



Rock Island County, Illinois

Report on Federal Awards

November 30, 2022

Rock Island County, Illinois

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**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 Auditors' Report

To the County Board of
Rock Island County

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 (*Government Auditing Standards*), 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 (the County) 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, and have issued our report thereon dated November 3, 2023. The financial statements of the Forest Preserve Commission and Public Building Commission were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Forest Preserve Commission and Public Building Commission. Our report includes a reference to other auditors who audited the financial statements of the Rock Island Tri-County Consortium, Forest Preserve Commission, and Public Building Commission, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on 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) as a basis for designing 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 entity'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 identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2022-001 and 2022-002, that we consider to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The County's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Baker Tilly US, LLP

Oak Brook, Illinois
November 3, 2023

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

Independent Auditors' Report

To the County Board of
Rock Island County

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Rock Island County's (the 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 auditors' results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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 Auditors' Responsibilities for the Audit of 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 the major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Other Matter – Federal Expenditures Not Included in the Compliance Audit

The County's basic financial statements include the operations of the Rock Island Tri-County Consortium, which expended \$2,134,014 in federal awards which is not included in the County's schedule of expenditures of federal awards during the year ended November 30, 2022. Our compliance audit, described in the "Opinion on the Major Federal Program" section above, does not include the operations of the Rock Island Tri-County Consortium because the component unit engaged other auditors to perform an audit in accordance with the Uniform Guidance.

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.

Auditors' 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 GAAS, *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 the major federal program as a whole.

In performing an audit in accordance with GAAS, *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 Auditors' 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 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, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated November 3, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the basic financial statements that collectively comprise the basic financial statements. Our report includes a reference to other auditors who audited the financial statements of the Rock Island Tri-County Consortium, Forest Preserve Commission, and Public Building Commission, as described in our report on the County's financial statements. 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 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 basic 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 as a whole.

A handwritten signature in black ink that reads "Baker Tilly US, LLP". The signature is fluid and cursive, with "Baker Tilly" on the top line and "US, LLP" on the bottom line.

Oak Brook, Illinois
November 3, 2023

Rock Island County, Illinois

Schedule of Expenditures of Federal Awards
Year Ended November 30, 2022

Federal Grantor / Program/Cluster Title	Assistance Listing Number	Pass-Through Agency	Grant Number	Federal Expenditures	Payments to Sub-Recipients
U.S. Department of Agriculture					
<i>WIC Special Supplemental Nutrition Program for Women, Infants, and Children:</i>					
Supplemental Nutrition - Women Infant Child	10.557	IL Department of Human Services	FCSAQ01087	\$ 370,433	\$ -
Supplemental Nutrition - Women Infant Child	10.557	IL Department of Human Services	FCSBQ01087	227,807	-
<i>Total WIC Special Supplemental Nutrition Program for Women, Infants, and Children:</i>				598,240	-
<i>WIC Farmers' Market Nutrition Program (FMNP):</i>					
Supplemental Nutrition - Farmers Market	10.572	IL Department of Human Services	FCSBQ01252	1,000	-
<i>Total WIC Farmers' Market Nutrition Program (FMNP):</i>				1,000	-
Total U.S. Department of Agriculture:				<u>\$ 599,240</u>	<u>\$ -</u>
U.S. Department of Housing and Urban Development					
<i>Lead-Based Paint Hazard Control in Privately-Owned Housing:</i>					
Lead Based Paint Hazard Reduction Prog	14.900	City of Moline	N/A	\$ 10,758	\$ -
<i>Total Lead-Based Paint Hazard Control in Privately-Owned Housing:</i>				10,758	-
Total U.S Department of Housing and Urban Development:				<u>\$ 10,758</u>	<u>\$ -</u>
U.S. Department of Justice					
<i>State Criminal Alien Assistance Program:</i>					
State Criminal Alien Assistance Program	16.606	Direct	2016-H0459-IL-AP	\$ 1,971	\$ -
State Criminal Alien Assistance Program	16.606	Direct	2019-H1414-IL-AP	6,453	-
<i>Total State Criminal Alien Assistance Program:</i>				8,424	-
<i>Edward Byrne Memorial Justice Assistance Grant Program:</i>					
Expanding Multi-Jurisdictional Narcotics Unit	16.738	IL Criminal Justice Information Authority	2018-DJ-BX-0761	149,388	149,388
Expanding Multi-Jurisdictional Narcotics Unit	16.738	IL Criminal Justice Information Authority	2019-DJ-BX-055	24,898	24,898
Edward Byrne Justice Assistance Grant	16.738	Direct	2018-DJ-BX-0700	170	-
Edward Byrne Justice Assistance Grant	16.738	Direct	2019-DJ-BX-0681	792	-
Edward Byrne Justice Assistance Grant	16.738	Direct	2021-O-BJA-2021-35004	1,780	-
<i>Total Edward Byrne Memorial Justice Assistance Grant Program:</i>				177,028	174,286
Total U.S. Department of Justice:				<u>\$ 185,452</u>	<u>\$ 174,286</u>
U.S. Department of Labor					
<i>Trade Adjustment Assistance:</i>					
Trade Adjustment Assistance	17.245	IL Department of Commerce & Economic Opportunity	19-661013	\$ 3,065	\$ 3,065
Trade Adjustment Assistance	17.245	IL Department of Commerce & Economic Opportunity	20-661013	3,101	3,101
<i>Total Trade Adjustment Assistance:</i>				6,166	6,166
<i>WIOA Cluster:</i>					
<i>WIOA Adult Program:</i>					
WIOA Adult Program	17.258	IL Department of Commerce & Economic Opportunity	20-681013	378,713	378,713
WIOA Adult Program	17.258	IL Department of Commerce & Economic Opportunity	21-681013	350,671	350,671
<i>Total WIOA Adult Program:</i>				729,384	729,384

