

WOODFORD COUNTY, ILLINOIS

**ANNUAL FEDERAL AWARDS
COMPLIANCE AUDIT
YEAR ENDED NOVEMBER 30, 2015**



CliftonLarsonAllen

TABLE OF CONTENTS

	PAGE
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>.....	1
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR FEDERAL PROGRAM, ON INTERNAL CONTROL OVER COMPLIANCE, AND ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS IN ACCORDANCE WITH OMB CIRCULAR A-133.....	3
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	6
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	8
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	9
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS	19



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Members of the County Board
Woodford County, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Woodford County, Illinois, as of and for the year ended November 30, 2015, and the related notes to the financial statements, which collectively comprise Woodford County, Illinois' basic financial statements, and have issued our report thereon dated March 29, 2016. Our report was qualified as management has not determined or recorded a liability for other postemployment benefits in the governmental activities and, additionally, has not recorded an expense for the period change in that liability. The amount by which this departure would affect the liabilities, net position, and expenses of the governmental activities has not been reasonably determined.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Woodford County, Illinois' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Woodford County, Illinois' internal control. Accordingly, we do not express an opinion on the effectiveness of Woodford County, Illinois' internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2015-001, 2015-002, 2015-003, 2015-004, and 2015-005 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2015-006 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Woodford County, Illinois' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards*, and which is described in the accompanying schedule of findings and questioned costs as item 2015-003.

Woodford County, Illinois' Responses to Findings

Woodford County, Illinois' responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Woodford County, Illinois' responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Peoria, Illinois
March 29, 2016



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR
FEDERAL PROGRAM, ON INTERNAL CONTROL OVER COMPLIANCE,
AND ON THE SCHEDULE OF EXPENDITURES OF FEDERAL
AWARDS IN ACCORDANCE WITH OMB CIRCULAR A-133**

Members of the County Board
Woodford County, Illinois

Report on Compliance for Each Major Federal Program

We have audited Woodford County, Illinois' compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Woodford County, Illinois' major federal programs for the year ended November 30, 2015. Woodford County, Illinois' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Woodford County, Illinois' 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 Woodford County, Illinois' 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 of the major federal programs. However, our audit does not provide a legal determination of Woodford County, Illinois' compliance.

Opinion on Each Major Federal Program

In our opinion, Woodford County, Illinois 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, 2015.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 2015-007. Our opinion on each major federal program is not modified with respect to this matter.

The County's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. 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 Woodford County, Illinois 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 Woodford County, Illinois' 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 its 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 Woodford County, Illinois' internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph 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. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2015-001, 2015-002, and 2015-004 to be material weaknesses.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2015-007 to be a significant deficiency.

Woodford County, Illinois' responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Woodford County, Illinois' responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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 result of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Woodford County, Illinois as of and for the year ended November 30, 2015, and the related notes to the financial statements, which collectively comprise Woodford County, Illinois' basic financial statements. We issued our report thereon dated March 29, 2016. Our report was qualified as management has not determined or recorded a liability for other postemployment benefits in the governmental activities and, additionally, has not recorded an expense for the period change in that liability. The amount by which this departure would affect the liabilities, net position, and expenses of the governmental activities has not been reasonably determined. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



