

Rock Island County, Illinois

Compliance Report
November 30, 2010

Schedule of Expenditures of Federal Awards for the Year Ended
November 30, 2010 and Independent Auditor's Reports in Accordance
with U.S. Office of Management and Budget Circular A-133

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Rock Island County, Illinois

**Schedule of Expenditures of Federal Awards
Year Ended November 30, 2010**

Federal Grantor/ Pass-Through Grantor/Program Title	Federal CFDA Number	Grantor's Identifying Number	Federal Expenditures
U.S. Department of Health and Human Services			
(Passed through Illinois Department of Public Health):			
Breast & Cervical Cancer Early Detection	93.283	06180027	\$ 59,554
Breast & Cervical Cancer Early Detection	93.283	16180026	25,800
Local Public Hlth Prepare & Response - Bioterror	93.069	07181075	8,509
Local Public Hlth Prepare & Response - Bioterror	93.069	07181075	118,857
Oral Health Dental Sealants Only	93.994	03480170	6,689
Public Health Emergency Response 1&2	93.069	07181197	76,903
Public Health Emergency Response 3	93.069	07181292	134,289
Refugee Health Services Grant	93.566	00180016	70,274
Refugee Health Services Grant	93.566	10180012	15,239
ARRA - Illinois Immunization Program	93.712	05180384	22,191
Illinois Immunization Program	93.268	Noncash	94,264
			<u>632,569</u>
(Passed through Illinois Department of Human Services):			
SSBG - Family Case Management - Downstate	93.667	L11GK435300	16,200
Family Planning	93.217	L11GK435350	88,323
SSBG - Family Planning	93.667	L11GK435350	78,100
Family Planning	93.217	M11GM435350	80,800
SSBG - Family Planning	93.667	M11GM435350	53,122
Healthy Child Care Illinois	93.575	L11GL435420	23,345
Healthy Child Care Illinois	93.596	M11GM435420	18,900
Healthy Child Care Illinois	93.575	M11GM435420	12,600
SSBG - Illinois Disaster Assistance Program	93.667	DR00000018	775,477
SSBG - School Based Linked Health Centers	93.667	L11GL435371	100,000
SSBG - School Based Linked Health Centers	93.667	M11GM435371	18,800
School Based Linked Health Centers	93.994	L11GL435371	26,400
			<u>1,292,067</u>
(Passed through Illinois Department of Healthcare and Family Services):			
Medicaid Match - Local Health	93.778	None	115,178
Key Information Delivery System	93.563	2008-55-007-K3BW	34,454
			<u>149,632</u>
(Passed through National Association of County and City Health):			
Medical Reserve Corps Units Grant	93.008	MRC10 0998	5,000
(Passed through Illinois Department of Children and Family Services):			
Healthworks Lead Agency	93.778	2194109011	17,936
(Passed through Illinois State Board of Elections):			
Voting Access for Individuals with Disabilities - VAID III	93.617	None	13,369
(Passed through Illinois Department of Commerce and Economic Opportunity):			
ARRA - Illinois Youth Summer Employment 2010 Workforce Program	93.714	10-071013	922
(Passed through Illinois Public Health Association):			
HIV Testing & Prevention Services	93.944	1075103	4,523
			<u>2,116,018</u>
Total U.S. Department of Health and Human Services			
U.S. Department of Housing and Urban Development			
(Passed through the City of Moline),			
Lead Based Paint Hazard Control Grant	14.900	None	25,572

(Continued)