See notes to schedule of expenditures of federal awards

Rock Island County, Illinois

Schedule of Expenditures of Federal Awards
Year Ended November 30, 2022

Federal Grantor / Program/Cluster Title	Assistance Listing Number	Pass-Through Agency	Grant Number	Federal Expenditures	Payments to Sub-Recipients
U.S. Department of Labor (cont'd)					
WIOA Youth Activities:					
WIOA Youth Activities	17.259	IL Department of Commerce & Economic Opportunity	20-681013	\$ 220,245	\$ 220,245
WIOA Youth Activities	17.259	IL Department of Commerce & Economic Opportunity	21-681013	591,435	591,435
Total WIOA Youth Activities:				811,680	811,680
WIOA Dislocated Worker Formula Grants:					
WIOA Dislocated Worker Formula Grants	17.278	IL Department of Commerce & Economic Opportunity	20-681013	221,036	221,036
WIOA Dislocated Worker Formula Grants	17.278	IL Department of Commerce & Economic Opportunity	21-681013	248,749	248,749
Total WIOA Dislocated Worker Formula Grants:				469,785	469,785
Total WIOA Cluster:				2,010,849	2,010,849
WIOA National Dislocated Worker Grants / WIA National Emergency Grants:					
WIA National Emergency Grant	17.277	IL Department of Commerce & Economic Opportunity	20-671013	116,999	116,999
Total WIOA National Dislocated Worker Grants / WIA National Emergency Grants:				116,999	116,999
Total U.S. Department of Labor:				\$ 2,134,014	\$ 2,134,014
U.S. Department of Transportation					
Highway Planning and Construction Cluster:					
Highway Planning and Construction:					
Emergency Relief Program Grant	20.205	IL Department of Transportation	P-92-015-20	\$ 49,558	\$ -
Highway Safety Improvement Program	20.205	IL Department of Transportation	C-92-059-19, 19-00379-00GR	122,264	-
Total Highway Planning and Construction:				171,822	-
Total Highway Planning and Construction Cluster:				171,822	-
Formula Grants for Rural Areas and Tribal Transit Program:					
Downstate Public Transportation Operating Assistance Grant	20.509	IL Department of Transportation	OP-22-34-FED	95,300	95,300
Total Formula Grants for Rural Areas and Tribal Transit Program:				95,300	95,300
Total U.S. Department of Transportation:				\$ 267,122	\$ 95,300
U.S. Department of Treasury					
Coronavirus State and Local Fiscal Recovery Funds:					
COVID-19 - American Rescue Plan Act*	21.027	Direct	N/A	\$ 6,296,547	\$ 122,446
Total Coronavirus State and Local Fiscal Recovery Funds:				6,296,547	122,446
Total U.S. Department of Treasury:				\$ 6,296,547	\$ 122,446

