



**MCDONOUGH COUNTY, ILLINOIS**

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**SINGLE AUDIT REPORT**

**For the Year Ended November 30, 2022**

A decorative background image featuring a teal horizontal band at the top, a large abstract geometric pattern of overlapping translucent shapes in shades of gray and white in the middle, and an orange rectangular box at the bottom right containing the website address.

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**MCDONOUGH COUNTY, ILLINOIS**  
**SINGLE AUDIT REPORT**  
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**INDEPENDENT AUDITOR'S 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**

Members of the County Board  
McDonough County, Illinois  
Macomb, Illinois

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

**Opinion on Each Major Federal Program**

We have audited McDonough County, Illinois' (County) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the County's major federal program for the year ended November 30, 2022. The County's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended November 30, 2022.

**Basis for Opinion on Each Major Federal Program**

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibility for the Auditor Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

## **Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the County's federal programs.

## **Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## **Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of McDonough County, Illinois as of and for the year ended November 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated February 9, 2024, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by the Uniform Guidance and is not a required part of those 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 expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Sikich LLP*

Springfield, Illinois  
February 9, 2024

McDONOUGH COUNTY, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended November 30, 2022

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Pass-Through Grantor's Number	Expenditures
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
Passed through Illinois Department of Human Services:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	FCSAQ01060	\$ 74,270
	10.557	FCSBQ01060	36,152
	10.557	FCSAQ01172	8,228
	10.557	FCSBQ01172	2,165
			<u>120,815</u>
WIC Farmers' Market Nutrition Program (FMNP)	10.572	FCSAQ01248	<u>1,000</u>
Total U.S. Department of Agriculture			<u>121,815</u>
<b>U.S. ENVIRONMENTAL PROTECTION AGENCY</b>			
Passed through Illinois Department of Public Health:			
Performance Partnership Grants	66.605	25080061J	225
	66.605	38080061K	87
			<u>312</u>
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>			
Passed through Illinois Emergency Management Agency:			
Emergency Management Performance Grants	97.042	21EMAMCDON	<u>7,174</u>
Passed through Illinois Emergency Management Agency:			
Hazard Mitigation Grant	97.039	PDM20MCDON	<u>11,655</u>
Total U.S. Department of Homeland Security			<u>18,829</u>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
COVID-19 Provider Relief Fund	93.498	N/A	<u>224,571</u>
Passed through Illinois Department of Public Health:			
Public Health Emergency Preparedness (PHEP)	93.069	27180059J	34,416
	93.069	37180059K	13,340
			<u>47,756</u>
Passed through Illinois Department of Public Health:			
COVID-19 Public Health Emergency Response Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	27680060J	<u>9,398</u>
Passed through Illinois Department of Public Health:			
preventive Health Services_Sexually Transmitted Diseases Control Grants	93.977	38180022K	<u>29,462</u>
Passed through Illinois Department of Public Health:			
Immunization Cooperative Agreement	93.268	15080660I	139,877
	93.268	25080061J	22,801
	93.268	3800061K	60
	93.268	Commodities	11,157
			<u>173,895</u>

This schedule is continued on the following page.

McDONOUGH COUNTY, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended November 30, 2022

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number		Pass-Through Grantor's Number	Expenditures
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)</b>				
Passed through Illinois Department of Public Health:				
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	*	05180160H	\$ 334,423
	93.323	*	28180560J	73,996
				<u>408,419</u>
Passed through Fulton County, Illinois Health Department:				
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations financed in part by Prevention and Public Health Funds	93.752		FY22 IBCCP FY23 IBCCP	6,060 2,904
				<u>8,964</u>
Passed through Illinois Supreme Court:				
State Court Improvement Program	93.586		N/A	<u>6,652</u>
Passed through National Association of County and City Health Officials				
Medical Reserve Corps Small Grant Program	93.008		N/A	<u>6,207</u>
Total U.S. Department of Health and Human Services				<u>915,324</u>
<b>U.S. DEPARTMENT OF TREASURY</b>				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027		N/A	<u>172,498</u>
Passed through Illinois Department of Healthcare and Family Services				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027		ARPA230279	<u>26,535</u>
Total U.S. Department of Treasury				<u>199,033</u>
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>				
Passed through Illinois Department of Transportation:				
Highway Planning and Construction Cluster Highway Planning and Construction	20.205	*	22-00000-00-PP	<u>280,000</u>
<b>U.S. DEPARTMENT OF JUSTICE</b>				
Equitable Sharing Program	16.922		N/A	<u>2,400</u>
<b>U.S. ELECTION ASSISTANCE COMMISSION</b>				
HAVA Election Security Grants	90.404		N/A	<u>13,147</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>				<u><u>\$ 1,550,860</u></u>