Rock Island County, Illinois

**Schedule of Expenditures of Federal Awards (Continued)
Year Ended November 30, 2010**

Federal Grantor/ Pass-Through Grantor/Program Title	Federal CFDA Number	Grantor's Identifying Number	Federal Expenditures
U.S. Environmental Protection Agency			
(Passed through Illinois Department of Public Health):			
Potable Water Supply Program	66.605	05380359	<u>3,875</u>
U.S. Department of Agriculture			
(Passed through Illinois Department of Public Health):			
Summer Food Inspection Program	10.559	15280135	<u>1,400</u>
(Passed through Illinois Department of Human Services):			
Supplemental Nutrition - Women Infant Child	10.557	L11GL435900	392,500
Supplemental Nutrition - Women Infant Child	10.557	M11GM435900	267,000
Supplemental Nutrition - Women Infant Child	10.557	Non-Cash	2,011,744
Supplemental Nutrition - Breastfeeding Peer Counseling	10.557	L11GL435980	7,195
WIC Farmers' Market Nutrition Program	10.572	Non-Cash	22,830
Supplemental Nutrition - Farmers Market	10.572	M11GM435920	<u>1,000</u>
			<u>2,702,269</u>
Total U.S. Department of Agriculture			<u>2,703,669</u>
U.S. Department of Homeland Security			
(Passed through Illinois Emergency Management Agency):			
Interoperable Emergency Communications Grant -			
Tactical Interoperable Comm	97.001	08IECGPROC	33,905
Emergency Management Performance Grant	97.042	09EMA69	8,535
Emergency Management Performance Grant	97.042	10EMA69	49,784
Citizen Corp Grant	97.067	None	3,557
Citizen Corp Grant	97.067	None	<u>1,750</u>
Total U.S. Department of Homeland Security			<u>97,531</u>
U.S. Department of Transportation			
(Passed through Illinois Department of Transportation):			
Non-Metro Public Transportation Operating Assistance Grant	20.509	3930 (RPT-10-035)	31,165
Non-Metro Public Transportation Operating Assistance Grant	20.509	3969 (RPT-11-035)	25,556
Image Enforcement Program	20.609	OP0-0081-091	<u>19,889</u>
			76,610
(Passed through Illinois Emergency Management Agency):			
Hazardous Materials Emergency Preparedness Planning Grant	20.703	None	<u>410</u>
Total U.S. Department of Transportation			<u>77,020</u>
U.S. Department of Energy			
(Passed through IL Dept of Commerce (DCEO)-IL Assoc Region Council-Bi-State):			
Energy Efficiency & Conservation Block Grant (4)	81.128	90-451001	<u>2,209</u>
U.S. Election Assistance Commission			
(Passed through Illinois State Board of Elections):			
Requirements Monies - Phase II	90.401	None	<u>24,657</u>
U.S. Bureau of Justice Assistance (Direct)			
State Criminal Alien Assistance Program	16.606	None	16,892
State Criminal Alien Assistance Program	16.606	None	<u>5,857</u>
Total U.S. Bureau of Justice Assistance			<u>22,749</u>

(Continued)

Rock Island County, Illinois

**Schedule of Expenditures of Federal Awards (Continued)
Year Ended November 30, 2010**

Federal Grantor/ Pass-Through Grantor/Program Title	Federal CFDA Number	Grantor's Identifying Number	Federal Expenditures
U.S. Department of Justice (Direct)			
(Passed through Illinois Criminal Justice Information Authority):			
Expanding Multi-Jurisdictional Narcotics Units	16.738	407010	11,895
Edward Byrne Memorial Justice Assistance Grant- JAG Law Enforcement Equipment	16.803	809868	12,580
ARRA - Expanding Multi-Jurisdictional Narcotics Unit - Edward Byrne Memorial Justice Assist	16.803	809110	20,000
Total U.S. Department of Justice			<u>44,475</u>
U.S. Department of Labor			
(Passed through Illinois Department of Commerce and Economic Opportunity)			
Trade and Globalization Adjustment and Assistance Act	17.245	09-662013	140,433
WIA Youth, Adult, Dislocated Worker	17.258-17.260	08-681013	212,600
WIA Formula, Adult, Dislocated Worker	17.258-17.260	09-681013	1,480,001
WIA Statewide Local Incentive	17.258-17.260	08-672013	177
WIA Local Incentive 02	17.258-17.260	09-672013	16,800
WIA Illinois Worknet	17.258-17.260	07-636013	26,600
ARRA - WIA Formula Adult, Dislocated Worker	17.258-17.260	08-761013	688,723
ARRA - WIA Formula Youth	17.258-17.260	08-762013	687,158
ARRA - WIA Youth Assistance	17.258-17.260	08-735113	28,152
AARA - WIA Youth Assistance Grant	17.258-17.260	08-735513	6,594
Total U.S. Department of Labor			<u>3,287,238</u>
Office of National Drug Control Policies (Direct)			
High-Intensity Drug Trafficking Area Program	09.G09MW 0009A	None	48,963
Total Expenditures of Federal Awards			<u>\$ 8,453,976</u>

See Notes to Schedule of Expenditures of Federal Awards.