CliftonLarsonAllen LLP

Peoria, Illinois
March 29, 2016

**WOODFORD COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended November 30, 2015**

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Grantor's Number</u>	<u>Expenditures</u>	<u>Passed-through to Subrecipients</u>
U.S. DEPARTMENT OF AGRICULTURE				
Passed through Illinois Department of Human Services: Special Supplemental Nutrition Program for Women, Infants, and Children (Major)	10.557	FCSTQ01115	\$ 38,684	\$ -
	10.557	FCSUQ01115	35,151	-
WIC Noncash Food Vouchers(Major)	10.557	N/A	<u>155,446</u>	<u>-</u>
			<u>229,281</u>	<u>-</u>
Passed through Illinois Department of Public Health: Summer Food Inspection	10.559	N/A	<u>200</u>	<u>-</u>
Total U.S. Department of Agriculture			<u>229,481</u>	<u>-</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through Illinois Department of Public Health: Emergency Preparedness	93.074	57180095C	27,940	-
	93.074	67180095D	17,179	-
Information Network	93.074	57180122C	28,239	-
	93.074	67180122D	15,081	-
Ebola Grant	93.074	N/A	<u>2,843</u>	<u>-</u>
			<u>91,282</u>	<u>-</u>
Immunization Grant - Noncash	93.268	N/A	<u>55,215</u>	<u>-</u>
Passed through Illinois Department of Human Services: Partnership for Success	93.243	FCSTP01809	<u>50,515</u>	<u>-</u>
Passed through Illinois Department of Healthcare and Family Services: Child Support Enforcement	93.563	N/A	<u>4,496</u>	<u>-</u>

**WOODFORD COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended November 30, 2015**

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass- through Grantor's Number</u>	<u>Expenditures</u>	<u>Passed- through to Subrecipients</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONTINUED)				
Passed through National Association of County and City Health Officials	93.008	MRC 15-0979	\$ 3,500	\$ -
Total U.S. Department of Health and Human Services			<u>205,008</u>	<u>-</u>
U.S. ENVIRONMENTAL PROTECTION AGENCY				
Passed through Illinois Department of Public Health: Performance Partnership Grant	66.605	N/A	<u>1,850</u>	<u>-</u>
U.S. DEPARTMENT OF TRANSPORTATION				
Passed through Illinois Department of Transportation: Public Transportation for Non-urbanized Areas	20.509	50OP1544FED	67,958	67,958
	20.509	60OP1544FED	<u>48,436</u>	<u>48,436</u>
Total U.S. Department of Transportation			<u>116,394</u>	<u>116,394</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Passed through Illinois Department of Commerce and Economic Opportunity: Community Development Block Grant (Major)	14.228	08-358014	<u>131,776</u>	<u>-</u>
U.S. DEPARTMENT OF HOMELAND SECURITY				
Passed through Illinois Emergency Management Agency: Emergency Management Performance Grant	97.042	N/A	<u>20,139</u>	<u>-</u>
TOTAL			<u>\$ 704,648</u>	<u>\$ 116,394</u>

WOODFORD COUNTY, ILLINOIS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
NOVEMBER 30, 2015

General

The accompanying Schedule of Expenditures of Federal Awards includes the activity of all federal financial assistance programs of Woodford County, Illinois. The Woodford County reporting entity is defined in Note 1 to the County's basic financial statements. Federal awards received directly from federal agencies as well as federal financial assistance passed through to other government agencies are included on the schedule.

Relationship to Financial Statements

The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts present in this schedule may differ from amounts presented in the financial statements.

Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the County's basic financial statements.

Other Noncash Assistance

The County did not receive any federal awards in the form of noncash assistance for insurance in effect during the year, loans, or loan guarantees.

Relationship to Federal Financial Reports

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports.

**WOODFORD COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
NOVEMBER 30, 2015**

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Qualified

Internal control over financial reporting:

- Material weakness(es) identified? X Yes No
- Significant deficiencies identified that are not considered to be material weaknesses? X Yes None reported

Noncompliance material to financial statements noted? X Yes No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? X Yes No
- Significant deficiencies identified that are not considered to be material weaknesses? X Yes None reported

Type of auditors' report issued on compliance for major programs: Unmodified

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children
14.228	Community Development Block Grant

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? Yes X No

**WOODFORD COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
NOVEMBER 30, 2015**

Section II - Financial Statement Findings

Finding No. 2015-001 - Segregation of Duties

Criteria or specific requirement:

Management is responsible for establishing and maintaining internal controls and for the fair presentation of the financial statements including the related disclosures, in conformity with the U.S. generally accepted accounting principles.