\* Denotes a major federal award program

See accompanying Independent Auditor's Report.

# MCDONOUGH COUNTY, ILLINOIS

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended November 30, 2022

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### **1. BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the “schedule”) includes the federal grant activity of McDonough County, Illinois (the County) under programs of the federal government for the year ended November 30, 2022. 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.

### **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 the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Under the modified accrual basis, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the liability is incurred. Pass-through entity identifying numbers are presented where available.

### **3. NONCASH PAYMENTS**

The County participates in the Immunization Cooperative Agreement program (93.268) and issues vaccines to eligible participants. The State of Illinois processes and tracks the vaccine usage. The federal portion of vaccines distributed by McDonough County during the period December 1, 2021 to November 30, 2022 was \$11,157 and is reported in the Schedule of Expenditures of Federal Awards.

### **4. DE MINIMIS RATE**

The County did not elect to use the de minimis rate of 10 percent for the year ended November 30, 2022.

### **5. ADDITIONAL INFORMATION**

As of and during the year ended November 30, 2022, the County did not receive any federal insurance or federal loans or loan guarantees. In addition, the County did not pass through any federal grants to sub-recipients.



MCDONOUGH COUNTY, ILLINOIS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended November 30, 2022

Section I – Summary of Auditor’s Results

**Financial Statements**

Type of auditor’s report issued:

unmodified

Internal control over financial reporting:

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

**Federal Awards**

Type of auditor’s report issued on compliance for major federal programs:

unmodified

Internal control over major federal programs:

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

Any audit findings disclosed that are required to be reported in accordance with section 200.516(a) of the Uniform Guidance?

Yes  X  No

Identification of major federal programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
93.323	COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases
20.205	Highway Planning and Construction

Dollar threshold used to distinguish between type A and type B programs:

\$750,000

Auditee qualified as low-risk auditee?

Yes  X  No

**MCDONOUGH COUNTY, ILLINOIS**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)**

Year Ended November 30, 2022

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**Section II – Financial Statement Findings**

2022-001 Internal Controls over Financial Reporting (Repeat of prior year finding: 2021-001)

**Criteria**

The County is required to maintain a system of controls over the preparation of financial statements in accordance with generally accepted accounting principles. The County's internal controls over GAAP financial reporting should include adequately trained personnel with knowledge and experience to prepare and/or thoroughly review GAAP based financial statements to ensure they are free of material misstatements and include all disclosures as required by the Government Accounting Standards Board (GASB).

**Condition**

During the audit, material adjustments were recommended to adjust from cash basis to the modified accrual/accrual basis of accounting. A material adjustment was also made to correctly report cash deposited into the operating account of the Health Department. We have reported these findings of Internal Controls over Financial Reporting as a Material Weakness.

**Cause and Effect**

There are also several funds for which the accounting and record keeping are performed outside the Treasurer's Office and the general ledger system. In addition, the County does not capitalize property and equipment acquisitions during the year. Therefore, information is outside the scope of the County's internal control structure and outside the scope of the County's controls for accuracy and completion.

**Recommendation**

We recommend the County obtain accounting services either through hiring a County Administrator with governmental accounting experience or contract with an accounting firm, either of which can, accumulate any year end conversion adjustments from cash to modified accrual/accrual basis of accounting and record all other necessary adjustments to close the fiscal year and prepare trial balances in accordance with generally accepted accounting principles. We also recommend that monthly summary of activity be submitted to the Treasurer's Office with sufficient detail to allow the entries to be recorded in the County's general ledger system and available for review and oversight. We also recommend the County maintain a separate general capital asset fund in the general ledger system to capture information on the capital assets necessary for conversion to the government-wide financial statements.

