeland Security | 97.067 * | 12UASICOOK | 7691224 | Homeland Security & Emergency Management | 245,554 |
| Homeland Security | 97.067 * | 12UASICOOK | 7691225 | Homeland Security & Emergency Management | 924,217 |
| Homeland Security | 97.067 * | 12UASICOOK | 7691226 | Homeland Security & Emergency Management | 483,731 |
| Homeland Security | 97.067 * | 13UASICOOK | 7691301 | Homeland Security & Emergency Management | 293,190 |
| Homeland Security | 97.067 * | 13UASICOOK | 7691302 | Homeland Security & Emergency Management | 517,018 |
| Homeland Security | 97.067 * | 13UASICOOK | 7691303 | Homeland Security & Emergency Management | 162,370 |
| Homeland Security | 97.067 * | 13UASICOOK | 7691304 | Homeland Security & Emergency Management | 98,386 |
| Homeland Security | 97.067 * | 13UASICOOK | 7691305 | Homeland Security & Emergency Management | 124,700 |
| Homeland Security | 97.067 * | 13UASICOOK | 7691306 | Homeland Security & Emergency Management | 45,813 |
| Homeland Security | 97.067 * | 13UASICOOK | 7691308 | Homeland Security & Emergency Management | 477,830 |
| Homeland Security | 97.067 * | 13UASICOOK | 7691309 | Homeland Security & Emergency Management | 25,281 |
| Homeland Security | 97.067 * | 13UASICOOK | 7691311 | Homeland Security & Emergency Management | 32,250 |
| Homeland Security | 97.067 * | 13UASICOOK | 7691313 | Homeland Security & Emergency Management | 141,625 |
| Homeland Security | 97.067 * | 13UASICOOK | 7691314 | Homeland Security & Emergency Management | 3,800 |
| Homeland Security | 97.067 * | 13UASICOOK | 7691315 | Homeland Security & Emergency Management | 159,869 |
| Homeland Security | 97.067 * | 13UASICOOK | 7691319 | Homeland Security & Emergency Management | 525,227 |
| Homeland Security | 97.067 * | 13UASICOOK | 7691322 | Homeland Security & Emergency Management | 661,370 |
| Homeland Security | 97.067 * | 14UASICOOK | 7691411 | Homeland Security & Emergency Management | 7,000 |
| Homeland Security | 97.067 * | 14UASICOOK | 7691422 | Homeland Security & Emergency Management | 8,833 |
| Total Homeland Security Grant Program | | | | | <u>33,879,513</u> |
| Total U.S. Department of Homeland Security | | | | | <u>35,042,031</u> |
| TOTAL EXPENDITURES OF FEDERAL AWARDS | | | | | \$ 100,784,734 |

* Denotes Major Program

COOK COUNTY, ILLINOIS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED NOVEMBER 30, 2014

NOTE 1 - FINANCIAL REPORTING

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes all Federal programs attributable to the County's reporting entity except those administered by the Forest Preserve District of Cook County and its component units, the County Sheriff Equitable Sharing Fund, and the County State's Attorney Narcotics Forfeiture Fund.

The information in this Schedule is presented in accordance with the requirements of the Single Audit Act Amendments of 1996 and OMB Circular A-133, "*Audits of States, Local Governments, and Non-Profit Organizations*". Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Federal awards received directly from Federal agencies, as well as the Federal portion of grants passed through non-Federal agencies, are included in the Schedule.

NOTE 2 - BASIS OF ACCOUNTING

The accompanying Schedule has been prepared to include expenditures reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, "*Cost Principles for State, Local, and Indian Tribal Governments*", wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The underlying accounting records for some grant programs are maintained on the modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized when measurable and available for financing current obligations. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are expected to be paid with available expendable resources and are recognized when obligations are incurred.

Accordingly, the accompanying Schedule is not intended to present the financial position and the results of operations in conformity with accounting principles generally accepted in the United States of America.

NOTE 3 - MAJOR PROGRAMS

Major programs are those programs identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs, which were determined using a risk-based approach in accordance with the requirements of OMB Circular A-133.

COOK COUNTY, ILLINOIS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

(Continued)

FOR THE YEAR ENDED NOVEMBER 30, 2014

NOTE 4 – PAYMENTS TO SUBRECIPIENTS

The County provided expenditures of Federal awards to subrecipients as follows:

| Program Title | Federal CFDA Number | Amount Provided to Subrecipients |
|--|------------------------------------|---|
| CDBG-Entitlement Grants Cluster: | | |
| Community Development Block Grant/Entitlement Grants | 14.218 | \$ 7,383,502 |
| Neighborhood Stabilization Program 1 (NSP 1) | 14.218 | 591,695 |
| Neighborhood Stabilization Program 1 (NSP 3) | 14.218 | 1,816,211 |
| Emergency Solutions Grant Program | 14.231 | 970,771 |
| HOME Investment Partnerships Program | 14.239 | 3,376,346 |
| Services for Trafficking Victims | 16.320 | 14,791 |
| Juvenile Accountability Block Grants | 16.523 | 304,536 |
| Drug Court Discretionary Grant Program | 16.585 | 260,769 |
| Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program | 16.590 | 74,743 |
| JAG Program Cluster: | | |
| Edward Byrne Memorial Justice Assistance Grant Program | 16.738 | 54,203 |
| ARRA - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants To Units Of Local Government | 16.804 | 4,726 |
| Second Chance Act Prisoner Reentry Initiative | 16.812 | 34,402 |
| ARRA - Energy Efficiency and Conservation Block Grant Program | 81.128 | 19,958 |
| Homeland Security Grant Program | 97.067 | 4,447,822 |
| | | <u>\$ 19,354,475</u> |

NOTE 5 – NON-CASH AWARDS

Non-cash awards identified during the current period have been included in the Schedule. The County had no non-cash Federally-funded insurance, and loans and/or loan guarantees in effect during fiscal year 2014.

NOTE 6 – NEGATIVE EXPENDITURES

The Schedule includes negative amounts that result from timing differences caused by the process of authorizing new grants and assigning business units. The County assigns each new grant a business unit. Expenditures for new grants are accumulated in the prior year's grant/business unit until the new grant/business unit has been authorized/assigned. Once the new grant/business unit has been authorized/assigned, expenditures applicable to the new grant, previously recorded in the prior year grant/business unit, are transferred to the new business unit. When the authorization of a new grant occurs in the subsequent fiscal year (after the normal year-end closing), the transfer of the expenditures from the prior year business unit to the new grant/business unit results in a negative expenditure in the prior year business unit.

COOK COUNTY, ILLINOIS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Continued)

FOR THE YEAR ENDED NOVEMBER 30, 2014

NOTE 6 – NEGATIVE EXPENDITURES (Continued)

During the current fiscal year, the County continued its analysis of grants that remained open but had no activity and anticipated no future activities. This analysis resulted in additional credits to the Schedule to correct grant amounts which were determined to be over expended in prior fiscal years.

NOTE 7 – U.S. DEPARTMENT OF HOMELAND SECURITY AUDIT

The U.S. Department of Homeland Security's (DHS) Office of the Inspector General (OIG) issued an audit report in December 2011 of the program formerly known as *Project Shield* for fiscal years 2003-2009. Under the direction of the new Executive Director of the Cook County Department of Homeland Security and Emergency Management (DHSEM), the DHSEM conducted an internal audit of the program and provided the DHS OIG with comments on the report. The final DHS OIG report concluded that the Federal Emergency Management Agency (FEMA), the State of Illinois, the Urban Area Working Group, and Cook County did not ensure the effective implementation of Project Shield. The report also contained four (4) recommendations, including a recommendation that the FEMA Assistant Administrator, Grant Programs Directorate determine that Project Shield costs are reasonable, allowable, and allocable.

Based on this recommendation, the Illinois Emergency Management Authority (IEMA) engaged an independent auditor to audit the Project Shield program. The independent auditor's report (dated January 22, 2015) was issued subsequent to November 30, 2014. The report resulted in two observations: Observation #01 – Controls over Property and Equipment, cited a control weakness over determining property and equipment purchased with Project Shield funds was accurately maintained and tracked on a comprehensive equipment listing; and Observation #2 – Controls over Expenditures cited control weaknesses over Project Shield document retention and general ledger maintenance.

During a review of whether Project Shield costs were reasonable, allowable, and allocable the most significant financial finding resulted from two exceptions out of a review of 326 invoices. The finding cited that invoices did not include sufficient documentation to determine the propriety of equipment de-installation expenditures. DHSEM responded to IEMA's independent auditor in February 2015 as follows: 1) the de-installation of equipment was necessary, as the vehicles, housing the equipment was out of service necessitating the removal of the equipment.

The County continues working on implementing stricter policies, procedures, grant guidelines, and other accountability metrics to ensure that all expenditures are appropriate and all inventories are properly monitored in accordance with Federal rules and regulations.

COOK COUNTY, ILLINOIS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Continued)

FOR THE YEAR ENDED NOVEMBER 30, 2014

NOTE 8 – SUBSEQUENT EVENTS

HUD Loan Guarantee Program

Cook County received approval from the U.S. Department of Housing and Urban Development (HUD) for a \$30 million loan guarantee program to finance four types of sustainable development. They are: transit-oriented, mixed-use developments within a half-mile of passenger rail; cargo-oriented projects near freight rail lines and terminals; mixed-use hospitality/service sector projects near transit lines and business development loans.

Also known as the Section 108 Loan Pool, BUILT (Broadening Urban Investment to Leverage Transportation) in Cook will allow the County to borrow money from private investors at reduced interest rates to promote economic development, stimulate job growth and improve public facilities. Such public investment is often needed to inspire private contributions, to provide seed money, or to simply boost confidence that many private firms and individuals need to invest in distressed areas.

There was no activity during the current fiscal year in the BUILT program. The County expects activity to begin during Fiscal Year 2015.

Disaster Recovery Grant Program

In response to disasters occurring in 2013, authorized under the Disaster Relief Appropriations Act, 2013, the County received the Community Development Block Grant Disaster Recovery (CDBG-DR) grant award for \$83,616,000 from HUD. The purpose of the CDBG-DR program is to assist targeted areas that have been affected by a natural disaster. The program will provide necessary expenses related to disaster relief, long-term recovery, restoration of infrastructure and housing, and economic revitalization in the most impacted and distressed areas resulting from a major disaster declared pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1974 (Stafford Act).