Condition:

Due to the limited number of personnel performing accounting functions in the County offices, there is a lack of segregation of duties over accounting transactions. Specifically, the department heads can initiate and approve invoices without any review. Additionally, the Deputy Treasurer has the ability to record cash receipt transactions and handle physical cash collections and deposits. Furthermore, the county does not have a control in place to review journal entries.

Effect:

As a result of the lack of segregation of duties, due to the limited number of personnel involved in accounting transactions, there is a higher risk that errors or misappropriation could occur and not be detected within a timely period.

Cause:

There is limited number of personnel involved in accounting transactions within the County offices.

Recommendation:

When this condition exists, management's close supervision and review of accounting information is the best means of preventing or detecting errors and irregularities. The County Board should continue to closely monitor financial reporting. When available the county should re-assign tasks to create the appropriate segregations of duties. Regarding invoices, the department staff could initiate the invoice and the approval then could be completed by the department head. If possible, individuals with responsibilities for handling cash should not also be responsible for recording transactions. For journal entries, the county should ensure that all journal entries have a documented review and approval by someone other than the preparer.

Views of responsible officials and planned corrective action:

To the extent possible, monitoring of monthly financial results and compliance information by department heads and the Board will continue in the County offices.

Contact Person:

Melissa Andrews, Woodford County Treasurer

**WOODFORD COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
NOVEMBER 30, 2015**

Section II - Financial Statement Findings (Continued)

Finding No. 2015-002 - Financial Statement Preparation

Criteria or specific requirement:

Management is responsible for establishing and maintaining internal controls and for the fair presentation of the financial statements including the related disclosures, in conformity with the U.S. generally accepted accounting principles (GAAP).

Condition:

The County does not have an internal control policy in place over annual financial statement reporting that would enable management to prepare its annual financial statements including the Schedule of Expenditures of Federal Awards (SEFA) and ensure related footnote disclosures are complete and presented in accordance with GAAP.

Management has informed us they do not have an internal control policy in place over the annual financial reporting and they do not have the necessary staff capacity to prepare the annual financial statements including footnote disclosures and SEFA.

Effect:

The potential exists that a material misstatement of the annual financial statements and SEFA could occur and not be prevented or detected by the County's internal controls.

Cause:

The County relies on the audit firm to prepare the annual financial statements including the SEFA footnote disclosures. However, they have reviewed and approved the annual financial statements and related footnote disclosures.

Recommendation:

Management should continue to evaluate their internal staff capacity to determine if an internal control policy over the annual financial reporting is beneficial.

Views of responsible officials and planned corrective action:

The County does not deem it cost effective to send designated employees to training classes nor to hire an individual with the proper qualifications.

Contact Person:

Melissa Andrews, Woodford County Treasurer

**WOODFORD COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
NOVEMBER 30, 2015**

Section II - Financial Statement Findings (Continued)

Finding No. 2015-003 - Required Disclosures

Criteria or specific requirement:

The Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, requires that the County reflect a liability in the County's government-wide statements if the benefits are not funded at the annual required contribution level determined by an actuarial valuation.

Condition:

The County did not have an actuarial valuation performed for the period under audit, therefore, a liability was not recorded and no disclosure was made regarding GASB Statement 45.

Effect:

Not recording this liability could have a material effect on the government-wide financial statements and liabilities are not accurately reported on those financial statements.

Cause:

The County Board decided that the costs of having an actuarial valuation performed outweighed the benefit to the County and therefore, decided not to pursue an actuarial valuation to calculate the County's obligations under GASB Statement 45.

Recommendation:

We recommend the County have an actuarial valuation performed to assess the commitment the County is liable for with respect to postemployment benefits other than pensions.

Views of responsible officials and planned corrective action:

The County does not deem it cost effective to have an actuarial valuation performed to assess the commitments of postemployment benefits other than pensions.

Contact Person:

Melissa Andrews, Woodford County Treasurer

**WOODFORD COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
NOVEMBER 30, 2015**

Section II - Financial Statement Findings (Continued)

Finding No. 2015-004 – Audit Adjustments

Criteria or specific requirement:

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis.