**Auditee Response**

Management agrees with the finding and their response is included in the Corrective Action Plan.

**MCDONOUGH COUNTY, ILLINOIS**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)**

Year Ended November 30, 2022

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**Section II – Financial Statement Findings (Continued)**

2022-002 Segregation of Duties (Repeat of prior year finding: 2021-002)

**Criteria**

The County should implement procedures regarding segregation of duties to prevent employees from having access to financial records and/or assets of the County which could allow errors and/or irregularities to occur and not be detected on a timely basis. A proper segregation of duties is an integral part of an internal controls system to safeguard an organization's assets.

**Condition**

During the audit, we noted instances where employees have access to financial records and/or assets of the County. We noted instances where a Circuit Clerk employee records transactions, makes deposits, prepares checks, has access to a stamp of the required signature, mails checks, and reconciles the bank statements. Individuals also have the ability to collect receipts, record the receipt in the system, and delete receipts from the system with no formally documented review of the receipts deleted by a second individual. We also noted instances where the individual responsible for the Sheriff's jail commissary account has the ability to make deposits, reconcile the bank statement, and is an authorized signer on the account. A County Clerk employee responsible for the payroll processing has the ability to add employees to the payrolls system, make changes to existing payroll, and remove employees from the active payroll listing. A formal review process is not performed when payroll and withholding checks are generated along with the supporting documentation. During review of the purchasing process, we noted that Distribution Report was not formally approved by the General Claims Committee. We also noted that the General Claims Committee did not sign off on all Claims Reports, therefore, we were unable to determine if all claims were properly reviewed and approved. Further, we noted that the Distribution Report is not provided to the Treasurer along with the checks to verify all checks are reported on the Distribution report once they have all been approved. We also noted that the County Clerk's signature stamp is maintained by the accounting department where invoices are processed, and checks are mailed. We have reported this finding of Internal Controls over Financial Reporting as a Material Weakness.

**Cause and Effect**

Due to the size of the County and the limited staffing available, there was a lack of segregation of duties within the Sheriff's Department, Circuit Clerk's Office, and the County's Clerk's Office. Errors may occur and go undetected, and it increases the risk of fraud.

**MCDONOUGH COUNTY, ILLINOIS**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)**

Year Ended November 30, 2022

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**Section II – Financial Statement Findings (Continued)**

2022-002 Segregation of Duties (Continued)

**Recommendation**

We recommend the County evaluate the procedures performed within those departments to determine if the procedures could be divided among other employees or if transactions can be reviewed and approved by a second individual not responsible for collecting or disbursing funds. We also recommend that the General Claims Committee approve all Distribution Reports, as well as sign off on all Claims Reports.

**Auditee Response**

Management agrees with the finding and their response is included in the Corrective Action Plan.

MCDONOUGH COUNTY, ILLINOIS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

Year Ended November 30, 2022

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**Section II – Financial Statement Findings (Continued)**

2022-003 Bank Reconciliations (Repeat of prior year finding: 2021-003)

**Criteria**

The County should perform monthly bank reconciliations that agree to the general ledger system used for financial reporting purposes for all cash accounts of the County. The bank reconciliation should include a detailed list of all outstanding checks and deposits with the book balance per the reconciliation agrees to the book balance per the general ledger at month end and at fiscal year end.

**Condition**

During our testing of cash, we noted that the Mobile Home Tax, Payroll Clearing, and Withholding Clearing bank reconciliations did not agree to the trial balance. We also noted the Health Operating account and two cash accounts at the Elms for which bank reconciliations were not being properly reconciled to the general ledger throughout the year, creating unreconciled differences at year end. In addition, we noted three cash accounts maintained by the Sheriff’s Department where the November bank reconciliation was not performed as of November 30 and two Sheriff’s Department bank accounts which were not recorded on the general ledger. We have reported this finding of Internal Controls over Financial Reporting as a Significant Deficiency.