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

To the Board of Commissioners of
Cook County, Illinois

Report on Compliance for Each Major Federal Program

We have audited **Cook County, Illinois'** (the County) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major Federal programs for the year ended November 30, 2014. The County's major Federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

The County's basic financial statements include the operations of the Forest Preserve District of Cook (a discretely presented component unit), the County Sheriff Equitable Sharing Fund, and the County State's Attorney Narcotics Forfeiture Fund, which received Federal awards that are not included in the Schedule of Expenditures of Federal Awards for the year ended November 30, 2014. Our audit, described below, did not include the operations of the Forest Preserve District of Cook County, the County Sheriff Equitable Sharing Fund, and the County State's Attorney Narcotics Forfeiture Fund, because the Forest Preserve District of Cook, the Sheriff Equitable Sharing Fund, and County State's Attorney Narcotics Forfeiture Fund engaged other auditors, when required, to perform audits in accordance with OMB Circular A-133.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its Federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major Federal programs based on our audit of the types of compliance requirements referred to above.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and

OMB Circular A-133, "*Audits of States, Local Governments, and Non-Profit Organizations*". Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major Federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended November 30, 2014.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2014 – 001, 2014 – 003, 2014 – 005, 2014 – 006, 2014 – 007, 2014 – 008, 2014 – 009, and 2014 – 010. Our opinion on each major Federal program is not modified with respect to these matters.

The County's response to the noncompliance findings identified in our audit are described in the accompanying Summary Schedule of Prior Audit Findings and Corrective Action Plan. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major Federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a Federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a Federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a Federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as items 2014 – 002, 2014 – 003, 2014 – 004, 2014 – 005, 2014 – 006, 2014 – 007, 2014 – 008, 2014 – 009, 2014 – 010, and 2014 – 011 that we consider to be significant deficiencies.

The County's response to the internal control over compliance findings identified in our audit are described in the accompanying Summary Schedule of Prior Audit Findings and Corrective Action Plan. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of our testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Washington, Pittman & McKeever LLC

WASHINGTON, PITTMAN & McKEEVER, LLC

**Chicago, Illinois
May 31, 2015**

COOK COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED NOVEMBER 30, 2014

SECTION I- SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Other auditor issued an unmodified opinion.

Internal control over financial reporting:

- Material weakness (es) identified? X yes none reported
- Significant deficiencies identified X yes none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

- Material weakness (es) identified? yes X no
- Significant deficiencies identified X yes none reported

An unmodified opinion was issued on the County's compliance for major programs.

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? X yes no

The following major programs were tested:

| Program Name | CFDA # |
|---|---------------|
| Special Supplemental Nutrition Program for Women, Infants, and Children (WIC Program) | 10.557 |
| CDBG – Entitlement Grants Cluster: | |
| Community Development Block Grants/Entitlement Grants | 14.218 |
| Juvenile Accountability Block Grants (JABG) | 16.523 |
| Crime Victim Assistance | 16.575 |
| Help America Vote Act Requirements Payments | 90.401 |
| High Intensity Drug Trafficking Area Program (HIDTA) | 95.001 |
| Homeland Security Grant Program | 97.067 |

The threshold for distinguishing Type A and Type B programs was \$3,000,000.

Auditee qualified as a low-risk auditee? No

COOK COUNTY, ILLINOIS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

FOR THE YEAR ENDED NOVEMBER 30, 2014

SECTION II: FINANCIAL STATEMENT FINDINGS

The financial statement findings are included in the Summary of Basic Financial Statement Findings with the Independent Auditor's Report on the Basic Financial Statements.

SECTION III: FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Allowable Costs/Internal Administrative and Accounting Controls**Federal Department – Various****Passed-through Agencies – Various****County Departments – Department of Budget & Management Services, Office of the Comptroller and Various Others****Finding 2014 – 001****Questioned Costs: Undetermined**

CRITERIA

2 CFR Part 225 (OMB Circular A-87), Appendix C, requires that all local governments claiming central service costs must develop a cost allocation plan in accordance with the requirements described in this Circular and retain the plan and related supporting documentation for audit. “Each local government that has been designated as a “major local government” by the Office of Management and Budget (OMB) is also required to submit a plan to its cognizant agency annually. OMB periodically lists major local governments in the Federal Register.”

“All central service cost allocation plans will be prepared and, when required, submitted within six months prior to the beginning of each of the governmental unit's fiscal years in which it proposes to claim central service costs. Extensions may be granted by the cognizant agency on a case-by-case basis.”

“A governmental unit for which a cognizant agency assignment has been specifically designated must submit its indirect cost rate proposal to its cognizant agency. The Office of Management and Budget (OMB) will periodically publish lists of governmental units identifying the appropriate Federal cognizant agencies. The cognizant agency for all governmental units or agencies not identified by OMB will be determined based on the Federal agency providing the largest amount of Federal funds. Indirect cost proposals must be developed (and, when required, submitted) within six months after the close of the governmental unit’s fiscal year, unless an exception is approved by the cognizant Federal agency. If the proposed central service cost allocation plan for the same period has not been approved by that time, the indirect cost proposal may be prepared including an amount for central services that is based on the latest Federally-approved central service cost allocation plan.”

CONDITION

The County-wide cost allocation plan (CAP) and indirect cost rate proposal (ICRP) submitted by the County during the current year contained the required documentation as required by OMB Circular A-87. However, the CAP and ICRP were not submitted timely in accordance with the requirements of OMB Circular A-87.

CONTEXT

During our test procedures we noted the CAP and ICRP submitted during the year, due by June 1, 2014, were submitted November 25, 2014, approximately 177 days after the due date.

**Allowable Costs/Internal Administrative and Accounting Controls
Federal Department – Various
Passed-through Agencies – Various
County Departments – Department of Budget & Management Services, Office of the
Comptroller and Various Others
Finding 2014 – 001 (Continued)**

CAUSE

Based on discussions with County management, the County partitioned its cognizant agency, the U.S. Department of Housing and Urban Development (HUD), for both extensions for its CAP and ICRP submissions as well as guidance for future submissions. Subsequent to the County's 2014 fiscal year end, the County received a communication from HUD that granted "an extension to complete the CAP by November 1st of each year", "and requests that the County maintain a copy of their cost allocation plan on file for auditing purposes. If requested, Cook County will submit its plan to its cognizant agency in accordance with Office of Management and Budget's (OMB) 2 CFR Part 200, Appendix VII, D.1.b."

The guidance provided to the County by HUD references 2 CFR Part 200, which is OMB's new "Uniform Grant Guidance" applicable for audits of fiscal years beginning on or after December 26, 2014, which would be the County's fiscal year ending November 30, 2016. For the County's fiscal years ending November 30, 2014 and 2015, the requirements of OMB Circular A-87 are applicable.

EFFECT

The failure to submit the CAP and ICRP timely is a violation of OMB Circular A-87.

RECOMMENDATION

We recommend the County consider a strategy which will allow it to comply with the requirements of OMB Circular A-87 for the remainder of its applicability. OMB Circular A-87 includes the following in 2 CFR Attachment C, D. *Submission Requirements.1.*" Each State will submit a plan to the Department of Health and Human Services for each year in which it claims central service costs under Federal awards. The plan should include (a) a projection of the next year's allocated central service cost (based either on actual costs for the most recently completed year or the budget projection for the coming year), and (b) a reconciliation of actual allocated central service costs to the estimated costs used for either the most recently completed year or the year immediately preceding the most recently completed year."

While we recognize that the County is not a State, Attachment C, D.1. establishes the precedent of a CAP and the ICRP being "based either on actual costs for the most recently completed year or the budget projection for the coming year". As a result, we recommend the County explore the possible use of budget projections, based on prior years' actuals, as a consideration for completion and submission of its CAP in a timely manner.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

The County's corrective action plan is on pages 42 – 43.

**Allowable Costs/Internal Administrative and Accounting Controls
Federal Department – Various
Passed-through Agencies – Various
County Departments – Department of Budget & Management Services, Office of the
Comptroller and Various Others
Finding 2014 – 001 (Continued)**

AUDITOR’S RESPONSE

The County’s Department of Budget & Management Services (DBMS) disagreed with this finding. In its corrective action plan, DBMS references a HUD letter dated March 11, 2015, which includes: 1) HUD’s “granting Cook County an extension to complete the cost allocation plan by November 1st of each year”; and 2) “if requested, the County will submit its plan to its cognizant agency in accordance with Office of Management and Budget’s (OMB) 2 CFR Part 200, Appendix VII, D.1.b.” Furthermore, DBMS maintains that “in accordance with A-133 Subpart C.315 Audit Findings Follow-up, this audit finding is invalid, as HUD has not substantiated this finding nor submitted a management decision requesting a corrective response from the County concerning this finding.”

As WPM has maintained to the County, the current year’s audit was based on the requirements of OMB Circular A-87, not 2 CFR Part 200 (OMB Uniform Grant Guidance), which will not be applicable until the County’s fiscal year 2016 audit. Under, OMB Circular A-87, the County is considered a “major local government” and subject to the annual submission requirements.

WPM reviewed the March 11, 2015 HUD letter and noted that the letter was submitted after the close of the County’s fiscal year being audited. WPM’s audit was based on the County’s activities during the fiscal year ended November 30, 2014. The guidance provided in the letter cites the requirements of 2 CFR Part 200, Appendix VII, D.1.b., which is the new OMB Uniform Grant Guidance requirements for “Submission of Indirect Rate Cost Proposals”. WPM further noted that, beginning with fiscal year 2016, if future County expenditures of Federal awards remain consistent, the County would no longer be a “major local government” and thus would not be required to submit its cost allocation plan annually. Based on WPM’s review, it appears that HUD’s completion extension as well as HUD’s submission guidance is based on the requirements of the Uniform Grant Guidance.