Rock Island County, Illinois

Notes to Schedule of Expenditures of Federal Awards Year Ended November 30, 2010

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Rock Island County, Illinois (the County) and its discretely presented component unit and is presented on the modified accrual basis of accounting. All federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other governmental agencies expended during the year, is included in the schedule. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*. Therefore, some amounts presented in the schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

Note 2. Significant Accounting Policies

Revenue from federal awards is recognized when the County has done everything necessary to establish its right to revenue and the revenue met the available criteria. Expenditures of federal awards are recognized in the accounting period when the liability is incurred and approved for reimbursement.

Note 3. Subrecipients

Of the federal expenditures presented in the schedule, the County provided federal awards to subrecipients as follows:

Program Title	Federal CFDA Number	Amount Provided to Subrecipients
Breast & Cervical Cancer Early Detection	93.283	\$ 85,354
Expanding Multi-Jurisdictional Narcotics Units	16.738	11,895
High-Intensity Drug Trafficking Area Program	09.G09MW0009A	48,963
Illinois Disaster Assistance Program	93.667	679,382
Non-Metro Public Transportation Operating Assistance Grant	20.509	56,721

Note 4. Component Unit

The amounts included on the schedule of expenditures of federal awards for CFDA Nos. 17.245, 17.258 through 17.260 and 93.714 are expenditures for the period July 1, 2009 through June 30, 2010. The County is the grantee of such funds which are expended by the Rock Island Tri-County Consortium, a discretely presented component unit of the County that has a June 30 fiscal year-end. The Consortium is audited by other independent auditors.

Rock Island County, Illinois

**Notes to Schedule of Expenditures of Federal Awards
Year Ended November 30, 2010**

Note 5. Noncash Assistance

As reported on the schedule of expenditures of federal awards, the County distributed noncash assistance in the form of food coupons and farmer market coupons in the amount of \$2,011,744 and \$22,830, respectively. The food coupons and farmer market coupons distributed were included in the determination of federal awards expended for the year.

As reported on the schedule of expenditures of federal awards, the County also consumed noncash assistance in the form of immunizations in the amount of \$94,264. The immunizations consumed were included in the determination of federal awards expended for the year.

Note 6. Loan, Loan Guarantees and Insurance Contracts

None.

Rock Island County, Illinois

Summary Schedule of Prior Audit Findings Year Ended November 30, 2010

Number	Comment	Status	Corrective Action or Other Explanation
Findings Related to Financial Statements:			
Significant Deficiency in Internal Control:			
09-II-A	The Rock Island County, Illinois Animal Control Facility had an improper segregation of duties over the collection and recording of cash receipts, specifically the collection and recording of animal control fees.	Not Corrected	See response and corrective action plan at 10-II-A.
Findings Related to Federal Awards:			
Significant Deficiency in Administering Federal Awards:			
09-III-A	The Consortium has a limited number of personnel with direct responsibilities for all recordkeeping and reconciling functions and cash receipts and disbursements.	Not Corrected	See response and corrective action plan at 10-III-A.
09-III-B	The County does not have a system in place to ensure they are in compliance with the Procurement, Suspension and Debarment compliance requirement	Corrected	
Instance of Noncompliance:			
09-III-C	The County did not document the allocation of split funded employee payroll costs as required by OMB Circular A-87.	Corrected	



Independent Auditor's 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

To the County Board of
Rock Island County, Illinois
Rock Island, Illinois

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 Rock Island County, Illinois as of and for the year ended November 30, 2010, which collectively comprise the Rock Island County, Illinois' basic financial statements and have issued our report thereon dated April 28, 2011. Our report includes a reference to other auditors. We conducted our audit in accordance with 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. Other auditors audited the financial statements of the Rock Island Tri-County Consortium, the discretely presented component unit, as described in our report on Rock Island County, Illinois' financial statements. This report includes our consideration of the results of the other auditor's testing of internal control over financial reporting and compliance and other matters that are reported on separately by those other auditors. However, this report, insofar as it relates to the results of the other auditors, is based solely on the reports of the other auditors.