**Cause and Effect**

Bank reconciliations that are not reconciled to the general ledger system could cause errors in the cash balance or errors in the general ledger system to go undetected and unresolved on a timely basis. The lack of reconciliation could also cause fraudulent activity to go undetected or cash accounts to be materially misstated.

**Recommendation**

We recommend the County perform monthly bank reconciliations in which the book balance per the reconciliation agrees with the book balance per the general ledger. We also recommend the bank reconciliations be performed as the last date of the month to properly show the cash balance as of the end of the fiscal year.

**Auditee Response**

Management agrees with the finding and their response is included in the Corrective Action Plan.

**MCDONOUGH COUNTY, ILLINOIS**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)**

Year Ended November 30, 2022

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**Section II – Financial Statement Findings (Continued)**

2022-004 Grant Administration (Repeat of prior year finding: 2021-004)

**Criteria**

The County should maintain a central grant administration process to monitor all grants of the County for compliance and to determine if a single audit is required.

**Condition**

During our testing of grants, we noted that the County does not have a central administrator of grants received by the County. Various departments receive grants for various purposes and a central listing of grant activity is not maintained for the County as a whole. We have reported this finding of Internal Controls over Financial Reporting as a Significant Deficiency.

**Cause and Effect**

As a central listing of all grants awarded to the County is not maintained, the County is unable to prepare its schedule of federal expenditures without the assistance of the auditor. The lack of the centralized grant reporting could also increase the risk that grants are not being appropriately monitored for grant compliance.

**Recommendation**

We recommend the County maintain a schedule of all grants awarded and in progress during the fiscal year and establish a process to accumulate all grant information in one location to determine if a single audit is required or if additional grant reporting compliance is necessary.

**Auditee Response**

Management agrees with the finding and their response is included in the Corrective Action Plan.

**MCDONOUGH COUNTY, ILLINOIS**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

Year Ended November 30, 2022

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**Section II – Financial Statement Findings (Continued)**

2022-005 Fines and Fees Assessed by the Court (Repeat of prior year finding: 2021-005)

**Criteria**

The Clerk of the Circuit Court should ensure all fines and fees are properly assessed in accordance with the Illinois Compiled Statutes.

**Condition**

During the audit there were allocations for the general county fine assessment that were not supported by a Board resolution. During the audit, we also noted certain fines and fees that were not properly assessed by the Circuit Court in accordance with the Illinois Compiled Statutes based on judicial order.

**Cause and Effect**

Due to judicial orders issued and oversight of the numerous fines and fee requirements, the fines and fees may not be properly assessed and therefore, would not be distributed to the appropriate entities as directed by the Statutes. Further, due to the significant changes in fines and fees during fiscal year 2019, the information input into Sustain was not always accurately updated to implement these changes or supported by Board resolution.

**Recommendation**

We recommend the County implement a review process to determine that all fines and fees are assessed in accordance with the Illinois Compiled Statutes. We also recommend that the County perform a detail review of all fines and fee changes entered into Sustain to ensure they agree to requirements of the Illinois Compiled Statutes and any discretionary allocations are supported by Board resolution.

**Auditee Response**

Management agrees with the finding and their response is included in the Corrective Action Plan.

**MCDONOUGH COUNTY, ILLINOIS**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)**

Year Ended November 30, 2022

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**Section III – Federal Award Findings and Questioned Costs**

No Findings



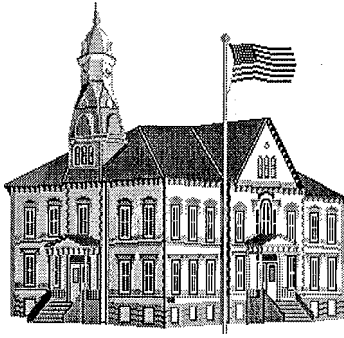
**MCDONOUGH COUNTY, ILLINOIS**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