Finally, DBMS’ statement that “the audit finding is invalid...” based on OMB Circular A-133 Subpart C.315 Audit Findings Follow-up, is incomplete and incorrect. This Circular requires the auditee to prepare a summary schedule of prior audit findings. The Circular requires auditors to follow-up on prior year findings, regardless of the lack of cognizant agency management decisions as follows:

“Subpart E--Auditors (e) Audit follow-up. The auditor shall follow-up on prior audit findings, perform procedures to assess the reasonableness of the summary schedule of prior audit findings prepared by the auditee in accordance with § .315(b), and report, as a current year audit finding, when the auditor concludes that the summary schedule of prior audit findings materially misrepresents the status of any prior audit finding. The auditor shall perform audit follow-up procedures regardless of whether a prior audit finding relates to a major program in the current year.”

WPM’s current year audit finding is not based on a prior year’s audit finding, but on the results of the current year’s audit. In an effort to ensure that all the issues applicable to this finding were clear, WPM requested the County contact HUD to clarify the use of the Uniform Grant Guidance as its basis for the extension and additional guidance provided. To date, there has been no response by the County regarding this request.

CRITERIA

Per the applicable Community Services Agreements between the Illinois Department of Human Services and the Cook County Department of Public Health (CCDPH), Article XVII Financial Reporting Requirements, 17.1. Quarterly Reports, (b) "...Quarterly reports must be submitted no later than November 1, February 1, May 1 and August 1." CCDPH adopted a policy of submitting these reports to the State of Illinois monthly. Monthly reports are required to be submitted by the 15th of the following month for reimbursement.

OMB Circular A-133 Subpart C Section .300(b) requires auditees to maintain internal control over Federal programs that provide reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of the contracts or grant agreements that could have a material effect on each of its Federal programs.

CONDITION

During the current audit period, the CCDPH did not adequately apply internal controls over the required financial reports.

CONTEXT

During our testing of eight (8) monthly financial reports, we noted no evidence of supervisory review of the 8 reports tested, nor was there documentary evidence of written policies and procedures for the supervisory review of financial reports.

EFFECT

The failure to adequately review financial reports submitted for reimbursement is an internal control weakness that could allow errors and/or mistakes to not be detected in a timely manner. The lack of written policies and procedures for the review of financial reports inherently weakens the consistency of the application of internal control procedures.

CAUSE

Per discussion with management, this occurred due to the experience of the reports' preparer and the CCDPH's inherent confidence in that individual.

RECOMMENDATION

We recommend the CCDPH develop and implement procedures to ensure adequate supervisory review of financial reports are consistently performed and documented.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

The County's corrective action plan is on page 44.

Subrecipient Monitoring

Federal Department – U.S. Department of Housing and Urban Development

CDBG – Entitlement Grants Cluster:

- **Community Development Block Grants/Entitlement Grants (CDBG), CFDA #14.218**

County Department – Department of Planning and Development (DPD)

Finding 2014 – 003

Questioned Costs: None

CRITERIA

Circular No. A-133, Subpart D – Federal Agencies & Pass-through Entities, § __.400(d)(3) requires that pass-through entities must monitor the activities of subrecipients as necessary to ensure that Federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved.

OMB Circular A-133 Subpart D Section .400 (d) requires pass-through entities to: (1) identify Federal awards made by informing each subrecipient of Catalog of Federal Domestic Assistance (CFDA) title and number, award name and number, award year; (2) advise subrecipients of requirements imposed on them by Federal laws, regulations, and the provisions of contracts or grant agreements as well as any supplemental requirements imposed by the pass-through entity; (3) monitor the activities of subrecipients as necessary to ensure that Federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved; (4) ensure that subrecipients expending \$300,000 (\$500,000 for fiscal years ending after December 31, 2003) or more in Federal awards during the subrecipient's fiscal year have met the audit requirements of this part for that fiscal year; (5) issue a management decision on audit findings within six months after receipt of the subrecipient's audit report and ensure that the subrecipient takes appropriate and timely corrective action; (6) consider whether subrecipient audits necessitate adjustment of the pass-through entity's own records; and (7) require each subrecipient to permit the pass-through entity and auditors to have access to the records and financial statements as necessary for the pass-through entity to comply with this part. In cases of continued inability or unwillingness of a subrecipient to have the required audits, the pass-through entity shall take appropriate action using sanctions.

Per the Cook County Community Development Block Grant (CDBG) Program Procedures and Operations Guide (Draft version dated January 2012) and Revised Manual (effective January 2014), states “The County conducts annual monitoring of its HOME-, CDBG-, and ESG-funded activities. “Under Required Frequency of On-Site Monitoring Visits during Program Implementation Phase, for any activity administered by a subrecipient or contractor, while contract is in effect, the frequency of on-site monitoring visit is annually”.

CONDITION

During the current audit period, Department of Planning and Development (DPD) did not adequately document its procedures for the monitoring of subrecipients, which resulted in the noncompliance with Federal regulations.

CONTEXT

During our review of eighteen (18) subrecipients' files, we noted the following:

- Programmatic monitoring was not performed for three (3) subrecipients, including the required annual on-site review and monitoring visit for projects either open or completed during fiscal year 2014.

Subrecipient Monitoring

Federal Department – U.S. Department of Housing and Urban Development

CDBG – Entitlement Grants Cluster:

- **Community Development Block Grants/Entitlement Grants (CDBG), CFDA #14.218**

County Department – Department of Planning and Development (DPD)

Finding 2014 – 003 (Continued)

CONTEXT (Continued)

- Financial monitoring was not performed for eighteen (18) subrecipients.
- Based on discussions with management, financial monitoring is only performed once a project is closed in the Integrated Disbursement Information System (IDIS), a nationwide database providing subrecipient information to the U.S. Department of Housing and Urban Development (HUD). As a result, we separately tested a sample of four (4) projects monitored during the current year to assess whether or not financial monitoring was performed timely after the close out of projects in IDIS. The result was that projects were monitored from 3 to nineteen (19) months after being closed out in IDIS. There are no written policies and procedures detailing the financial monitoring process, including the timeliness of financial monitoring.

EFFECT

Failure to adequately monitor the activities and performance of subrecipients could result in Federal awards being used for unauthorized purposes and DPD's inability to adequately perform risk assessments on subrecipients.

CAUSE

Per discussions with management, this occurred due to staffing issues.

RECOMMENDATION

We recommend DPD develop and implement written policies and procedures to ensure programmatic and financial monitoring is adequately performed in a timely manner. Also, DPD should maintain the appropriate documentation for on-site reviews and monitoring visits, based on the project type.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

The County's Corrective Action Plan is on page 45.

Reporting

Federal Department – U.S. Department of Justice

Passed-through the Illinois Criminal Justice Information Authority

JAG Program Cluster:

- **Edward Byrne Memorial Justice Assistance Grant Program, CFDA # 16.738**
- **ARRA - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/ Grants to States and Territories, CFDA # 16.803**
- **ARRA - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/ Grants To Units Of Local Government, CFDA # 16.804**

County Department – Justice Advisory Council

Finding 2014- 004

Questioned Costs: None

CRITERIA

Per the Interagency Agreement between the Illinois Criminal Justice Information Authority (ICJIA) and the Justice Advisory Council (JAC), quarterly progress and fiscal reports shall be submitted by the 15th day of each month following the previous quarter. Also, within 45 days of the expiration date of this agreement or any approved extension thereof the following documents must be submitted: (a) final financial status report; (b) final progress reports; (c) property inventory report; (d) any refund of unexpended funds, and (e) other documents required by ICJIA.

OMB Circular A-133 Subpart C Section .300(b) requires auditees to maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of the contracts or grant agreements that could have a material effect on each of its Federal programs.

CONDITION

During the current audit period, the JAC did not adopt and implement written policies and procedures to comply with Federal reporting requirements.

CONTEXT

During our current audit period, we performed a follow-up to the prior year’s audit finding to determine if corrective actions had been implemented. As a result of our follow-up, we noted that while the current year’s Interagency agreement was no longer Federally funded, the JAC did not implement its corrective actions to develop and implement written policies and procedures to document its compliance with reporting requirements.

EFFECT

The lack of detailed written policies and procedures could impair the JAC’s ability to adequately ensure compliance with future reporting requirements.

CAUSE

Per discussion with management, this occurred due to staff transitions during the current year.

Reporting

Federal Department – U.S. Department of Justice

Passed-through the Illinois Criminal Justice Information Authority

JAG Program Cluster:

- **Edward Byrne Memorial Justice Assistance Grant Program, CFDA # 16.738**
- **ARRA - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/ Grants to States and Territories, CFDA # 16.803**
- **ARRA - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/ Grants To Units Of Local Government, CFDA # 16.804**

County Department – Justice Advisory Council

Finding 2014 – 004 (Continued)

RECOMMENDATION

We recommend the JAC immediately adopt and implement written policies and procedures over reporting to ensure compliance with Federal regulations. At a minimum, such policies and procedures should sufficiently detail the steps the JAC’s personnel would perform to ensure accurate preparation, review and timely submission of all required reports on applicable future grant awards.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

The County’s Corrective Action Plan is on page 46.

Equipment and Real Property Management

Federal Department – U.S. Elections Assistance Commission

Passed-through the Illinois State Board of Election

Help America Vote Act Requirements Payments, CFDA # 90.401

County Department – County Clerk

Finding 2014 – 005

Questioned Costs: None

CRITERIA

Federal Regulations (24 CFR 85.32 (d)) *Management requirements*, requires that “Procedures for managing equipment (including replacement equipment), whether acquired in whole or in part with grant funds, until disposition takes place will, as a minimum, meet the following requirements: (1) Property records must be maintained that include a description of the property, a serial number or other identification number, the source of property, who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the cost of the property, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property. (2) A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years. (3) A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft shall be investigated. (4) Adequate maintenance procedures must be developed to keep the property in good condition. (5) If the grantee or subgrantee is authorized or required to sell the property, proper sales procedures must be established to ensure the highest possible return.

**Equipment and Real Property Management
Federal Department – U.S. Elections Assistance Commission
Passed-through the Illinois State Board of Election
Help America Vote Act Requirements Payments, CFDA # 90.401
County Department – County Clerk
Finding 2014 – 005 (Continued)**

CONDITION

During the current year, the County Clerk failed to maintain equipment records that comply with 24 CFR 85.32 (d).

CONTEXT

During our testing of equipment inventory procedures, we noted the following:

- The current year equipment listing did not include certain required information such as acquisition costs, source of funding, title holder, percentage of Federal participation, and use and condition of the property. Also, the initial equipment listing included only current period equipment purchases. However, subsequently an equipment list including items dating back to 2005 was provided, which also did not include the required information.
- The Department did not perform a physical inventory within the past two years as required on items with unit costs of \$5,000 or more and as a result the required reconciliations to the property and accounting records were not performed.
- There are no policies and procedures to ensure Federally funded equipment is maintained as required by Federal regulations.