Other auditors audited the financial statements of the Forest Preserve Commission and Public Building Commission, blended component units, as described in our report on Rock Island County, Illinois' financial statements. The financial statements of the Forest Preserve Commission and Public Building Commission were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Rock Island County, Illinois' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Rock Island County, Illinois' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Rock Island County, Illinois' internal control over financial reporting.

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 combination of deficiencies, in internal control such that is a reasonable possibility that a material misstatement of the financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We and the other auditors did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we and other auditors identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting as items 10-II-A and 10-II-B. 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Rock Island County, Illinois' financial statements are free of 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 and those of other auditors disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of Rock Island County, Illinois in a separate letter dated April 28, 2011.

Rock Island County, Illinois' response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the County Board, federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than those specified parties.

McGladrey & Pullen, LLP

Davenport, Iowa
April 28, 2011



**Independent Auditor's Report on Compliance With Requirements
That Could Have a Direct and Material Effect on
Each Major Program and on Internal Control Over
Compliance In Accordance With OMB Circular A-133**

To the County Board of
Rock Island County, Illinois
Rock Island, Illinois

Compliance

We have audited Rock Island County, Illinois' 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 its major federal programs for the year ended November 30, 2010. Rock Island County, Illinois' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Rock Island County, Illinois' management. Our responsibility is to express an opinion on Rock Island County, Illinois' compliance based on our audit. We did not audit the compliance with the requirements of laws, regulations, contracts and grant agreements to its major program of the discretely presented component unit, Rock Island County Tri-County Consortium, whose statements reflect \$3,288,160 of expenditures of federal awards for the year ended June 30, 2010 which were audited by other independent auditors whose report thereon has been furnished to us, and our opinion on compliance with the requirements of laws, regulations, contracts and grant agreements to its major programs, insofar as it relates to the amounts included for the component unit, is based solely upon the report of the other independent auditors.

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 Rock Island 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. Our audit does not provide a legal determination on Rock Island County, Illinois' compliance with those requirements.

In our opinion, Rock Island County, Illinois complied, in all material respects, with the 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, 2010. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements that 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 item 10-III-B.

Internal Control Over Compliance

Management of Rock Island County, Illinois is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Rock Island County, Illinois' internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance 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 Rock Island County, Illinois' 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.

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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, the auditors of the Rock Island Tri-County Consortium identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as item 10-III-A. A significant deficiency in internal control over compliance is a deficiency, or 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.

Schedule of Expenditures of Federal Awards

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 Rock Island County, Illinois as of and for the year ended November 30, 2010, and have issued our report thereon dated April 28, 2011. Our report was modified to include reference to other auditors. We did not audit the financial statements of the blended component units of the Forest Preserve Commission and Public Building Commission or of the discretely presented component unit, Rock Island Tri-County Consortium, whose statements reflect none, none and \$3,288,160, respectively, of expenditures of federal awards for the year ended June 30, 2010. Those financial statements were audited by other independent auditors whose reports thereon have been furnished to us, and our opinion on the basic financial statements, insofar as it relates to the amounts included for the component units, is based solely upon the report of the other independent auditors.

Our audit was performed for the purpose of forming our opinions on 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 has been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion, based on our audit and the reports of other auditors, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Rock Island County, Illinois' responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Rock Island County, Illinois' responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of management, the County Board, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

McGladrey & Pullen, LLP

Davenport, Iowa
April 28, 2011

Rock Island County, Illinois

Schedule of Findings and Questioned Costs
Year Ended November 30, 2010

I. Summary of the Independent Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None Reported
- Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None Reported

Type of auditor's report issued on compliance for major programs: Unqualified

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

Identification of major program:

