



Rock Island County, Illinois

Report on Federal Awards

November 30, 2023

Rock Island County, Illinois

Table of Contents
November 30, 2023

	<u>Page</u>
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	1
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	3
Schedule of Expenditures of Federal Awards	6
Notes to Schedule of Expenditures of Federal Awards	10
Schedule of Findings and Questioned Costs	11
Summary Schedule of Prior Year Audit Findings	15

**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, 2023, 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 24, 2024. 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 2023-001 and 2023-002, 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
May 24, 2024

**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, 2023. 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, 2023.

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 \$2,256,337 in federal awards which is not included in the County's schedule of expenditures of federal awards during the year ended November 30, 2023. 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

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a deficiency in internal control over compliance that we consider to be a significant deficiency.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-003, to be a significant deficiency.

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.

Government Auditing Standards requires the auditor to perform limited procedures the County's response to the internal control over compliance finding identified in our compliance audit 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 compliance and, accordingly, we express no opinion on the response.

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, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated May 24, 2024, 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.

Baker Tilly US, LLP

Oak Brook, Illinois
May 24, 2024

Rock Island County, Illinois

Schedule of Expenditures of Federal Awards
Year Ended November 30, 2023

Federal Grantor / Program/Cluster Title	Assistance Listing Number	Pass-Through Agency	Grant Number	Federal Expenditures	Payments to Sub-Recipients
U.S. Department of Agriculture					
WIC Special Supplemental Nutrition Program for Women, Infants, and Children:					
Supplemental Nutrition - Women Infant Child	10.557	IL Department of Human Services	FCSBQ01087	\$ 422,758	\$ -
Supplemental Nutrition - Women Infant Child	10.557	IL Department of Human Services	FCSCQ01087	302,547	-
Total WIC Special Supplemental Nutrition Program for Women, Infants, and Children:				725,305	-
WIC Farmers' Market Nutrition Program (FMNP):					
Supplemental Nutrition - Farmers Market	10.572	IL Department of Human Services	FCSCQ01252	1,000	-
Total WIC Farmers' Market Nutrition Program (FMNP):				1,000	-
Total U.S. Department of Agriculture:				\$ 726,305	\$ -
U.S. Department of Housing and Urban Development					
Lead-Based Paint Hazard Control in Privately-Owned Housing:					
Lead Based Paint Hazard Reduction Prog	14.900	City of Moline	N/A	\$ 15,311	\$ -
Total Lead-Based Paint Hazard Control in Privately-Owned Housing:				15,311	-
Total U.S Department of Housing and Urban Development:				\$ 15,311	\$ -
U.S. Department of Justice					
State Criminal Alien Assistance Program:					
State Criminal Alien Assistance Program	16.606	Direct	O-BJA-2020-62002	\$ 4,825	\$ -
State Criminal Alien Assistance Program	16.606	Direct	O-BJA-2021-62002	7,219	-
Total State Criminal Alien Assistance Program:				12,044	-
Edward Byrne Memorial Justice Assistance Grant Program:					
Expanding Multi-Jurisdictional Narcotics Unit	16.738	IL Criminal Justice Information Authority	2019-DJ-BX-055	124,490	124,490
Expanding Multi-Jurisdictional Narcotics Unit	16.738	IL Criminal Justice Information Authority	2020-DJ-BX-017	24,898	24,898
Edward Byrne Justice Assistance Grant	16.738	City of Moline	O-BJA-2021-35004	6	-
Edward Byrne Justice Assistance Grant	16.738	City of Moline	O-BJA-2022-171322	3,031	-
Edward Byrne Justice Assistance Grant	16.738	City of Moline	O-BJA-2023-171790	3,769	-
Total Edward Byrne Memorial Justice Assistance Grant Program:				156,194	149,388
Total U.S. Department of Justice:				\$ 168,238	\$ 149,388
U.S. Department of Labor					
WIOA Cluster:					
WIOA Adult Program:					
WIOA Adult Program	17.258	IL Department of Commerce & Economic Opportunity	21-681013	\$ 501,101	\$ 501,101
WIOA Adult Program	17.258	IL Department of Commerce & Economic Opportunity	22-681013	445,916	445,916
Total WIOA Adult Program:				947,017	947,017
WIOA Youth Activities:					
WIOA Youth Activities	17.259	IL Department of Commerce & Economic Opportunity	21-681013	97,084	97,084
WIOA Youth Activities	17.259	IL Department of Commerce & Economic Opportunity	22-681013	544,877	544,877
Total WIOA Youth Activities:				641,961	641,961