EFFECT

The failure to maintain required equipment records and to perform a physical inventory and reconciliation to property and accounting records within the last two years as required is a violation of Federal regulations.

CAUSE

Based on our discussions with management, the HAVA Phase III grant was approved in 2009. Since then, there has been substantial turnover in the management of grants (three upper-management employees over a two-year time period). The knowledge transfer of this grant and previous HAVA grants was not adequately performed. Although the Clerk's Office has worked to keep accurate records, it has inadvertently omitted data needed to meet federal regulations.

RECOMMENDATION

We recommend the County Clerk implement policies and procedures that include providing appropriate resources and training to ensure equipment listings include the required information and physical inventories are performed and the results reconciled to the property and accounting records as required by Federal regulations.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

The County's corrective action plan is on page 47.

CRITERIA

The Executive Office of the President’s Office of National Drug Control Policy (ONDCP) HIDTA Program Policy and Budget Guidance Manual (“the Manual”) Section 8.07 states the purchasing agency should use its own policies and procedures for determining the end of the useful life of HIDTA-purchased equipment and for disposing of and accounting for any HIDTA-purchased equipment. Purchasing agencies must document the disposition of any HIDTA equipment and provide that documentation to the HIDTA Director.

Federal Regulations (21 CFR 1403.32 (d)) *Management requirements*, requires “Procedures for managing equipment (including replacement equipment), whether acquired in whole or in part with grant funds, until disposition takes place will, as a minimum, meet the following requirements: (1) Property records must be maintained that include a description of the property, a serial number or other identification number, the source of property, who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the cost of the property, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property. (2) A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years.”

CONDITION

During the current year, the Chicago-HIDTA program failed to comply with 21 CFR 1403.32 (d) (2).

CONTEXT

During our testing of equipment inventory procedures, we noted the Chicago HIDTA did not maintain evidence of the reconciliation of the physical inventory to property and accounting records. We also noted that the Chicago HIDTA maintains its equipment inventory records based on equipment items that cost \$1,000 or more. Whereas, the County Comptrollers Office maintains equipment records based on equipment that costs \$5,000 or more.

Additionally, during our physical observation of 25 equipment items from the current master list, we noted the following:

- One equipment item could not be located.
- One item was disposed of during FY 2012; however, the equipment item was not removed from the current master equipment listing.
- One equipment item should have been considered obsolete and proper procedures followed to remove the item from the master equipment listing in FY 2007. Based on follow-up discussions, the item was no longer usable as of February 2007.

**Equipment and Real Property Management
Federal Department – Executive Office of the President
High Intensity Drug Trafficking Area Program (HIDTA), CFDA # 95.001
County Department – Chicago HIDTA
Finding 2014 – 006 (Continued)**

EFFECT

The failure to perform and document the required equipment physical inventory reconciliation to property and accounting records as required by Federal regulations, and to update property records for items considered obsolete and/or missing could result in the misstatement of perpetual records, inaccurate reporting, and the potential loss of Federally funded equipment.

CAUSE

This situation occurred due to management oversight.

RECOMMENDATION

We recommend the Chicago HIDTA implement policies and procedures to ensure that physical inventory results are reconciled to property and accounting records as required; and property records are periodically updated to reflect changes noted during the year. Furthermore, we recommend the Chicago HIDTA consider revising its equipment policy to match the Comptrollers Office' and the Federal requirement of inventorying equipment items costing individually \$5,000 or more.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

The County's Corrective Action Plan is on page 48.

Reporting

**Federal Department – Executive Office of the President
High Intensity Drug Trafficking Area Program (HIDTA), CFDA # 95.001
County Department – Chicago HIDTA
Finding 2014 – 007**

Questioned Costs: None

CRITERIA

Per the ONDCP HIDTA Program Policy and Budget Guidance (6.13.1 Federal Financial Report), HIDTA grantees are required to electronically submit, via the Department of Health and Human Services' Division of Payment Management website, Federal Financial Reports (FFR) on a quarterly basis within 30 days after the reporting period.

The Federal Financial Report requires the recipient to report the cumulative amount of actual cash received and disbursed from the Federal agency as of the reporting period end date.

CONDITION

During the current audit period, the Chicago HIDTA did not comply with the reporting requirements of the Federal Financial Report.

**Reporting
Federal Department – Executive Office of the President
High Intensity Drug Trafficking Area Program (HIDTA), CFDA # 95.001
County Department – Chicago HIDTA
Finding 2014 – 007 (Continued)**

CONTEXT

We selected two (2) quarterly reports (March 30, 2014 and June 30, 2014) for each of the three (3) active grants during the current period, for a total of 6 quarterly reports tested, and noted two (2) quarterly reports for the quarter ended March 30, 2014 were not prepared on a cumulative basis, as required.

As a result of our follow-up procedures, we noted that the Chicago HIDTA subsequently discovered the error and implemented corrective actions to prepare these reports on a cumulative basis. However, our testing of the June 30, 2014 reports noted that the Federal share of expenditures for 2 quarterly reports was understated by \$100,041 and \$988,261, respectively. This resulted in the unobligated balance of Federal funds being overstated by the same amounts.

EFFECT

Failure to accurately prepare quarterly SF-425 violates the requirements of the preparation instructions of the Federal Financial Report and impairs the grantor agency's ability to adequately monitor the Federally funded program.

CAUSE

Per discussion with management, this occurred due to the preparer's lack of understanding of the reporting requirements.

RECOMMENDATION

We recommend the Chicago HIDTA implement policies and procedures that include adequate training to ensure compliance with the preparation requirements of the Federal Financial Reports.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

The Chicago HIDTA's Corrective Action Plan is on page 49.

Equipment and Real Property Management
Federal Department – U.S. Department of Homeland Security
Passed-through the Illinois Emergency Management Agency
Homeland Security Grant Program, CFDA # 97.067
County Department –Homeland Security and Emergency Management
Finding 2014 – 008 **Questioned Costs: None**

CRITERIA

Federal Regulations (44 CFR 13.32 (d)) *Management requirements*, requires that “Procedures for managing equipment (including replacement equipment), whether acquired in whole or in part with grant funds, until disposition takes place will, as a minimum, meet the following requirements:

(1) Property records must be maintained that include a description of the property, a serial number or other identification number, the source of property, who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the cost of the property, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property. (2) A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years. (3) A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft shall be investigated. (4) Adequate maintenance procedures must be developed to keep the property in good condition. (5) If the grantee or subgrantee is authorized or required to sell the property, proper sales procedures must be established to ensure the highest possible return.

Federal Regulations (44 CFR 13.32 (e)) *Disposition*, requires that “When original or replacement equipment acquired under a grant or subgrant is no longer needed for the original project or program or for other activities currently or previously supported by a Federal agency, disposition of the equipment will be made as follows:

(1) Items of equipment with a current per-unit fair market value of less than \$5,000 may be retained, sold or otherwise disposed of with no further obligation to the awarding agency. (2) Items of equipment with a current per unit fair market value in excess of \$5,000 may be retained or sold and the awarding agency shall have a right to an amount calculated by multiplying the current market value or proceeds from sale by the awarding agency's share of the equipment.”

CONDITION

During the current year, the Department of Homeland Security and Emergency Management (DHSEM) failed to maintain equipment records that comply with 44 CFR 13.32 (d).

CONTEXT

Based on our understanding, when purchased, equipment items are scanned into the MCM inventory system establishing a basis for the system prompting users as to when equipment items should be physically inventoried to meet the requirement to perform a physical inventory at least once every two years. We noted inconsistencies in the equipment inventory listing such as the inventory date of some equipment items being on an annual basis and other inventory dates being outside of the every two year requirement. Furthermore, we noted that there were no 2014 additions on the listing.

**Equipment and Real Property Management
Federal Department – U.S. Department of Homeland Security
Passed-through the Illinois Emergency Management Agency
Homeland Security Grant Program, CFDA # 97.067
County Department – Homeland Security and Emergency Management
Finding 2014 – 008 (Continued)**

CONTEXT (Continued)

We selected 60 equipment items from the equipment inventory listing to test the accuracy of the inventory dates and were unable to obtain documentation to evidence whether or not the 60 items had been physically inventoried as stated in the equipment inventory listing. As a result, we could not satisfy ourselves that a complete physical inventory was performed in accordance with Federal regulations.

Additionally, we were unable to verify whether or not a physical inventory had been reconciled to property records, as required. During our review we noted \$8.6 million of Project Shield equipment included in the master equipment listing provided by DHSEM. Based on further review, we noted the Comptroller's Office disposed of these Project Shield items from their property records during FY 2014.

We also noted the master equipment listing did not include required information such as the source of property, who holds title, percentage of Federal participation in the cost of the property, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.

We selected 60 items from the master equipment listing to observe physical existence and noted the following:

- One item could not be located.
- One item's tag number/serial number could not be located.

Furthermore, we noted no written policies and procedures detailing how the MCM inventory system is used to ensure Federally funded equipment is maintained as required by Federal regulations.

EFFECT

The failure to maintain equipment records as required, to document whether or not the required equipment physical inventory and reconciliation to property and accounting records was performed as required by Federal regulations, and to update property records for items considered obsolete and/or missing could result in the misstatement of perpetual records, inaccurate reporting, and the potential loss of Federally funded equipment.

CAUSE

Based on our discussions with management, this situation occurred due to management's acknowledged weaknesses in the MCM inventory system and staff turnover.

**Equipment and Real Property Management
Federal Department – U.S. Department of Homeland Security
Passed-through the Illinois Emergency Management Agency
Homeland Security Grant Program, CFDA # 97.067
County Department – Homeland Security and Emergency Management
Finding 2014 – 008 (Continued)**

RECOMMENDATION

We recommend the DHSEM develop and implement policies and procedures to ensure physical inventories are performed and the results reconciled to property and accounting records as required by Federal regulations. Also, procedures should be in place to ensure equipment records include required information and are adequately updated for items purchased, obsolete and/or missing.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

The County's corrective action plan is on pages 50 – 53.