CFDA Number	Name of Federal Program or Cluster
17.258-17.260	WIA Cluster
93.712	ARRA - Illinois Immunization Program
93.268	Illinois Immunization Program
93.667	Social Services Block Grant (SSBG)

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

Auditee qualified as low-risk auditee? Yes No

(Continued)

Rock Island County, Illinois

Schedule of Findings and Questioned Costs (Continued)
Year Ended November 30, 2010

II. Findings Related to the Financial Statement Audit as Required to be Reported in Accordance with Generally Accepted Government Auditing Standards

A. Significant Deficiencies in Internal Control

10-II-A

Finding: The Rock Island County, Illinois Animal Control facility has an improper segregation of duties over the collection and recording of cash receipts, specifically the collection and recording of animal control fees.

Condition: The same personnel has the ability to collect cash, issue receipts, monitor the receipt number sequence, reconcile the daily receipts, prepare the deposit and prepare daily reconciliation sheet used by the Treasurer's Office to post the receipt transactions. In addition, the same personnel has access to the cash collected for animal control tags, the listing of the tags collected and performs the reconciliation of the animal control tags issued to cash collections. A good internal control system contemplates an adequate segregation of duties so that no one individual handles a transaction from its inception to its completion.

Context: Pervasive to cash receipt transactions of the animal control facility.

Effect: Transaction errors could occur and not be detected in a timely manner.

Cause: The County does not have a proper internal control system with proper segregation of duties established.

Recommendation: We recommend segregating the duties of collecting from reconciling and reconciling from recording of the fees to prevent mismanagement of cash collected for animal control fees.

Response and corrective action plan: Due to the low available staff, segregation of duties is very difficult. The Auditor's Office performed an in-depth review of cash collection processes at the Animal Control facility during fiscal year 2010 and noted that although the Operations Manager has the ability to handle an entire cash receipt transaction, she rarely does so. Effective April 2011, the County Board approved the expansion of work hours for the clerical staff at the facility. With these additional available man-hours, the occasion for the Operations Manager to receive payments will be reduced even further.

(Continued)

Rock Island County, Illinois

Schedule of Findings and Questioned Costs (Continued)
Year Ended November 30, 2010

10-II-B

Finding: The Rock Island County, Illinois Sheriff's department has an improper segregation of duties over the collection of cash, cash disbursement and bank reconciliation processes over the Inmate and Commissary funds.

Condition: Through August 2010, all accounting duties over Inmate and Commissary funds were handled by one individual, from August through November 2010; the duties were reassigned to three individuals as time permitted. The department did not restrict access amongst the individuals. In addition, it was noted that after August 2010, activity was not being recorded in the general ledger system for Jail Inmate and Jail Commissary funds. A good internal control system contemplates an adequate segregation of duties so that no one individual handles a transaction from its inception to its completion.

Context: Pervasive to cash receipt and disbursement transactions for the Jail Inmate and Commissary funds.

Effect: Transaction errors could occur and not be detected in a timely manner and accounts may be improperly stated.

Cause: The County does not have a proper internal control system with proper segregation of duties established.

Recommendation: We recommend segregating the duties of collection, disbursement and reconciliation of the jail funds to prevent mismanagement of cash collected for Jail Inmate and Jail Commissary funds.

Response and corrective action plan: The Auditor's Office has reviewed and verified and entered into the County's financial management system the activity in the Commissary account that occurred between July 2010 and March 2011. The Auditor's Office is also taking steps to establish a process whereby Auditor's Office personnel will record these transactions on a monthly basis. A Kiosk connected to the Core computer system has also been implemented at the jail to automate the cash receipts and record-keeping processes for the Commissary account.

B. Instances of Noncompliance

None noted.

(Continued)

Rock Island County, Illinois

Schedule of Findings and Questioned Costs (Continued)
Year Ended November 30, 2010

III. Findings and Questioned Costs for Federal Awards

A. Significant Deficiency in Administering Federal Awards

10-III-A

**U.S. Department of Labor
Passed through Illinois Department of Commerce and Economic Opportunity
Workforce Investment Act Cluster (CFDA 17.258-17.260)
Federal Award Year: 2009**

Finding: The Consortium has a limited number of personnel with direct responsibilities for all recordkeeping and reconciling functions and cash receipts and disbursements. From an internal control standpoint, this combination of duties is not conducive to adequate segregation of duties to prevent losses from employee error or dishonesty.