Year Ended November 30, 2022

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<b><u>Prior Finding</u></b>	<b><u>Condition</u></b>	<b><u>Status</u></b>
2021-001	Lack of controls over financial reporting	Repeated as Finding 2022-001
2021-002	Lack of segregation of duties	Repeated as Finding 2022-002
2021-003	Inadequate bank reconciliation procedures	Repeated as Finding 2022-003
2021-004	Inadequate grant administration	Repeated as Finding 2022-004
2021-005	Failure to properly assess and collect fines and fees	Repeated as Finding 2022-005



## McDonough County

#1 Courthouse Square  
Macomb, IL 61455  
309-833-2474

### CORRECTIVE ACTION PLAN FOR CURRENT YEAR FINDINGS (continued)

For the Year Ended November 30, 2022

2022-001 Internal Controls over Financial Reporting

#### Condition Found

During the audit, material adjustments were recommended to adjust from cash basis to the modified accrual/accrual basis of accounting. A material adjustment was also made to correctly report cash deposited into the operating account of the Health Department. We have reported these findings of Internal Controls over Financial Reporting as a Material Weakness.

#### Corrective Action Plan

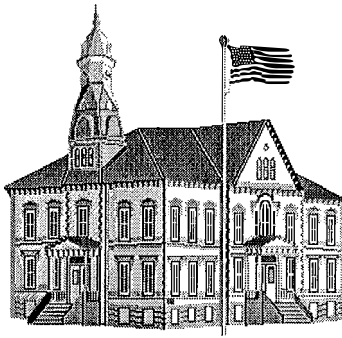
The County will record all audit adjustments and work towards developing procedures to accumulate conversion adjustments to present financial statements in accordance with generally accepted accounting principles. The County will evaluate a process for reporting activity within the various funds not maintained in the County's general ledger system and reporting capital asset activity during the fiscal year.

#### Responsible Person for Corrective Action Plan

County Treasurer, County Health Department Business Office Manager

#### Implementation Date of Corrective Action Plan:

December 31, 2023



## McDonough County

#1 Courthouse Square  
Macomb, IL 61455  
309-833-2474

### CORRECTIVE ACTION PLAN FOR CURRENT YEAR FINDINGS (continued)

For the Year Ended November 30, 2022

2022-002 Segregation of Duties

#### Condition Found

During the audit, we noted instances where employees have access to financial records and/or assets of the County. We noted instances where a Circuit Clerk employee records transactions, makes deposits, prepares checks, has access to a stamp of the required signature, mails checks, and reconciles the bank statements. Individuals also have the ability to collect receipts, record the receipt in the system, and delete receipts from the system with no formally documented review of the receipts deleted by a second individual. We also noted instances where the individual responsible for the Sheriff's jail commissary account has the ability to make deposits, reconcile the bank statement, and is an authorized signer on the account. A County Clerk employee responsible for the payroll processing has the ability to add employees to the payrolls system, make changes to existing payroll, and remove employees from the active payroll listing. A formal review process is not performed when payroll and withholding checks are generated along with the supporting documentation. During review of the purchasing process, we noted that Distribution Report was not formally approved by the General Claims Committee. We also noted that the General Claims Committee did not sign off on all Claims Reports, therefore, we were unable to determine if all claims were properly reviewed and approved. Further, we noted that the Distribution Report is not provided to the Treasurer along with the checks to verify all checks are reported on the Distribution report once they have all been approved. We also noted that the County Clerk's signature stamp is maintained by the accounting department where invoices are processed, and checks are mailed. We have reported this finding of Internal Controls over Financial Reporting as a Material Weakness.

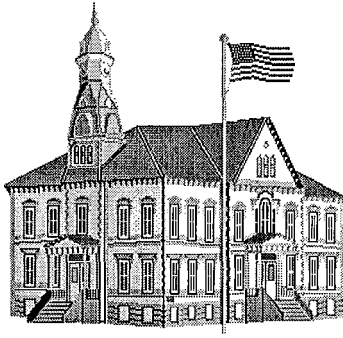
#### Corrective Action Plan

The payroll department gives the Treasurer's Office a check register with payroll. It has all of the direct deposit transactions as well as paper checks. Salary changes are put in the Finance folder for review. The Finance Committee also receives Warrants in Vacation. This is the total payroll for the previous month broke down by department and account number.