**Procurement and Suspension and Debarment
Federal Department (s) – Various
Passed-through Agencies – Various
County Department – Office of the Chief Procurement Officer
Finding 2014 – 009**

Questioned Costs: None

CRITERIA

Federal regulations (45 CFR 92. 36 (i)) require all contracts, awarded by a recipient, including small purchases, shall contain the following provisions as applicable: 1) Equal Employment Opportunity; 2) Copeland "Anti-Kickback" Act; 3) Davis Bacon Act; 4) Contract Work Hours and Safety Standards Act; 5) Rights to Inventions Made Under a Contract or Agreement; 6) Clean Air Act and the Federal Water Pollution Control Act; 7) Byrd Anti-Lobbying Amendment; and 8) Debarment and Suspension.

The Office of the Chief Procurement Officer (OCPO) established a policy in prior fiscal years to attach an addendum containing the required provisions to contract boiler plates, including the contractor's signature to document receipt.

CONDITION

During the current audit period, the Cook County OCPO did not adequately ensure Federally-funded contracts issued to vendors were in compliance with certain Federal regulations.

**Procurement and Suspension and Debarment
Federal Department (s) – Various
Passed-through Agencies – Various
County Department – Office of the Chief Procurement Officer
Finding 2014 – 009 (Continued)**

CONTEXT

We selected 40 contracts (including 3 which were Federally funded) and noted the following:

- One (1) of the three (3) Federally funded contracts did not contain the addendum with the following required contract provisions:
 1. Equal Employment Opportunity
 2. Copeland “Anti-Kickback” Act
 3. Contract Work Hours and Safety Standards Act
 4. Rights to Inventions Made Under a Contract or Agreement
 5. Clean Air Act and the Federal Water Pollution Control Act
 6. Byrd Anti-Lobbying Amendment
 7. Debarment and Suspension

We subsequently selected 8 additional Federally funded contracts and noted 4 of the 8 Federally funded contracts did not contain the required contract provisions.

EFFECT

Failure to include the required contract provisions is a violation of Federal regulations and could result in non-compliance with Federal regulations by contractors, subcontractors, and vendors of Federally-funded contracts.

CAUSE

Based on discussions with management, various factors may have caused this finding, including a transition period of revised contract templates; staffing/organizational changes; inconsistent process by which Using Agencies identified Federally funded contracts and in some cases failure of Using Agencies to properly identify funding source.

RECOMMENDATION

We recommend management review its policies and procedures to ensure all applicable Federal regulations are adopted and implemented, including 1) ensuring all Federally-funded contracts include the contract provisions as required by Federal regulations and 2) developing a procedure by which Using agencies both identify and communicate funding sources to OCPO during the requisition process.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

The County’s Corrective Action Plan is on pages 54.

**Procurement and Suspension and Debarment
Federal Department (s) – Various
Passed-through Agencies – Various
County Department – Cook County Health and Hospitals System
Finding 2014 – 010**

Questioned Costs: None

CRITERIA

States, and governmental subrecipients of States, shall use the same State policies and procedures used for procurements from non-Federal funds. They also shall ensure that every purchase order or other contract includes any clauses required by Federal statutes and executive orders and their implementing regulations.

Local governments and Indian tribal governments which are not subrecipients of States will use their own procurement procedures provided that they conform to applicable Federal law and regulations and standards identified in the OMB Circular A-102 Common Rule.

Non-Federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred. "Covered transactions" include those procurement contracts for goods and services awarded under a nonprocurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed \$25,000 or meet certain other specified criteria. 2 CFR section 180.220 of the governmentwide nonprocurement debarment and suspension guidance contains those additional limited circumstances. All nonprocurement transactions (i.e., subawards to subrecipients), irrespective of award amount, are considered covered transactions.

Cook County Code

Cook County Code Part I, Chapter 34, Article IV, Division 4, Sec. 34-172 (a) and (b) states: (a) "A Person shall be ineligible to enter into a Contract with the County if such Person or a Substantial Owner (as defined in Article V, Section 34-367) is delinquent in the payment of a Court-Ordered Child Support Arrearage. (b) If the County becomes aware that a Person or Substantial Owner becomes delinquent in payments under a Court-Ordered Child Support Arrearage after the County has entered into a Contract with such Person or Substantial Owner, then after notice from the County of such noncompliance and a 30-day opportunity to pay such delinquency, such delinquency of such Person or Substantial Owner shall be an event of default under the Contract. Such Person or Substantial Owner shall provide sufficient evidence to the CPO of payment of such delinquency."

Cook County Code Part I, Chapter 34, Article IV, Division 8, Subdivision 1, General Provisions states: "The County has adopted a Minority Business Enterprise Ordinance to ensure that minority and women's businesses are provided full and equal opportunity to participate in Contracts. This subdivision shall be known and may be cited as the Cook County Minority- and Women-Owned Business Enterprise General Ordinance. This subdivision is applicable to all Contracts, except Public Works Contracts. These provisions include the following:

Sec. 34-267. - Program goals. (a) The County aspires to the following annual Program Goals: A goal of 25 percent of the annual total dollar amount of Contracts other than Public Works Contracts to MBEs, and ten percent of the total dollar amount of such Contracts to WBEs.

**Procurement and Suspension and Debarment
Federal Department – Various
Passed-through Agencies – Various
County Department –Cook County Health and Hospitals System
Finding 2014 –010 (Continued)**

CRITERIA (Continued)

(b) The CCD, in consultation with the CPO and the Using Agency shall establish Contract Specific Goals for each Contract. In establishing a Contract Specific Goal, the CCD shall consider the availability of sufficient Certified MBEs and WBEs for the supplies, materials and equipment or services required as part of the Procurement. (c) No goal shall be treated as a quota nor shall it be used to discriminate against any Person on the basis of race, color, national origin, religion or sex.

The Cook County, Illinois, Code of Ordinances (Cook County Code), Part I, Chapter 34, Article IV, Division 4, Sec. 34-171 (a). - Disqualification for County tax or debt delinquency or obligation default, reads as follows:

“A Person that is (i) delinquent in the payment of any tax (including real estate tax) or fees administered by the County, (ii) delinquent in the payment of any debt to the County, (iii); is in default of any obligation to the County; or (iv) is a "predatory lender," as determined pursuant to the Cook County Predatory Lending Ordinance, shall be ineligible to enter into a Contract with the County.

Notwithstanding the foregoing, a Person shall not be ineligible, nor shall the County exercise any rights to set-off or other remedies set forth in Section 34-196 against a Person, if such Person is contesting liability for the delinquency in a pending administrative or judicial proceeding, or contesting the existence of a default, and shows proof of the contest; or if such Person has entered into an agreement for the payment of such delinquency and verifies compliance with the agreement.”

CONDITION

During the current audit period, Cook County Health and Hospitals System (CCHHS) did not maintain documentation to ensure compliance with the Cook County Code of Ordinances which requires verification of whether potential contractors are delinquent in child support payments, taxes and fees, and comply with Federal and County regulations regarding MBE/WBE goals.

CONTEXT

During our test of 12 Federally-funded contracts, we noted one (1) contract did not contain evidence of 1) child support verification; 2) verification of all taxes and fees; and 3) compliance with MBE/WBE requirements.

EFFECT

Failure to maintain adequate procurement documentation could lead to noncompliance with the provisions of the Cook County Code and Federal regulations.

**Procurement and Suspension and Debarment
Federal Department – Various
Passed-through Agencies – Various
County Department – Cook County Health and Hospitals System
Finding 2014 – 010 (Continued)**

CAUSE

Based on discussions with management, this occurred due to staff not being adequately trained.

RECOMMENDATION

We recommend the CCHHS review the Cook County Code and establish policies and procedures to ensure compliance with applicable ordinances. These policies and procedures should ensure all contract files contain documentation on the verifications of potential contractors/vendors' delinquent in child support, taxes and fees, and compliance with MBE/WBE requirements. Training should be provided to ensure that employee responsibilities are clearly understood.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

The County's Corrective Action Plan is on page 55.

**Internal Controls Over Financial Reporting
Federal Department – Various
Federal Programs – Various
County Department – Various
Finding 2014 – 011**

Questioned Costs: None

CRITERIA

OMB Circular A-133, Subpart C-Auditees, Section 300 (a), Auditee responsibilities states that "the auditee shall identify, in its accounts, all Federal awards received and expended and the Federal programs under which they were received."

CONDITION

The County failed to maintain adequate controls over the reporting of expenditures of Federal awards.

CONTEXT

During the current year, we noted the following:

- Department of Public Health/Stroger Hospital grants totaling of \$5.9 million were erroneously recorded as expenditures in the Schedule of Expenditures of Federal Awards (Schedule).
- Federal expenditures of \$0.3 million were incorrectly excluded from the Schedule. Additionally, we noted \$0.4 million in expenditures related to prior years' activities that were never reported as expenditures in prior years' Schedules.

**Internal Controls Over Financial Reporting
Federal Department – Various
Federal Programs – Various
County Department – Various
Finding 2014 – 011 (Continued)**

CONTEXT (Continued)

- While the County partially implemented procedures to monitor the grant close-out process within 90 days prior to the end of the grant per its Grants Management manual, we noted revisions to the procedures are needed to ensure grant activities are properly recorded and reviewed, as well as to ensure grants are consistently closed out in accordance with grant agreements and Federal regulations.

EFFECT

Failure to adequately review grant activities and consistently close out Federally funded grants in a timely manner could result in the over or understatement of Federal expenditures in the Schedule. It also resulted in an inaccurate Schedule submitted for audit that could have impaired the audit planning and risk assessment process required by OMB Circular A-133. The net effect of the current year analysis of these grants, if not adjusted, would have resulted in an overstatement of the current year's Schedule by approximately \$5.6 million.

CAUSE

Based on discussions with management, this situation occurred because the reconciliation of the financial/claims reports maintained by the grant spending departments to the accounting system was not performed on a timely basis.

RECOMMENDATION

We recommend the County implement procedures to ensure that: 1) timely reconciliations of grant activities are performed; and 2) the preliminary Schedule is adequately reviewed to ensure that consideration has been given to the uniqueness of grants received and expended by each County department. We further recommend the County consider the implementation of a system which will ensure that expenditures cannot be charged to a Federally funded grant in excess of grant revenues, and ultimately grant budgets.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

The County's Corrective Action Plan is on page 56.