Criteria: The same personnel has the ability to collect cash, issue receipts, monitor number sequence, reconcile the daily receipts, prepare disbursements and authorize transactions to disburse.

Condition: The Consortium does not properly segregate cash receipt and disbursement dates of personnel.

Context: Pervasive to cash receipt and disbursement transactions of the Consortium.

Questioned costs: None

Effect: Transaction errors could occur and not be detected in a timely manner.

Cause: The Consortium does not have a proper internal control system with proper segregation of duties established.

Recommendation: With limited number of personnel, segregation of duties is difficult. The Consortium should continue to review its operating procedures to attempt to obtain the maximum internal control within the limited available resources. The Board of Directors should continue to closely monitor and perform periodic oversight of the Consortium's daily and monthly financial activities.

Response and corrective action plan: True segregation of duties is not possible with available staff. However, duties are occasionally shifted among personnel to provide cross-training. The Board will continue current oversight activities and implement additional activities as is practical.

(Continued)

Rock Island County, Illinois

Schedule of Findings and Questioned Costs (Continued)
Year Ended November 30, 2010

B. Instances of Noncompliance

10-III-B

**U.S. Department of Health and Human Services
Passed Through State of Illinois Department of Human Services
Social Services Block Grant (CFDA 93.667)
Federal Award Year: 2009/2010**

Finding: The County did not obtain the subrecipient single audit reports as required by OMB Circular A-133.

Criteria: As stated in OMB Circular No. A-133, the County, a pass-through entity, is responsible for ensuring that subrecipients expending \$500,000 or more in Federal awards during the subrecipient's fiscal year as provided in OMB Circular A-133 have met the audit requirements of OMB Circular A-133 and that the required audits are completed within 9 months of the end of the subrecipient's audit period, issuing a management decision on audit findings within 6 months after receipt of the subrecipient's audit report; and ensuring that the subrecipient takes timely and appropriate corrective action on all audit findings. 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.

Condition: The County does not properly monitor its subrecipients as it pertains to obtaining and reviewing single audit reports as required by OMB Circular A-133.

Context: The County did not request the single audit report for the County's two subrecipients.

Questioned Costs: None

Effect: Noncompliance with federal grant compliance requirements.

Cause: The County did not request the single audit reports from their subrecipients.

Recommendation: We recommend that the County obtain and review copies of the subrecipients' single audit reports.

Response and Corrective Action Plan: The County will implement procedures to ensure they receive the single audit report for their subrecipients according to OMB Circular A-133.

Rock Island County, Illinois

Corrective Action Plan Year Ended November 30, 2010

Comment Number	Comment	Corrective Action Plan	Anticipated Date of Completion	Contact Person
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Findings Related to Financial Statements:

Significant Deficiencies in Internal Control

10-II-A	The Rock Island County, Illinois Animal Control Facility had an improper segregation of duties over the collection and recording of cash receipts, specifically the collection and recording of animal control fees.	See response and corrective action plan at 10-II-A.	November 30, 2011	County Auditor
10-II-B	The Sheriff's department has inadequate segregation of duties in cash collection, cash disbursement, and bank reconciliation processes for Jail Inmate and Jail Commissary funds. In addition, it was noted that after August 2010, activity was not being recorded in general ledger system for Jail Inmate and Jail Commissary funds.	See response and corrective action plan at 10-II-B.	November 30, 2011	County Auditor

Findings Related to Federal Awards:

Significant Deficiencies in Administering Federal Awards

10-III-A	The Consortium has improper segregation of duties of personnel with direct responsibilities for all recordkeeping and reconciling functions and cash receipts and disbursements.	See response and corrective action plan at 10-III-A.	November 30, 2011	Tri-County Consortium
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Instances of Noncompliance:

10-III-B	The County does not properly monitor it's subrecipients as it pertains to obtaining and reviewing single audit reports.	See response and corrective action plan at 10-III-B.	November 30, 2011	County Auditor
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