See notes to schedule of expenditures of federal awards

Rock Island County, Illinois

Schedule of Expenditures of Federal Awards
Year Ended November 30, 2022

Federal Grantor / Program/Cluster Title	Assistance Listing Number	Pass-Through Agency	Grant Number	Federal Expenditures	Payments to Sub-Recipients
U.S. Environmental Protection Agency					
<i>Performance Partnership Grants:</i>					
Safe Drinking Water	66.605	IL Department of Public Health	25080077J	\$ 2,904	\$ -
Safe Drinking Water	66.605	IL Department of Public Health	38080077K	2,083	-
<i>Total Performance Partnership Grants:</i>				<u>4,987</u>	<u>-</u>
Total U.S. Environmental Protection Agency:				<u>\$ 4,987</u>	<u>\$ -</u>
U.S. Department of Health and Human Services					
<i>Medical Reserve Corps Small Grant Program:</i>					
Medical Reserve Corps-Prepare & Response	93.008	National Association of County and City Health Officials (NACCHO)	MRC RISE 22-0998	\$ 52,500	\$ -
<i>Total Medical Reserve Corps Small Grant Program:</i>				<u>52,500</u>	<u>-</u>
<i>Public Health Emergency Preparedness:</i>					
Public Health Emergency Prepare & Response	93.069	IL Department of Public Health	27180075J	55,560	-
Public Health Emergency Prepare & Response	93.069	IL Department of Public Health	37180075K	40,565	-
<i>Total Public Health Emergency Preparedness:</i>				<u>96,125</u>	<u>-</u>
<i>Immunization Cooperative Agreements:</i>					
COVID-19 Mass Vaccination Grant	93.268	IL Department of Public Health	15080676I	177,363	-
Influenza Vaccine Promotion	93.268	IL Department of Public Health	25080077J	11,707	-
Perinatal Hepatitis B Prevention	93.268	IL Department of Public Health	25080077J	3,115	-
Perinatal Hepatitis B Prevention	93.268	IL Department of Public Health	38080077K	3,667	-
Immunizations - non-cash	93.268	IL Department of Public Health	Non-cash	47,506	-
<i>Total Immunization Cooperative Agreements:</i>				<u>243,358</u>	<u>-</u>
<i>Epidemiology and Laboratory Capacity for Infectious Diseases (ELC):</i>					
COVID-19 Contact Tracing Grant	93.323	IL Department of Public Health	05180176H	35,228	-
COVID-19 Response Grant	93.323	IL Department of Public Health	28180576J	182,974	-
<i>Total Epidemiology and Laboratory Capacity for Infectious Disease (ELC):</i>				<u>218,202</u>	<u>-</u>
<i>Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response:</i>					
COVID-19 Public Health Crisis Response	93.354	IL Department of Public Health	27680076J	57,094	-
<i>Total Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response:</i>				<u>57,094</u>	<u>-</u>
<i>Child Support Enforcement:</i>					
Key Information Delivery System	93.563	IL Department of Healthcare and Family Services	2021-55-007-2-G	10,877	-
Key Information Delivery System	93.563	IL Department of Healthcare and Family Services	2021-55-007-3-G	3,094	-
<i>Total Child Support Enforcement:</i>				<u>13,971</u>	<u>-</u>

See notes to schedule of expenditures of federal awards

Rock Island County, Illinois

Schedule of Expenditures of Federal Awards
Year Ended November 30, 2022

Federal Grantor / Program/Cluster Title	Assistance Listing Number	Pass-Through Agency	Grant Number	Federal Expenditures	Payments to Sub-Recipients
U.S. Department of Health and Human Services (cont'd)					
<i>Refugee and Entrant Assistance State/Replacement Designee Administered Programs:</i>					
Refugee Health Services Grant	93.566	IL Department of Human Services	FCSZK01345	\$ 4,062	\$ -
Refugee Health Services Grant	93.566	IL Department of Human Services	FCSAK01345	58,070	-
<i>Total Refugee and Entrant Assistance State/Replacement Designee Administered Programs:</i>				62,132	-
<i>Foster Care Title IV-E:</i>					
Legal Cost Reimbursement Grant	93.658	IL Department of Healthcare and Family Services	N/A	65,227	-
<i>Total Foster Care Title IV-E:</i>				65,227	-
<i>Social Services Block Grant:</i>					
Family Case Management	93.667	IL Department of Human Services	FCSAU06010	92,288	-
<i>Total Social Services Block Grant:</i>				92,288	-
<i>Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations:</i>					
Breast & Cervical Cancer Early Detection	93.898	IL Department of Public Health	26180021J	6,570	1,604
Breast & Cervical Cancer Early Detection	93.898	IL Department of Public Health	36180021K	62,501	23,996
<i>Total Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations:</i>				69,071	25,600
<i>Maternal and Child Health Services Block Grant to the States:</i>					
School Based Linked Health Centers	93.994	IL Department of Public Health	26380037J	117,503	-
<i>Total Maternal and Child Health Services Block Grant to the States:</i>				117,503	-
Total U.S. Department of Health and Human Services:					
				\$ 1,087,471	\$ 25,600
U.S. Department of Homeland Security					
<i>Emergency Management Performance Grants:</i>					
Emergency Management Performance Grant	97.042	IL Emergency Management Agency	18EMAROCKI	\$ (24,045)	\$ -
Emergency Management Performance Grant	97.042	IL Emergency Management Agency	19EMAROCKI	(39,922)	-
Emergency Management Performance Grant	97.042	IL Emergency Management Agency	20EMAROCKI	(68,875)	-
Emergency Management Performance Grant	97.042	IL Emergency Management Agency	21EMAROCKI	53,292	-
<i>Total Emergency Management Performance Grants:</i>				(79,550)	-
<i>Port Security Grant Program:</i>					
Maritime Safety Grant	97.056	Direct	EMW-2020-PU-00488	13,600	-
Port Security Grant	97.056	Direct	EMW-2021-PU-00076-S01	10,609	-
<i>Total Port Security Grant Program:</i>				24,209	-
Total U.S. Department of Homeland Security:					
				\$ (79,550)	\$ -
Total expenditures of federal awards:					
				\$ 10,506,041	\$ 2,551,646

* Tested as a major program.