The Claims Committee reviews claims from all departments. They check the amount of the claim and the amount on the receipt. They also check the distribution report against the claim form. If the claim is preapproved, the committee checks the check amount against the receipt. This process is done at the recommendation of the Auditors.

Responsible Person for Corrective Action Plan  
Circuit Clerk, County Clerk

Implementation Date of Corrective Action Plan  
December 31, 2023



## McDonough County

#1 Courthouse Square  
Macomb, IL 61455  
309-833-2474

### CORRECTIVE ACTION PLAN FOR CURRENT YEAR FINDINGS (continued)

For the Year Ended November 30, 2022

2022-003      Bank Reconciliations

#### Condition Found

During our testing of cash, we noted that the Mobile Home Tax, Payroll Clearing, and Withholding Clearing bank reconciliations did not agree to the trial balance. We also noted the Health Operating account and two cash accounts at the Elms for which bank reconciliations were not being properly reconciled to the general ledger throughout the year, creating unreconciled differences at year end. In addition, we noted three cash accounts maintained by the Sheriff's Department where the November bank reconciliation was not performed as of November 30 and two Sheriff's Department bank accounts which were not recorded on the general ledger. We have reported this finding of Internal Controls over Financial Reporting as a Significant Deficiency.

#### Corrective Action Plan

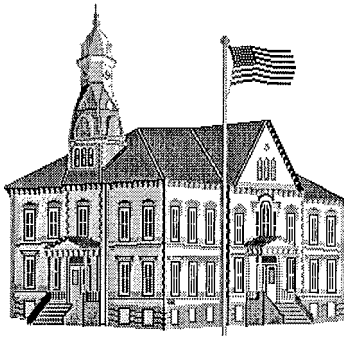
The Elms has adjusted the procedures in the monthly bank reconciliation process to verify that the reconciled balances agree to the trial balance. The Health Department has evaluated the reconciling process to make sure that the bank reconciliation reconciles to the accounting system monthly. All other funds will be adjusted so that monthly bank reconciliations will agree to the accounting system going forward.

#### Responsible Person for Corrective Action Plan

Elms Director of Business/Personnel, County Health Department Business Office Manager,  
County Treasurer

#### Implementation Date of Corrective Action Plan

December 31, 2023



## McDonough County

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### CORRECTIVE ACTION PLAN FOR CURRENT YEAR FINDINGS (continued)

For the Year Ended November 30, 2022

2022-004 Grant Administration

#### Condition Found

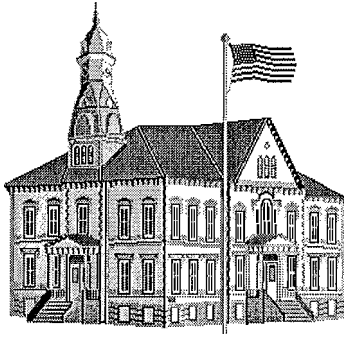
During our testing of grants, we noted that the County does not have a central administrator of grants received by the County. Various departments receive grants for various purposes and a central listing of grant activity is not maintained for the County as a whole. We have reported this finding of Internal Controls over Financial Reporting as a Significant Deficiency.

#### Corrective Action Plan

The County will evaluate and implement procedures to centralize the necessary information for the proper reporting of grant expenditures and receipts.

Responsible Person for Corrective Action Plan  
County Clerk

Implementation Date of Corrective Action Plan  
December 31, 2023



## McDonough County

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### CORRECTIVE ACTION PLAN FOR CURRENT YEAR FINDINGS

For the Year Ended November 30, 2022

2022-005      Fines and Fees Assessed by the Court

#### Condition Found

During the audit there were allocations for the general county fine assessment that were not supported by a Board resolution. During the audit, we also noted certain fines and fees that were not properly assessed by the Circuit Court in accordance with the Illinois Compiled Statutes based on judicial order.

#### Corrective Action Plan

The County will continue to research and monitor updates and changes made to the Illinois Compiled Statutes, especially for fines and fees assessed frequently.

#### Responsible Person for Corrective Action Plan

Circuit Clerk

#### Implementation Date of Corrective Action Plan

December 31, 2023