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of Commissioners**

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Office of the County Auditor

Shelly A. Banks, C.P.A.

Cook County Auditor

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November 30, 2016

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

Dear President Preckwinkle and Board of Commissioners:

In accordance with the County Auditor Ordinance 11-O-93 Sec. 2-311.9, at the beginning of each fiscal year, the Auditor shall submit an audit schedule to the County Board for referral to the Audit Committee for review and comment.

The following Audit Plan is prepared to provide a core guide for audits to be initiated during the fiscal year. Depending on workload and the other factors mentioned in the Audit Plan, some of these audits may not be initiated during the year, and other audits may be conducted that are not on this plan.

Based on the FY'2017 budgeted staff level of 8 auditors, 1 Forest Preserve District auditor and 1 Information Technology (IT) auditor, we have determined that we have approximately 1795 audit days available ([Section IV Resources](#)). The audit schedule consists of higher risk areas identified for audit. With the limited resources, the OCA will focus on as many audit areas as possible to ensure the best coverage. Based on the number of audit days available, our goal is to initiate audits as outlined in [Section V FY'2017 Audit Schedule](#). We will also continue to provide assistance to the Comptroller's Office in the preparation of the November 30, 2016 Comprehensive Annual Financial Report (CAFR). In addition, the Audit Plan provides for management consulting requests, special audits and assistance with special projects as the need is determined throughout the fiscal year.

We welcome the review of our Audit Plan for fiscal year 2017 and look forward to any comments or suggestions.

Respectfully Submitted,

Shelly A. Banks, CPA
Cook County Auditor



COOK COUNTY GOVERNMENT

OFFICE OF THE COUNTY AUDITOR

FY'2017 AUDIT PLAN

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SECTION I: INTRODUCTION

Authority

The Office of Cook County Auditor (OCA) operates in accordance with the [County Ordinance Division 6. Auditor](#), which grants the OCA the authority to conduct financial, management and performance audits of all Cook County departments, offices, boards, activities, agencies and programs and in any government entity that is funded in whole or in part by the County pursuant to the County's annual appropriation bill.

Mission

The mission of the OCA is to provide independent and objective assurance and consulting services designed to add value and improve the County's operations while promoting transparency and accountability in government. The OCA assists the County in accomplishing its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of countywide risk management, control, and governance processes.

Role

An internal audit department plays a significant role in the development and sustainability of a strong internal control system. The internal audit activity provides assurance to management and the audit committee that risks to the organization are understood and managed appropriately. The following are the major roles and responsibilities of the internal audit function.

- ❖ Assess risk Countywide to identify the audit universe and apply audit resources in the most effective and efficient manner
- ❖ Conduct value added audits in a professional manner with high integrity
- ❖ Evaluate and provide reasonable assurance that risk management, control, and governance systems are functioning as intended and will enable the organization's objectives and goals to be met
- ❖ Report noncompliance issues and internal control deficiencies directly to the President, Board of Commissioners and Audit Committee and provide recommendations for improving the organization's operations, in terms of both efficient and effective performance
- ❖ Assess the information technology environment and associated risk exposures
- ❖ Maintain open communication with the Board, Cook County leadership, and Audit Committee
- ❖ Team with other internal and external resources as appropriate
- ❖ Adhere to auditing standards
- ❖ Comply with continuous education and staff development requirements

Standards

The OCA adheres to the following standards in conducting the audits:

- [Generally Accepted Government Auditing Standards \(The Yellow Book\)](#)
- [Institute of Internal Auditors \(IIA\) Professional Standards](#)
- [ISACA Information Technology Audit Standards](#)

SECTION II: APPROACH

The IIA's International Standards for the Professional Practice of Internal Auditing Performance Standard 2010 (Planning) and ISACA's IS Auditing Standard S5 (Planning) require that the OCA establish a risk-based plan to determine the priorities of the audit activity, consistent with the organization's goals and available audit resources.

As part of the development of the FY'2017 Audit Plan, the OCA implemented the Countywide Risk Assessment Program. The Countywide Risk Assessment provides a basis for the preparation of the Annual Audit Plan while enhancing the objectivity and transparency of the audit process. Key factors across the various offices and departments are evaluated to assess risk and allocate audit resources. A risk assessment is essential to ensuring that audit resources are applied in the most effective and efficient manner.