Rock Island County, Illinois

Notes to Schedule of Expenditures of Federal Awards
November 30, 2022

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Rock Island County (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.

The reporting entity for Rock Island County is based upon criteria established by the Governmental Accounting Standards Board. Rock Island County is the primary government according to GASB criteria, while the Rock Island Tri-County Consortium (Consortium) is a component unit. Federal awards received directly by the Consortium are not included in this report since the Consortium has been audited by other auditors for their grants and those amounts are reported in a separate report.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual or modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance (and OMB circular A-87/A-21/A-122, if applicable), wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

The underlying accounting records for some grant programs are maintained on the modified accrual basis of accounting. 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. The accounting records for other grant programs are maintained on the accrual basis, i.e., when the revenue has been earned and the liability is incurred.

3. Indirect Cost Rate

The County has not elected to use the 10% de minimis indirect cost rate.

Rock Island County, Illinois

Schedule of Findings and Questioned Costs
Year Ended November 30, 2022

Section I - Summary of Auditors' Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:
Material weakness(es) identified? yes X no
Significant deficiency(ies) identified? X yes none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:
Material weakness(es) identified? yes X no
Significant deficiency(ies) identified? yes X 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) of the Uniform Guidance? yes X no

Auditee qualified as low-risk auditee? X yes no

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

Identification of major federal programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
21.027	COVID-19 (ARPA) Coronavirus State and Local Fiscal Recovery Funds

Rock Island County, Illinois

Schedule of Findings and Questioned Costs
Year Ended November 30, 2022

Section II - Financial Statement Findings Required to be Reported in Accordance With Government Auditing Standards

Finding 2022-001: Segregation of Duties - Animal Control Cash Receipts

Criteria: An effective system of internal controls requires segregation of duties such that one individual is not responsible for the initiation, execution, approval, and recording of transactions.

Condition: The Rock Island County 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. The same individual 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: One individual has access to all key functions in cash collection, cash deposits and recording revenues in the animal control department.

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

Recommendation: We recommend the County reallocate duties within the animal control facility cash collection process to ensure one individual is not responsible for all phases of the process. Changes to existing processes can include, but are not limited to:

- Implementing a cash collection system that is integrated with the general ledger to post cash collections. The individual completing reconciliations of cash receipts should be limited to read-only access to the cash collection system.
- The daily receipts should be reconciled by someone not involved in the handling of cash receipts.
- The cash receipt sequence should be monitored by someone not involved in the handling cash or the cash receipting process.
- Original receipt documentation and daily reconciliation sheets should be provided to the Treasurer's Office for additional monitoring and review.

Management Response: Management has reviewed the finding and agrees.

Rock Island County, Illinois

Schedule of Findings and Questioned Costs
Year Ended November 30, 2022

Finding 2022-002: Segregation of Duties - Payroll

Criteria: An effective system of internal controls requires segregation of duties such that one individual is not responsible for the initiation, execution, approval, and recording of transactions.

Condition: While certain monitoring controls are in place, the County's payroll process lacks proper segregation of duties. The same individual is responsible for entering new employees, changing pay rates, and processing payroll.

Cause: One individual is responsible for multiple key functions of the payroll process that should be separated.

Effect: Errors in payment of wages, benefit elections, and other payroll-related items could occur and not be identified. Misappropriation of assets could occur through unapproved changes in pay rates or the creation of ghost employees within the payroll system.

Recommendation: We recommend the County separate certain responsibilities within the payroll process across multiple employees. In particular, the responsibility to enter payroll information, including the creation of new employees, changes in pay rates, and benefit elections should be completed by someone who is not involved in processing payroll. In lieu of the ability to segregate these responsibilities, an alternative control would be to generate change logs within the payroll system that list out all changes to pay rates, employee status, and benefit elections. This report should be reviewed by someone independent of the payroll process.

Management Response: Management has reviewed the finding and agrees.

Section III - Federal and State Awards Findings and Questioned Costs

No findings were reported.

Rock Island County, Illinois

Summary Schedule of Prior Year Audit Findings
Year Ended November 30, 2022

Finding No.: 2021-001

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.

Current Status: Finding still applicable. See 2022-001.