

# Rock Island County, Illinois

Compliance Report  
November 30, 2017

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RSM US LLP

**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***

**Independent Auditor's Report**

To the County Board of  
Rock Island 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 Rock Island County, Illinois (the County), as of and for the year ended November 30, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated May 14, 2018. Our report includes a reference to other auditors who audited the financial statements of Rock Island Tri-County Consortium, the discretely presented component unit, as described in our report on the County's 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.

The financial statements of the Public Building Commission and Forest Preserve Commission, blended component units, which were audited by other auditors, were not audited in accordance with *Government Auditing Standards*.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the County's 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 the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

*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 County's financial statements will not be prevented, or detected and corrected on a timely basis. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying *schedule of findings and questioned costs* as finding 2017-001 that we consider to be a significant deficiency.

#### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County's basic 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 and those of the other auditors disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

#### **The County's Response to the Finding**

The County's response to the 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 the financial statements and, accordingly, we express no opinion on it.

#### **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 results of that testing, and not to provide an opinion on the effectiveness of the County'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.

*RSM US LLP*

Davenport, Iowa  
May 14, 2018



RSM US LLP

**Report on Compliance For Each Major Federal Program;  
Report on Internal Control Over Compliance and  
Report on Schedule of Expenditures of Federal Awards Required by  
the Uniform Guidance**

**Independent Auditor's Report**

To the County Board of  
Rock Island County, Illinois

**Report on Compliance for Each Major Federal Program**

We have audited Rock Island County, Illinois' (the County) compliance with the types of compliance requirements described in the *OMB* 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, 2017. 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.

We did not audit the compliance with the requirements of federal statutes, regulations, and the terms and conditions of its federal awards to its major federal program of the discretely presented component unit, Rock Island County Tri-County Consortium, whose statements reflect \$2,862,930 of expenditures of federal awards for the year ended June 30, 2017 which were audited by other independent auditors whose report thereon has been furnished to us, and our opinion on compliance with the requirements of federal statutes, regulations, and the terms and conditions of its federal awards to its major federal programs, insofar as it relates to the amounts included for the component unit, is based solely upon the report of the other independent auditors.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to 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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 and the report of other auditors provide 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, based on our audit report and the report of other auditors, 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, 2017.

**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 the Uniform Guidance, 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

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 the County as of and for the year ended November 30, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated May 14, 2018, which contained an unmodified opinion on those financial statements. Our report included reference to other auditors. We did not audit the financial statements of the blended component units, the Forest Preserve Commission and Public Building Commission, or the discretely presented component unit, Rock Island Tri-County Consortium, whose statements reflect none, none and \$2,862,930, respectively, of expenditures of federal awards for the year ended June 30, 2017. Those financial statements were audited by other 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 reports of the other auditors.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the 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 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion based on our audit, the procedures performed as described above, and the report of other auditors, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

*RSM US LLP*

Davenport, Iowa  
May 14, 2018

**Rock Island County, Illinois**

**Schedule of Expenditures of Federal Awards  
Year Ended November 30, 2017**

Federal Grantor/ Pass-Through Grantor/Program Title	Federal CFDA Number	Grantor's Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<b>U.S. Department of Health and Human Services</b>				
(Passed through Illinois Department of Public Health):				
Oral Health Dental Sealants Only	93.994	73489028E	\$ -	\$ 5,845
Oral Health Dental Sealants Only	93.994	83489027F	-	4,978
SSBG—School Based Linked Health Centers - Public Health	93.994	76380036E	-	60,950
Subtotal			-	71,773
Refugee Health Services Administration <sup>(1)</sup>	93.566	70180030E	-	38,180
Refugee Health Services Administration <sup>(1)</sup>	93.566	80180004F	-	43,794
Subtotal			-	81,974
Public Health Emerg Prepare & Response	93.074	77180075E	-	64,367
Public Health Emerg Prepare & Response	93.074	87180075F	-	35,848
Subtotal			-	100,215
Breast & Cervical Cancer Early Detection	93.752	76180023E	18,111	90,943
Breast & Cervical Cancer Early Detection	93.898	86180022F	20,368	37,685
Illinois Immunization Program—Vaccines for Children	93.268	Non-Cash	-	57,529
Family Planning—Public Health	93.217	76180066E	-	10,573
Family Planning—Public Health	93.667	76180066E	-	42,094
SSBG - School Based Linked Health Centers - Public Health	93.667	76380036E	-	56,400
Subtotal			-	98,494
Total Illinois Department of Public Health			38,479	549,186
(Passed through Illinois Department of Human Services):				
Refugee Health Services Grant <sup>(1)</sup>	93.566	FCSVK01345	-	25,593
Refugee Health Services Grant <sup>(1)</sup>	93.566	FCSWK01345	-	5,978
Total Illinois Department of Human Services			-	31,571
(Passed through Illinois Department of Healthcare and Family Services):				
Key Information Delivery System	93.563	2017-55-007-KP	-	14,853
Key Information Delivery System	93.563	2018-55-007-KP	-	7,660
Total Illinois Department of Healthcare and Family Services			-	22,513
(Passed through National Association of County and City Health Officials):				
Medical Reserve Corps Units	93.008	MRC 17 0998	-	13,000
Medical Reserve Corps Units	93.008	MRC 16 0998	-	3,427
Total National Association of County and City Health Officials			-	16,427
<b>Total U.S. Department of Health and Human Services</b>			<b>38,479</b>	<b>619,697</b>