COOK COUNTY, ILLINOIS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED NOVEMBER 30, 2014

| Prior Year Findings | Current Year Status |
|---|---|
| <u>Federal Award Findings</u> | |
| <u>Finding 2013 – 001</u> | |
| During the prior fiscal year, the County did not submit its County-wide cost allocation plan (CAP) and Indirect Cost Rate Proposals (ICRP) timely in accordance with the requirements of OMB Circular A-87. Additionally, the indirect costs charged to the County’s major programs during prior fiscal year were not based the indirect cost rate agreement (ICRA) or on the CAP and ICRP submitted and maintained as documentation for these costs. | Partially Repeated – (See Finding 2014-001) first reported 11/30/13. |
| <u>Finding 2013 – 002</u> | |
| During the prior fiscal year, the Department of Planning and Development (DPD) did not adequately document its compliance with Federal Davis-Bacon requirements for the Community Development Block Grants/Entitlement Grants (CDBG) program. | Not Repeated – During the current fiscal year, the DPD implemented its corrective action plan and complied with the requirements of the Davis-Bacon Act. |
| <u>Finding 2013 – 003</u> | |
| During the prior fiscal year, the DPD did not adequately document its procedures for monitoring its subrecipients for the CDBG program, which resulted in the noncompliance with Federal regulations. | Repeated – (See Finding 2014-003) first reported 11/30/10. |
| <u>Finding 2013 – 004</u> | |
| During the prior fiscal year, the Justice Advisory Council (JAC) did not comply with the reporting requirements of the Interagency Agreement of the Edward Byrne Memorial Justice Assistance Grant Program. | Repeated – (See Finding 2014-004) first reported 11/30/13. |
| <u>Finding 2013 – 005</u> | |
| During the prior fiscal year, the Department of Environmental Control (“Department”) did not adopt and implement adequate policies and procedures to comply with Federal eligibility requirements for the ARRA-Energy Efficiency and Conservation Block Grant (EECBG) program. | Not Repeated – During the current fiscal year, the Department implemented its corrective action plan and complied with Federal eligibility requirements for the ARRA-EECBG program. |

COOK COUNTY, ILLINOIS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND CORRECTIVE ACTION PLAN
(Continued)
FOR THE YEAR ENDED NOVEMBER 30, 2014

| Prior Year Findings | Current Year Status |
|--|--|
| <u>Federal Award Findings (Continued)</u> | |
| <u>Finding 2013 – 006</u> | |
| During the prior fiscal year, the Department of Environmental Control (“Department”) did not comply with Federal reporting requirements of the ARRA-EECBG program. | Not Repeated – During the current fiscal year, the Department implemented its corrective action plan and complied with the Federal reporting requirements of the ARRA-EECBG program. |
| <u>Finding 2013 – 007</u> | |
| During the prior fiscal year, the County failed to maintain adequate controls over the reporting of expenditures of Federal awards. | Repeated – (See Finding 2014 – 011) first reported 11/30/11. |



DEPARTMENT OF BUDGET & MANAGEMENT SERVICES

ANDREA GIBSON

BUDGET DIRECTOR

118 N. CLARK, SUITE 1100 • Chicago, Illinois 60602 • (312) 603-4593

TONI PRECKWINKLE

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17th District

MEMORANDUM

TO: Lawrence Wilson
Comptroller
Comptroller's Office

FROM: Shellie Riedle 
Interim Budget Director
Department of Budget and Management Services

DATE: May 22, 2015

RE: 2014 - 001 CAP Finding

CC: Ivan Samstein, Chief Financial Officer
Latoya Vaughn, Grants Management Director

As a result of the 2014 single audit of grant programs, the Department of Budget and Management Services (DBMS) received an audit finding stating the following:

Criteria: The cost allocation plan (CAP) and indirect cost rate proposal (ICRP) were submitted during the year, due by June 1, 2014, were submitted November 25, 2014, approximately 177 days after the due date.

DBMS respectfully disagrees with this finding, as extensions may be granted by the cognizant agency on a case-by-case basis, as outlined in 2 CFR Part 225, Appendix C, Section D.4. As mentioned in the Cause section of the finding, DBMS requested an extension to submit the CAP by November 1st of each year due to the timing of the County's audited financial statements, which impairs our ability to submit the CAP and ICRP timely. As a result, the County received verbal, email, and formal written directive from our cognizant agency, the U.S. Department of Housing and Urban Development (HUD), to not submit the CAP and ICRP and to maintain a copy on file for on-site reviews should HUD choose to review the CAP. In accordance with HUD's guidance, DBMS submitted the plan as a courtesy on November 25, 2014 and continues to maintain a copy on file.

In addition, the County further maintains that pertaining to A-133 Subpart D.405 – Federal Agencies and Pass Through Entities Management Decisions, our cognizant agency is authorized to grant extensions for good cause. The County further observes that, in accordance with A-133 Subpart C.315 Audit Findings Follow-up, this audit finding is invalid, as HUD has not substantiated this finding nor submitted a management decision requesting a corrective response from the County concerning this finding.

Enclosed, please find a copy of the guidance provided by HUD.

Please call me if you have any questions or concerns at 3-5706.



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D.C. 20410-7000

OFFICE OF THE ASSISTANT SECRETARY
FOR COMMUNITY PLANNING AND DEVELOPMENT

March 11, 2015

Andrea Gibson, Budget Director
Department of Budget and Management Services
Cook County, Illinois
118 North Clark, Room 1100
Chicago, IL, 60602

RE: Cost Allocation Plan and Indirect Cost Rate Proposal Submission Waiver Request

In response to your June 23, 2014 request, it is the U.S. Department of Housing and Urban Development's (HUD) understanding based on discussions with County management that because audited financial statements are the basis for the costs utilized in the preparation of the CAP and ICRP, the timing of the County's audit each year impairs its ability to submit the CAP and ICRP timely. Accordingly, HUD is granting Cook County an extension to complete the cost allocation plan by November 1st of each year. Cook County received approved provisional indirect cost rates effective from July 1, 2012 to June 30, 2014. We are approving Cook County's provisional billing rates for use on cooperative agreements and cost reimbursable contracts based on Cook County's Indirect Cost Submission and they are as follows:

| | |
|------|-------|
| CDBG | 3.93% |
| HOME | 4.20% |

Therefore, these rates will be the provisional rates until new rates are determined based on the fiscal year 2013 financial statements. Also, this letter will confirm that HUD is the Federal cognizant agency for Cook County and requests that the County maintain a copy of their cost allocation plan on file for auditing purposes. If requested, Cook County will submit its plan to its cognizant agency in accordance with Office of Management and Budget's (OMB) 2 CFR Part 200, Appendix VII, D.1.b. If you have any further questions please contact your local HUD field office.

Sincerely,

Lisa Abell

Budget Director

Community Planning and Development

U.S. Department of Housing and Urban Development

COOK COUNTY HEALTH & HOSPITALS SYSTEM

Toni Preckwinkle
President

Cook County Board of Commissioners

John Jay Shannon, MD
Chief Executive Officer

Cook County Health & Hospitals System

Terry Mason, MD, FACS
Chief Operating Officer
Cook County Department of
Public Health
15900 S. Cicero Ave.
Oak Forest, IL 60452



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Luis Muñoz, MD, MPH
Jorge Ramirez
Carmen Velasquez
Dorene P. Wiese, EdD

May 11, 2015

TO: Lawrence Wilson
Comptroller

FROM: Noreen Lanahan *NZ*
Director of Financial Control
Cook County Department of Public Health (CCDPH)

RE: Corrective Action Plan-Department of Public Health Finding 2014-002

Single Audit 2014-002 Finding: "During the current audit period, the Department of Public Health did not adequately apply internal controls over the required financial reports."

Single Audit Finding 2014-002 Corrective Action Plan:

- Effective May 11, 2015, the Grants Manager will review and sign monthly Grant Reimbursement Certifications for Illinois Department of Human Services Supplemental Nutrition for Women, Infants and Children (WIC) Program, and all other CCDPH grants. An additional signature line will be added to the Grant Reimbursement Certification to provide proof of this review.

Please contact me with questions. Thank you.

CCDPH Offices: Bridgeview • Des Plaines • Forest Park • Markham • Maywood • Oak Forest • Rolling Meadows •

• Ambulatory & Community Health Network • Cermak Health Services • Cook County Department of Public Health •
• John H. Stroger, Jr. Hospital • Oak Forest Health Center • Provident Hospital • Ruth M. Rothstein CORE Center •

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SUSAN M. CAMPBELL

DIRECTOR

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17th District

MEMORANDUM

Date: May 27, 2015
To: Lawrence Wilson, Comptroller
From: Susan M. Campbell, Director 
Department of Planning and Development
Subject: 2014 Single Audit Corrective Action Plan

FINDING 2014 – 003

Views of Responsible Officials and Corrective Action Plans:

Due to a staffing issue, several subrecipients did not receive their on-site monitoring review. In response, management will conduct an additional supervisory programmatic monitoring review in the third quarter of the program year to make sure all monitoring is complete or visits have been scheduled. This review will include all projects that are scheduled to complete by the end of the program year. The policy manual will be updated to reflect these monitoring practices and ongoing process improvements.

The financial monitoring procedures implemented will be revised in accordance with A-133 Subpart D Section .400 (d) and other required regulations to include a complete description of the financial monitoring process, including the required timeframe for such monitoring. The Finance Division will also revise existing procedures for determining if a Subrecipient is required to submit a Single Audit Report and the review of audit reports, as required.

ANTICIPATED TIMELINE FOR FULL IMPLEMENTATION OF CORRECTIVE ACTION:

July 31, 2015

RESPONSIBLE STAFF:

Deputy Director, Finance Director, Director of Financial Control



EXECUTIVE DIRECTOR
LANETTA HAYNES TURNER, ESQ.

OFFICE OF THE
JUSTICE ADVISORY COUNCIL, COOK COUNTY, ILLINOIS
69 W. WASHINGTON STREET, SUITE 1110
CHICAGO, ILLINOIS 60602
TELEPHONE 312-603-1133
FACSIMILE 312-603-9974

MEMORANDUM

To: Lawrence Wilson, Comptroller

From: Lanetta Haynes Turner, Executive Director 

Subject: Response to Federal Award Findings 2014-004

Date: May 18, 2015

In response to Audit Finding 2014-004 for the Adult Redeploy Grant, the Justice Advisory Council, under the leadership of the Executive Director, will implement the following corrective actions to ensure the JAC's future compliance with federal and county grant monitoring procedures.