For FY'2017, the audit universe consisted of the high level departments within the Offices under the President, the Elected Offices and the Forest Preserve District. The following are the risk factors that were applied:

- ✓ Public Exposure
- ✓ Compliance with Regulations
- ✓ Employee Turnover
- ✓ Audit Coverage
- ✓ Financial Impact (Appropriation, Revenue, Expenses, Contracts, Grants)
- ✓ Automation
- ✓ Sensitivity and Confidentiality

SECTION III: AUDIT PLAN IMPLEMENTATION

The audit schedule is a fluid document. The audit schedule consists of higher risk areas identified for audit. With the limited resources, the OCA will focus on as many audit areas as possible to ensure the best coverage. The audit schedule and/or the nature and timing of the audits may vary based on the following:

- Requests by management;
- Changes in laws, statutes, regulations, and other mandates;
- Major changes in operations, programs, systems, and controls;
- Availability of key personnel;
- Potential loss and risk exposure; and
- Changes in audit resources.

SECTION IV: AUDIT RESOURCES

Staff	Work Days Available	Continuing Professional Education (CPE)	Internal Training	Administrative Tasks (5%)	Supervisor Reviews	Quality Assurance Internal Reviews	Total Audit Days
8 Audit Staff	1727	(40)	(8)	(94)	(210)	(10)	1365
1 FPD Auditor	233	(5)	(1)	(12)			215
1 IT Auditor	233	(5)	(1)	(12)			215

SECTION V: FY'2017 AUDIT SCHEDULE

AUDIT	DEPARTMENT/OFFICE
AUDITS (FINANCIAL, COMPLIANCE, OPERATIONAL, PERFORMANCE)	
Adult Redeploy Grants	Chief Judge
Automation Fund	Clerk of the Circuit Court
Automation Fund	Treasurer
Cash Management Functions	Recorder of Deeds
Contract Review	Countywide
Contractual Services	Public Guardian
Court Services Division	Sheriff's Office
Grant Management Processes	DHSEM
Guaranteed Energy Performance Contracts	Capital Planning & Development
Homestead Erroneous Exemption Process	Assessor
Implemented Recommendations Follow up	Countywide
iNovah Reconciliation Process	Revenue
Inspection & Permit Process	Building & Zoning
On/Offboarding Process	Countywide
PWC Contract Compliance	Risk Management
Statement of Economic Interest Compliance	Countywide
State's Attorney Narcotics Forfeiture	State's Attorney
Sub-recipient Award Process	Countywide
Tax Discovery Process	Revenue
Taxpayers Interest Assurance Ordinance	Countywide
Vital Records	County Clerk
INFORMATION TECHNOLOGY (IT) AUDITS	
Case Management System	Medical Examiner
Cloud Auditing	BOT
Enterprise Resource Planning (ERP)	Countywide
Integrated Home Rule Tax Processing System	Revenue
Integrated Property Tax System	Assessor, Clerk, Treasurer, BOT
IT Hardware Audit	Countywide
Network Discovery	Countywide
Physical Security & Information Processing	Countywide
Time & Attendance	Countywide
FOREST PRESERVE DISTRICT (FPD) AUDITS	
Campground Facilities Contract	Conservation & Experiential Programs
Concessions	Permits, Concessions & Volunteer
Law Enforcement Inventory	Law Enforcement
Landscape Maintenance Processes	Landscape Maintenance
Procurement Process & Procedures	Finance & Administration
OTHER	
FY'16 CAFR Support	Finance
Management Consulting or Special Audits	Countywide
Risk Assessment/FY'18 Audit Plan	Countywide

SECTION VI: FY'2016 AUDIT REPORTS SUMMARY

Audit Title	Department/ Office	# Recommendations
DAFSS Home Study Investigation Process	DAFSS	7
FPD Golf Contract Compliance	FPD	6
Job Order Contracting Process	CPP	1
Software Licenses	Countywide	4
Sole Source and Emergency Procurements	Procurement	3
Travel Expenditures	Countywide	4
Vendor Payment Process	Countywide	4

SECTION VII: AUDIT RECOMMENDATIONS SUMMARY

Recommendations Summary	
Recommendations since FY13	123
Recommendations Implemented to Date	105
Open Recommendations	18
Carryover from prior fiscal years	11
FY16 Open	7

Key Controls Established through Recommendations
Transparency in processes through codifying policies and procedures
Established system of segregation of duties
Strengthened controls around contract monitoring
Accountability for vendors in meeting contract requirements
Improved data tracking and monitoring
Fiscal responsibility in payment processes
Enhanced reporting tools
Established central repository of software licenses
Documented approvals
Implemented reconciliation processes
Improved services through automating processes