Condition:

During the course of our audit, we posted a variety of adjustments that had a material effect on the County's financial statements. A significant portion of the adjustments affecting the current period related to adjusting to the modified accrual basis or accrual basis of accounting from the cash basis. Prior period adjustments were also recognized in the current year financial statements to reflect errors in previous periods.

Effect:

The County's lack of effective internal controls over its accounting system constitute a material weakness, which is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the County's internal control.

Cause:

The County relies on the audit firm to convert the annual financial statements from cash to the modified accrual basis. However, they have reviewed and approved the adjustments.

Recommendation:

To establish proper internal control over its accounting system, the County should continue establishing procedures to record these accrual items, which include identifying factors that may affect the balances, as well as accumulating sufficient reliable data on which to base the balances. Such procedures should be performed by an individual possessing a thorough understanding of applicable generally accepted accounting principles and knowledge of the County's activities and operations.

Views of responsible officials and planned corrective action:

The County does not deem it cost effective to send designated employees to training classes nor to hire an individual with the proper qualifications.

Contact Person:

Melissa Andrews, Woodford County Treasurer

**WOODFORD COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
NOVEMBER 30, 2015**

Section II - Financial Statement Findings (Continued)

Finding No. 2015-005 – Held Checks

Criteria or specific requirement:

To ensure proper cutoff of the financial statements, the county is responsible for establishing controls that ensure year end balances are properly recorded.

Condition:

During our audit, we identified three checks, totaling approximately \$109,000, in the Highway Department that were processed in November 2015 and purposely being held to be paid out in fiscal year 2016.

Effect:

The unadjusted cash balance was understated by approximately \$109,000.

Cause:

County officials stated the checks were held since the invoice or product had not been received.

Recommendation:

We recommend the County establish controls to ensure approved checks are remitted timely after processing.

Views of responsible officials and planned corrective action:

The county will communicate to the department heads that checks for disbursements should not be requested unless they intend on mailing the check once it has been approved by the County Board.

Contact Person:

Melissa Andrews, Woodford County Treasurer

**WOODFORD COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
NOVEMBER 30, 2015**

Section II - Financial Statement Findings (Continued)

Finding No. 2015-006 – Controls over Cash Accounts

Criteria or specific requirement:

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis.

Condition:

During the course of our audit, we identified 26 bank accounts, (Animal Control Petty Cash, Sheriff Sale, Sheriff Petty Cash, Inmate Acct. – 1, Inmate Acct. – 2, Canine Account, Sheriff (Cash in Bank), Explorers, Commissary, TRIAD/Salt, Sheriff Forfeited Funds, Conceal Carry, County Clerk, County Clerk RHSP Petty Cash, Tax Redemption, County Clerk E-Pay, Child Enforcement (HB), Circuit Clerk, Circuit Clerk E-Pay, Circuit Clerk CD, Child Enforcement (MCB), Circuit Clerk Operation & Administration, Associate Division Sweep Account, Circuit Clerk Re-Purchase, Circuit Clerk Victim Counseling, and Circuit Clerk Electronic Citation Fund), for which there was no general ledger activity. Some departments such as the Sheriff's Department, Circuit Clerk, and County Clerk offices are authorized to establish new cash accounts which are outside of the Treasurer's authority. Such accounts are managed by the departments entirely outside of the Treasurer's office, except that incoming bank statements are reviewed by the Treasurer. Transactions are not recorded in the County's general ledger system by the Treasurer's office or by other means which would provide activity detail similar to a general ledger detail, and no summarized activity is available, such as a trial balance.

Effect:

The County's lack of effective internal controls over cash accounts could result in a material misstatement of the financials statements that would not be prevented or detected by the County's internal control.

Cause:

The County relies on the external auditor to compile the activity of these bank accounts to be reported on the County's financial statements.