(Continued)



**Rock Island County, Illinois**

**Schedule of Expenditures of Federal Awards (Continued)  
Year Ended November 30, 2017**

Federal Grantor/ Pass-Through Grantor/Program Title	Federal CFDA Number	Grantor's Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<b>U.S. Environmental Protection Agency</b>				
(Passed through Illinois Department of Public Health):				
Safe Drinking Water	66.605	75380178E	-	4,292
Safe Drinking Water	66.605	85380178F	-	817
<b>Total U.S. Environmental Protection Agency</b>			-	<b>5,109</b>
<b>U.S. Department of Agriculture</b>				
(Passed through Illinois Department of Human Services):				
Supplemental Nutrition—Women Infant Child	10.557	FCSVQ01087	-	427,632
Supplemental Nutrition—Women Infant Child	10.557	FCSWQ01087	-	318,899
Supplemental Nutrition—Women Infant Child	10.557	Non-Cash	-	1,814,599
Subtotal			-	<b>2,561,130</b>
Supplemental Nutrition—Farmers Market	10.572	FCSWQ01252	-	1,000
WIC Farmers' Market Nutrition Program	10.572	Non-Cash	-	22,500
Subtotal			-	<b>23,500</b>
Total Illinois Department of Human Services			-	<b>2,584,630</b>
(Passed through Illinois Department of Public Health),				
Summer Food Inspection Program	10.559	55280036C	-	1,400
<b>Total U.S. Department of Agriculture</b>			-	<b>2,586,030</b>
<b>U.S. Department of Homeland Security</b>				
(Passed through Illinois Emergency Management Agency):				
Emergency Management Performance Grant	97.042	17EMAROCKI	-	43,114
Hazard Mitigation Grant Program #1800	97.039	FEMA-DR-1800-IL	-	46,258
Hazard Mitigation Grant Program #4116	97.039	FEMA-DR-4116-IL	-	134
Subtotal			-	<b>46,392</b>
<b>Total U.S. Department of Homeland Security</b>			-	<b>89,506</b>
<b>U.S. Department of Transportation</b>				
(Passed through Illinois Department of Transportation),				
DTOA Downstate Public Transportation Operating Assistance Grant	20.509	OP-17-34	95,300	95,300
(Passed through Illinois Emergency Management Agency),				
Hazardous Materials Emergency Preparedness Planning Grant	20.703	16ROCKIHME	-	6,495
<b>Total U.S. Department of Transportation</b>			95,300	<b>101,795</b>

(Continued)