- 1- The Executive Director (or her authorized designee in her absence) will continue to review and sign off on all grant related fiscal and program reports prior to submission to the grantor.
- 2- The JAC will adopt and implement written grants policies and procedures to comply with federal reporting requirements. The written policies and procedures will be implemented by no later than January 15, 2016.

Cc: Lillian Adarmes, Comptroller
LaToya Vaughn, Budget



OFFICE OF COOK COUNTY CLERK DAVID ORR
69 W. Washington, Suite 500, Chicago, Illinois 60602



TEL 312.603.0996 FAX 312.603.9788 WEB cookcountyclerk.com

May 11, 2015

Office of the Cook County Comptroller
Lawrence Wilson, CPA
118 N Clark St, Suite
Chicago, IL 60602

Re: RE: Finding 2014 – 005 (Corrective Action on HAVA Phase III grant)

Dear Mr. Wilson:

In response to the audit findings of Washington, Pittman and McKeever stating the County Clerk's Office failed to maintain equipment records that comply with 24 CFR 85.32(d). The Clerk's Office will address the recommendation of the auditors by developing and implementing policies and procedures to ensure physical inventory results are maintained and performed as required by federal regulations.

These policies and procedures will be completed by June 1, 2015 and will be effective immediately moving forward. As the Clerk's Office's Director of Operations, I, Nathan Bernacchi will be responsible for the completion and implementation of the corrective action plan.

The policies and procedures will address the following areas:

- Maintain property record information in central database rather than kept by different departments (purchasing/IT/elections warehouse).
- Outline full physical inventory as currently performed by Elections warehouse staff
- Outline control system as currently performed by Elections warehouse staff
- Outline equipment maintenance (the Clerk's Office uses the term "re-work") as currently performed by Elections warehouse staff
- Develop proper sales procedures
- Develop proper disposal procedures

Upon completion of these policies and procedures, the Clerk's Office will have met the recommendation of Washington, Pittman and McKeever and be in full compliance the HAVA Phase III grant.

Please contact me for any further information.

Respectfully,

Nathan Bernacchi
Director of Operations, Cook Clerk's Office

Cc: Jan Kralovec, Deputy County Clerk
Barbara Pressl, Chief of Staff, Cook County Clerk's Office



CHICAGO HIDTA
OFFICE OF THE EXECUTIVE DIRECTOR
P.O. Box 166513
Chicago, IL 60616

Office: 312-418-5600

Date: May 15, 2015
To: Lawrence Wilson, Comptroller
From: Acting HIDTA Director James Swistowicz 
Subject: 2014 Single Audit Corrective Action Plan (Finding 2014 - 006)

Finding 2014-006

We are in the process of automating our inventory system. The new system will scan the inventory items into a database. Reports will be generated which will result in a mechanism to accurately reconcile the status of the inventory items and reflect the changes noted during the year. An internal annual reconciliation will be completed.

Additionally, effective May 7, 2015 the Chicago HIDTA has revised their equipment policy to match the Comptroller's Office and the Federal requirement of inventorying equipment items costing individually \$5,000 or more.

The HIDTA Director will be responsible for ensuring that the implementation of the system is completed and procedures are followed in accordance with federal regulations.

If you have any questions, please contact me at (312) 448-5670.



CHICAGO HIDTA
OFFICE OF THE EXECUTIVE DIRECTOR
P.O. Box 166513
Chicago, IL 60616

Office: 312-448-5600

Date: May 15, 2015
To: Lawrence Wilson, Comptroller
From: Acting HIDTA Director James Swistowicz 
Subject: 2014 Single Audit Corrective Action Plan (Finding 2014 - 007)

Finding 2014-007

The errors in preparing the Federal Financial Reports occurred due to the preparer's lack of understanding of the reports. Prior to the audit, the preparer participated in webinar based training for preparing the Federal Financial Reports and after speaking with the auditor now understands the process. Effective as of the date of this report, we are including instructions in the Chicago HIDTA's Financial Manual on how to prepare the Federal Financial Reports effective immediately.

The HIDTA Director will be responsible for ensuring that the implementation of the system is completed and procedures are followed in accordance with federal regulations.

If you have any questions, please contact me at (312) 448-5670.

TONI PRECKWINKLE
PRESIDENT
COOK COUNTY BOARD OF COMMISSIONERS

MICHAEL MASTERS
EXECUTIVE DIRECTOR



COOK COUNTY
DEPARTMENT OF HOMELAND SECURITY
AND EMERGENCY MANAGEMENT

69 WEST WASHINGTON STREET, SUITE 2600
CHICAGO, ILLINOIS 60602
TEL: 312.603.8180

May 17, 2015

Lawrence Wilson, Comptroller
Office of the Comptroller
118 N. Clark Street, Suite 500
Chicago, Illinois 60602

Re: Views of Responsible Officials and Planned Corrective Action - Finding 2014-008

Dear Mr. Wilson:

Please allow this correspondence to serve as the Cook County Department of Homeland Security and Emergency Management's (DHSEM) response to audit finding 2014-008 for Fiscal Year 2014.

Background

President Preckwinkle took office as the new head of the Cook County Board in December 2011. Almost immediately, she identified DHSEM as in need of a change in leadership and significant reorientation in mission.

Since 2011, the team at the DHSEM has worked diligently to assess the capacity of the Department, identify areas for improvement and work to implement a strategic plan to ensure that the DHSEM can effectively better serve and protect the residents of Cook County; the team within the Department has worked to implement the President's four-part mandate of improved services to residents, innovative leadership, transparency and accountability, as well as fiscal responsibility while creating an organization that supports our local jurisdictions and stakeholders as well as, most critically, the residents of Cook County.

Under the leadership of President Preckwinkle, with the support of the members of the Cook County Board of Commissioners, and working collaboratively with partners at the local, State and federal levels, to include the City of Chicago, State of Illinois, Federal Emergency Management Agency (FEMA) and the United States Department of Homeland Security (DHS), as well as entities in the private, non-profit and academic sectors, the DHSEM has become more capable of fulfilling its expansive mission, every day. The Department has taken definitive steps to address past issues, while implementing best practices from around the world to bring our planning, operations and logistics functions up to the highest standards. Likewise, internally the Department now emphasizes a culture of readiness and accountability.

Overcoming Past Issues & Grants Management

Following the leadership transition at the Department, there was an immediate effort to analyze issues and take corrective action to address past concerns; the DHSEM self-initiated an internal audit of previous practices with respect to accounting, grant management, and financial transparency. The previous administration did not always actively apply for grants and the current leadership found their management of the grants that they did receive questionable, at best. Given the grant funding that passes through the Department, appropriate management of grant funds is essential for both the proper administration of

programs and federal grant dollars, while also benefitting the residents of Cook County by guaranteeing that Cook County is working collectively to enhance regional capabilities and preparedness.

To effectuate its efforts, the Department recruited new leadership for its grants team, to include individuals with experience in both local and state government; the Department instituted a grants management process, which includes systemic checks and guidelines, and works to ensure that our efforts are in compliance with federal regulations, agency administrative requirements, and relevant Office of Management and Budget circulars. Additionally, the Department worked to address past issues with respect to procurement, property and record requirements so as to ensure a transparent and accountable system that is guided by performance metrics.

Critically, the Department recommended and implemented substantive changes, ending programs undertaken by previous administrations that caused considerable concern following our internal audit and after close cooperation as well as conversations with our various partners, while simultaneously developing new best-practice policies and procedures.

Transparency & Accountability Efforts

Since 2011, the DHSEM has made immense strides in ensuring that equipment and property purchased with federal grant funds are tracked and reported correctly. The DHSEM has put internal procedures and protocols into place for grant equipment inventory that includes an inventory management process for receiving, tracking, securing and distribution of equipment. Grant funds are now properly documented, tracked and reported.

Notwithstanding this, the Department is always seeking to improve its processes and enhance its internal-controls, as well as transparency and accountability.

Asset Inventory System

Specifically related to the current audit finding, the Department began to utilize a previously purchased electronic Asset Inventory System to track equipment; the system was purchased prior to the current leadership. The Department was advised that – due to the nature of the system being recently purchased and the use of grant funds on the same – it should attempt to make prudent use of the system, itself. As such, the Department attempted to integrate the system into a broader reorganization of policies and procedures related to equipment and inventory.

Equipment Inventory

DHSEM personnel are in regular contact with equipment, keeping the same in a constant state of readiness, should assets need to be deployed. The electronic Asset Inventory System that was purchased prior to the current leadership and utilized tracks pertinent information for items with an original cost of \$5,000 and above. In addition to conducting physical inventory inspections on its equipment, the DHSEM developed a written procedure for inventory of equipment under the Department.

Moreover, standard operating procedure required all additions to the asset inventory listing for the current fiscal year be updated with the Cook County Office of the Comptroller on a quarterly basis, or other agreed-upon schedule. This submission is prepared by the Grants Analyst and reviewed and approved by the Director of Financial Control prior to submission. The Department has a master fixed asset list used to verify the location of equipment over a two year period. Financial reconciliation of the master listing with the Cook County Comptroller Office is conducted annually by the Grant Analyst. As required, all asset inventories are reviewed at least once every two years.

Notwithstanding the above, the audit finding confirms the issues that the Department self-identified related to several areas.

Department Identified Issues

While the Department has sought to utilize the system purchased by the previous leadership in a way that was as effective as possible, and was successful in eliminating all audit findings over the previous several years, over the course of the last twelve months, the Department self-identified various limitations with the system, itself, as well as related concerns.

The Department identified that the analytical tracking, data input, access controls, and system transparency were all below the standards that the DHSEM desired to attain. To wit, the Department is aware that outlined inventory processes and procedures were often followed, ensuring that equipment was inventoried. These significant efforts, however, are either not reflected within the system or are reflected inaccurately. Partially as a result, system access for particular employees was modified/restricted and staffing changes effectuated. More broadly, once the aforementioned issues were identified, the Department began working approximately twelve months ago to examine other systems and solution sets.