Recommendation:

We recommend that the County record these transactions throughout the year. A simple Excel spreadsheet would suffice to provide transaction detail which can be summarized for monthly and year-end reporting and recording in the general ledger. Such detail will provide for more complete financial information to be included in the financial reports provided to the County Board.

**WOODFORD COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
NOVEMBER 30, 2015**

Section II - Financial Statement Findings (Continued)

Finding No. 2015-006 – Controls over Cash Accounts (Continued)

Views of responsible officials and planned corrective action:

Each Department Head will be responsible for preparing an Excel spreadsheet on a monthly basis for each of the accounts that are not recorded in the General Ledger. This information shall be provided to the Auditors for the fiscal year then ended to be included in the financial statements.

Contact Person:

Melissa Andrews, Woodford County Treasurer

**WOODFORD COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
NOVEMBER 30, 2015**

Section III - Federal Award Findings and Questioned Costs

Finding No. 2015-001 - Segregation of Duties

Finding No. 2015-002 - Financial Statement Preparation

Finding No. 2015-004 – Audit Adjustments

See Section II - Financial Statement Findings

Federal Agency Program: All

Questioned Costs: None

Finding No. 2015-007 – WIC Eligibility

Federal Agency/Program: U.S. Department of Agriculture -10.557 - Special Supplemental Nutrition Program for Women, Infants, and Children, passed through Illinois Department of Human Services

Questioned Costs: Unknown

Criteria or specific requirement:

There are five basic eligibility requirements (Income requirements, nutritional risk, residency, identity documentation, and pregnancy) to participate in the WIC program, which are all documented on the participant's certification form. In order to receive any benefits from the program, the certification form must be completed in its entirety and signed by the participant.

Condition:

During our testing of controls over compliance, we noted an instance in which a certification form was not completely filled out or signed by the participant, but the participant received benefits from the program.

Context:

We noted this condition in 1 out of 40 participants tested.

Effect:

An ineligible individual received benefits.

Cause:

The County did not have a control in place to review the eligibility form to ensure that it was complete and signed prior to the program participant receiving benefits.

Recommendation:

We recommend the intake individuals reviewing certification forms ensure all required information is accurate and complete.

**WOODFORD COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
NOVEMBER 30, 2015**

Section III - Federal Award Findings and Questioned Costs (Continued)

Finding No. 2015-007 – WIC Eligibility (Continued)

Views of responsible officials and planned corrective action:

The County will verify that WIC certification forms are filled out in their entirety before any benefits are processed from the program. The new Director of Nursing will conduct a check of these certification forms to see if any more instances like the one finding exist to prevent further occurrences.

Contact Person:

Melissa Andrews, Woodford County Treasurer

**WOODFORD COUNTY SINGLE AUDIT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
NOVEMBER 30, 2015**

Finding No. 2014-001

SEGREGATION OF DUTIES

Due to the limited number of personnel performing accounting functions in the County offices, there is a lack of segregation of duties over accounting transactions.

Status

This finding has been repeated in the current year as Finding 2015-001.

Finding No. 2014-002

FINANCIAL STATEMENT PREPARATION

The County does not have an internal control policy in place over annual financial reporting that would enable management to prepare its annual financial statements, including the Schedule of Expenditures of Federal Awards (SEFA), and ensure related footnote disclosures are complete and presented in accordance with GAAP.

Status

This finding has been repeated in the current year as Finding 2015-002.

Finding No. 2014-003

REQUIRED DISCLOSURES

The County did not have an actuarial valuation performed for the period under audit, therefore, a liability was not recorded and no disclosure was made regarding GASB Statement 45.

Status

This finding has been repeated in the current year as Finding 2015-003.

Finding No. 2015-004

REVIEW OF PAYROLL

During our testing of controls over payroll disbursements, we noted one instance where an employee was paid at a lower rate than that approved by the County Board. We also noted one instance where ten hours of overtime were inappropriately excluded from the employee's check. The County's internal controls system did not prevent or detect these errors.

Status

This finding has not been repeated in the current year.