**Rock Island County, Illinois**

**Schedule of Expenditures of Federal Awards (Continued)  
Year Ended November 30, 2017**

Federal Grantor/ Pass-Through Grantor/Program Title	Federal CFDA Number	Grantor's Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<b>U.S. Department of Justice (Direct)</b>				
State Criminal Alien Assistance Program	16.606	2016-AP-BX-0187	-	3,600
Edward Byrne Justice Assistance Grant 2016 <sup>(2)</sup>	16.738	2015-DJ-BX-0066	2,900	2,900
(Passed through Illinois Criminal Justice Information Authority), Expanding Multi—Jurisdictional Narcotics Units <sup>(2)</sup>	16.738	414010	25,516	25,516
<b>Total U.S. Department of Justice</b>			<u>28,416</u>	<u>32,016</u>
<b>U.S. Department of Labor</b>				
(Passed through Illinois Department of Commerce and Economic Opportunity):				
Trade and Globalization Adjustment and Assistance Act	17.245	14-661013	-	151,844
Trade and Globalization Adjustment and Assistance Act	17.245	15-661013	-	297,957
Trade and Globalization Adjustment and Assistance Act	17.245	16-661013	-	279,479
Subtotal			-	<u>729,280</u>
WIOA National Dislocated Worker Grants	17.277	15-672013	-	<u>204,148</u>
WIA Cluster:				
WIA Adult Program	17.258	15-681013	-	262,135
WIA Adult Program	17.258	16-681013	-	294,328
WIA Youth Activities	17.259	15-681013	-	84,007
WIA Youth Activities	17.259	16-681013	-	428,260
WIA Dislocated Workers	17.278	15-681013	-	75,265
WIA Dislocated Workers	17.278	16-681013	-	673,538
WIA Dislocated Workers	17.278	16-651013	-	111,969
Subtotal			-	<u>1,929,502</u>
<b>Total U.S. Department of Labor</b>			-	<u>2,862,930</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 162,195</u>	<u>\$ 6,297,083</u>

<sup>(1)</sup> Total Refugee Health Services Program - \$113,545

<sup>(2)</sup> Total Edward Byrne Justice Assistance Grant Program - \$28,416

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, 2017**

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**Note 1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Rock Island County, Illinois (County) and its discretely presented component unit under programs of the federal government for the year ended November 30, 2017. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

**Note 2. Significant Accounting Policies**

Expenditures reported on the Schedule are 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* or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**Note 3. Indirect Cost Rate**

The County has elected not to use the 10 percent de minimis indirect cost rate allowed under Uniform Guidance.

**Note 4. Component Unit**

The amounts included on the schedule of expenditures of federal awards for CFDA Nos. 17.245, 17.277, 17.258, 17.259 and 17.278 are expenditures for the period July 1, 2016 through June 30, 2017. The County is the grantee of such funds which are administered and 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 and its compliance with its federal programs is audited by other independent auditors.

**Rock Island County, Illinois**

**Schedule of Findings and Questioned Costs  
Year Ended November 30, 2017**

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**I. Summary of the Independent Auditor's Results**

Financial Statements

Type of auditor's report issued: Unmodified

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: Unmodified

- Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)?  Yes  No

Identification of major program:

CFDA Number	Name of Federal Program or Cluster
10.557	Supplemental Nutrition - Women Infant Child
WIA Cluster:	
17.258	WIA Adult Program
17.259	WIA Youth Activities
17.278	WIA Dislocated Worker Formula Grants

Dollar threshold used to distinguish between type A and type B programs: \$750,000

- Auditee qualified as low-risk auditee?  Yes  No

(Continued)

Rock Island County, Illinois

Schedule of Findings and Questioned Costs (Continued)  
Year Ended November 30, 2017

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

A. Significant Deficiency in Internal Control

2017-001

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

Criteria: 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.

Condition: The operations manager 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.

Cause: Limited staff in the animal control department.

Effect: Transaction errors or misappropriation of assets could occur and not be detected in a timely manner.

Report finding: This is a repeat of finding 2016-001.

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: Management has reviewed the finding and agrees.

B. Instances of Noncompliance

No matters reported.

III. Findings and Questioned Costs for Federal Awards

A. Internal Controls

No matters reported.

B. Instances of Noncompliance

No matters reported.



**Rock  
Island  
County**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED November 30, 2017**

Identifying Number: 2016-001

Audit Finding: 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.

Corrective Action Taken: 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 years 2012 and 2011 and noted that although the Operations Manager has the ability to handle an entire cash receipt transaction, she rarely does so. The County Board has 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 was reduced but not eliminated.

Pat Koranda  
Internal Auditor

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Wendy Czekalski  
Payroll Administrator



**CORRECTIVE ACTION PLAN  
YEAR ENDED November 30, 2017**

Identifying Number: 2017-001

Finding: 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.

Corrective Actions Taken or Planned: 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 years 2012 and 2011 and noted that although the Operations Manager has the ability to handle an entire cash receipt transaction, she rarely does so. The County Board has 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 was reduced but not eliminated.

Pat Koranda  
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Wendy Czekalski  
Payroll Administrator