In addition to specific system access and staffing modifications, the DHSEM has hired an entirely new grants team in the last ten weeks. While this has impacted institutional knowledge regarding certain aspects of the system, the Department leadership has complete confidence that these changes will ensure the implementation of detailed policies and procedures.

Correcting the inventory process is the primary administrative goal of the DHSEM over the coming year. Our inventory process and system renovation, as outlined in the below corrective action plan, is explicitly intended to meet not only the high standards of efficiency and excellence that the DHSEM continually strives for, but also the transparency and verifiability criteria necessary for future audits.

Equipment Disposal Reconciliation

It is the DHSEM's understanding that items – even those for which disposal is requested – that are on an entities physical inventory during the Fiscal Year, are required to remain on that physical inventory for the entire year. For that reason, and so as to ensure complete transparency and accountability, the DHSEM did not remove particular equipment from our master equipment listing.

Insomuch as DHSEM does not have control over the processes and procedures of offices and departments to whom it provides information, the DHSEM will work closely with the Comptroller's Office to ensure their listing is properly reconciled with the DHSEM master equipment inventory list.

Corrective Action Plan

1. *Policy and Procedures:* The DHSEM is undertaking a revision of the current inventory policy to more-closely align to Federal Regulations 44 CFR 13.32 (d) and 44.CFR 13.32 (e). We will also develop accompanying step-by-step procedures for these policies. With improved policies and procedures in place, we will not be dependent on any specific employees to meet our lofty standards of inventory excellence and verifiability. These new policies and procedures will be in place by September 30, 2015.
2. *Process Mapping Effort:* Through an existing contract with the Office of the Chief Procurement Officer, the Department is working with a private sector partner to undertake an entire process mapping effort of our inventory identification, requisition, procurement and inventory process; this effort will include recommendations on how to improve the transparency, accountability and efficiency, both with respect to time and finances, of the Department's systems. The process mapping will be complete by January 31, 2016.

3. *New Comprehensive Inventory Management System:* The current DHSEM inventory management software is insufficient. Our own concerns about the system, particularly around the corroboration of data entered into it, were confirmed by this audit. In accordance with Cook County procurement procedures, we already have begun the process of purchasing a new inventory management software solution that will include, among other features: (1) proper internal controls, (2) time-and-date stamped actions linked to individual system users, and (3) ample storage space for audit evidence including pictures of physical inventory. It is the Department's intent to have this new software in use by January 31, 2016.
4. *Inventory Shut Down Period:* In recognition of the necessity of validating our current inventory, the DHSEM has declared an Inventory Shut-Down period the week of July 20, 2015 through July 24, 2015. During this period, all non-essential work and meetings will be temporarily suspended so that we can focus our entire department's efforts on inventory. Under the direction of the DHSEM Finance Team, each member of the DHSEM staff will be sent to physically inventory all of our equipment (in excess of \$5,000 original cost). The staff will be charged with photographing all items including asset tags and serial numbers. This will serve as a system reset and will ensure that all items are correctly accounted for in our master asset list and inventory system. This will be complete by July 24, 2015, or extended if necessary to inventory/re-inventory all items.
5. *Fixed-Asset Accountant:* A Fixed-Asset Accountant will be hired by the DHSEM. This new employee, under the supervision of the Director of Financial Control, will be charged with properly tracking and documenting day-to-day changes in inventory. This position is currently posted on the Cook County employment website. In compliance with all Cook County human resource policies, this position will be staffed by September 30, 2015.

The employee responsible for the above corrective action plan will be Michael Herbstman, Director of Financial Control.

Should you have any questions, concerns or suggestions, please do not hesitate to contact me via phone at 312.603.8181 or email at michael.masters@cookcountyil.gov.

Sincerely,



Michael Masters
Executive Director



OFFICE OF THE CHIEF PROCUREMENT OFFICER

SHANNON E. ANDREWS

CHIEF PROCUREMENT OFFICER

118 North Clark Street, Room 1018 • Chicago, Illinois 60602 • (312) 603-5370

TONI PRECKWINKLE

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17th District

MEMORANDUM

TO: Lawrence Wilson, Comptroller

FROM: Shannon E. Andrews, Chief Procurement Officer 

DATE: May 19, 2015

RE: 2014-009 Single Audit Action Plan

You have asked the OCPO to provide a Corrective Action Plan to the 2014 Single Audit Action Plan. The Auditor's Finding 2014-009 was made against the Office of the Chief Procurement Officer ("OCPO"). Specifically, the Auditor found stated that it selected forty (40) contracts, including three (3) of which were federally funded. The Auditor found that one of the three federally funded contracts did not include the following federally funded contract provisions: (1) Equal Employment Opportunity; (2) Copeland "Anti-Kickback" Act; (3) Contract Work Hours and Safety Standards Act; (4) Rights to Inventions Made Under a Contract or Agreement; (5) Clean Air Act and the Federal Water Pollution Control Act; (6) Byrd Anti-Lobbying Amendment; and (7) Debarment and Suspension. The Auditor further stated that it subsequently selected eight additional federally funded contracts and noted that 4 of those contracts did not contain the required contract provisions.

The Office of the Chief Procurement Officer uses two contractual templates, the Instruction to Bidders and General Conditions ("GCs") and the Professional Services Agreement ("PSA"). While the GCs include the federal clauses as a part of the template, the PSA does not include the federal clauses as a part of the template.

Based upon my review of Finding 2014-009, the OCPO shall implement the following changes to address the audit findings effective June 30, 2015:

1. Inclusion of federal clauses. Effective November 1, 2011, the OCPO has developed federal clauses that were added to the standard general conditions for federally-funded projects. Although contracts entered into prior to November 1, 2011 did not contain the federal clauses, we have included this language to several contracts in the form of an amendment. The OCPO shall continue to include the federal clauses in the standard general conditions, and will only intentionally omit these provisions, at the request of the Using Agency or vendor, if we receive confirmation that no federal funds will be used for a contract.
2. Identification of Grant Funded Contracts by Using Agencies. The OCPO will issue a memorandum to all Using Agencies stating that if a contract will use federal funds, the Using Agencies shall be required to identify in the text of the requisition the name of the grant and the funding agency. Additionally, Using Agencies shall be instructed to upload a copy of the grant agreement with its requisition, statement of work, schedule of compensation and any other supporting documents. OCPO will add all required grant funded contract provisions as an exhibit to the PSA.
3. Grant Funded Account Numbers. All Using Agencies are required to enter an account number on requisitions when requesting that the OCPO procure goods or services. The OCPO shall request from the Budget Office a list of all Account Numbers for grant funded contracts. The OCPO shall use the listing of grant funded account numbers to ensure that it includes the required contract provisions as an exhibit to the PSA.

Please advise if you have any additional questions.

COOK COUNTY HEALTH & HOSPITALS SYSTEM

Toni Preckwinkle
President
County Board of Commissioners
John Jay Shannon, MD
Chief Executive Officer
County Health & Hospitals System



COOK COUNTY HEALTH
& HOSPITALS SYSTEM
CCHHS

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**Supply Chain
Management**
1901 W. Harrison St.
Suite 5360, Chicago, IL
60612

312-864-4800

To: Lawrence Wilson
Cook County Comptroller
From: Charles Jones 
Director Strategic Sourcing and Contract Management
Cook County Health and Hospitals System
Date: May 21, 2015
Re: Corrective Action Plan for 2014 Single Audit
Finding 2014-010

Procurement and Suspension and Debarment
Federal Department - Various
Passed-through Agencies - Various
Cook County Health and Hospital Systems - System Director Supply Chain Management
Finding - 2014 - 010

Condition

During the current audit period, Cook County Health and Hospitals System (CCHHS) did not maintain documentation to ensure compliance with the Cook County Code of Ordinances which requires verification of whether potential contractors are delinquent in child support payments, taxes and fees, and comply with the Federal and County regulations regarding MBE/WBE goals.

Corrective Action Plan

The CCHHS Supply Chain Management (Procurement) has reviewed the Cook County Code and established policies and procedures to ensure all contract files contain documentation of the verifications of whether potential contractors/vendor are delinquent in child support, taxes and fees, and compliance with MBE/WBE requirements. The Senior Contract Specialists and Contract Specialists will be trained to ensure all contract files contain necessary documentation to verify whether potential contractor/vendors are delinquent in child support, taxes and fees, and compliance with MBE/WBE requirement. The Director of Strategic Sourcing & Contract Management will conduct monthly monitoring of the contract files to ensure compliance.

Expected Implementation Date - November 30, 2015



OFFICE OF THE COMPTROLLER
LAWRENCE L. WILSON, CPA
 COMPTROLLER
 118 North Clark St. Room 500 • Chicago, Illinois 60602 • (312) 603-5601

MEMORANDUM

TONI PRECKWINKLE

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ELIZABETH ANN DODDY GORMAN
 17th District

TO: Lawrence L. Wilson, CPA
 Comptroller

FROM: John Schick
 Deputy Comptroller 

DATE: May 28, 2015

RE: Corrective Action Plan for Single Audit Finding 2014-011

The Comptroller's Office and Department of Budget and Management (the "Budget Office") continue to implement process improvements to address the timely review and reconciliation of expenditures and to ensure the proper internal controls are in place to prevent the inaccurate posting of expenditures to grant accounts. In FY14, the Comptroller's Office and Budget Office developed written policies and procedures to provide guidance County-wide on the proper accounting and reconciliation procedures required to manage grant funds. This written guidance provides detailed requirements instructing all departments to review grant accounts on a monthly basis and process all reconciliations in a timely manner. To supplement the process improvements outlined above, the Comptroller's Office Grant Manager (this position was recently filled) will work with County-wide grant staffs to ensure expenditures are reconciled, any identified variances are resolved and financial reporting processes (e.g., schedule of expenditures of federal awards) are reviewed and completed in a timely manner.

Currently, the County's General Ledger system is lacking the capacity to automatically restrict overages in grant accounts. To address this issue, the County has contracted with a vendor to purchase software for a new Enterprise Resource Planning (ERP) system and is currently conducting a request for proposal process to select an ERP system integrator. The current plan is to implement a new ERP system by FY 2017.

With an implementation of a new ERP system, the County is planning to automatically restrict expenditures from posting in excess of a particular grants budget, improve the efficiency of accounting controls and the financial reporting process of the County.