See notes to schedule of expenditures of federal awards

Rock Island County, Illinois

Schedule of Expenditures of Federal Awards
Year Ended November 30, 2023

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 Dislocated Worker Formula Grants:					
WIOA Dislocated Worker Formula Grants	17.278	IL Department of Commerce & Economic Opportunity	21-681013	\$ 240,838	\$ 240,838
WIOA Dislocated Worker Formula Grants	17.278	IL Department of Commerce & Economic Opportunity	22-681013	204,064	204,064
Total WIOA Dislocated Worker Formula Grants:				444,902	444,902
Total WIOA Cluster:				2,033,880	2,033,880
WIOA National Dislocated Worker Grants / WIA National Emergency Grants:					
WIA National Emergency Grant	17.277	IL Department of Commerce & Economic Opportunity	21-671013	139,422	139,422
WIA National Emergency Grant	17.277	IL Department of Commerce & Economic Opportunity	22-671013	83,035	83,035
Total WIOA National Dislocated Worker Grants / WIA National Emergency Grants:				222,457	222,457
Total U.S. Department of Labor:				\$ 2,256,337	\$ 2,256,337
U.S. Department of Transportation					
Highway Planning and Construction:					
Emergency Relief Program Grant	20.205	IL Department of Transportation	P-92-015-20	\$ 13	\$ -
Emergency Relief Program Grant	20.205	IL Department of Transportation	C-92-083-20	77,345	-
Highway Safety Improvement Program	20.205	IL Department of Transportation	19-00379-00GR	(235,724)	-
Highway Safety Improvement Program	20.205	IL Department of Transportation	18-00376-00GR	193,446	-
Total Highway Planning and Construction:				35,080	-
Formula Grants for Rural Areas and Tribal Transit Program:					
Downstate Public Transportation Operating Assistance Grant	20.509	IL Department of Transportation	OP-23-34-FED	95,300	95,300
Downstate Public Transportation Operating Assistance Grant	20.509	IL Department of Transportation	OP-24-34-FED	110,072	110,072
COVID-19 - Downstate Public Transportation Operating Assistance Grant	20.509	IL Department of Transportation	OP21-34-Cares	15,821	15,821
Total Formula Grants for Rural Areas and Tribal Transit Program:				221,193	221,193
Total U.S. Department of Transportation:				\$ 256,273	\$ 221,193
U.S. Department of Treasury					
Coronavirus State and Local Fiscal Recovery Funds:					
COVID-19 - American Rescue Plan Act*	21.027	Direct	N/A	\$ 6,531,229	\$ -
Total Coronavirus State and Local Fiscal Recovery Funds:				6,531,229	-
Total U.S. Department of Treasury:				\$ 6,531,229	\$ -
U.S. Environmental Protection Agency					
Performance Partnership Grants:					
Safe Drinking Water	66,605	IL Department of Public Health	38080077K	\$ 2,867	\$ -
Safe Drinking Water	66,605	IL Department of Public Health	48080077L	2,016	-
Total Performance Partnership Grants:				4,883	-
Total U.S. Environmental Protection Agency:				\$ 4,883	\$ -

See notes to schedule of expenditures of federal awards

Rock Island County, Illinois

Schedule of Expenditures of Federal Awards
Year Ended November 30, 2023

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					
<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	\$ 48,750	\$ -
<i>Total Medical Reserve Corps Small Grant Program:</i>				<u>48,750</u>	<u>-</u>
<i>Public Health Emergency Preparedness:</i>					
Public Health Emergency Prepare & Response	93.069	IL Department of Public Health	37180075K	52,730	-
Public Health Emergency Prepare & Response	93.069	IL Department of Public Health	47180076L	45,609	-
<i>Total Public Health Emergency Preparedness:</i>				<u>98,339</u>	<u>-</u>
<i>Immunization Cooperative Agreements:</i>					
COVID-19 Mass Vaccination Grant	93.268	IL Department of Public Health	38180877K	206,920	-
Perinatal Hepatitis B Prevention	93.268	IL Department of Public Health	38080077K	7,424	-
Perinatal Hepatitis B Prevention	93.268	IL Department of Public Health	48080077L	3,640	-
Immunizations - non-cash	93.268	IL Department of Public Health	Non-cash	57,449	-
<i>Total Immunization Cooperative Agreements:</i>				<u>275,433</u>	<u>-</u>
<i>Epidemiology and Laboratory Capacity for Infectious Diseases (ELC):</i>					
COVID-19 Response Grant	93.323	IL Department of Public Health	28180576J	106,419	-
<i>Total Epidemiology and Laboratory Capacity for Infectious Disease (ELC):</i>				<u>106,419</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	57,148	-
<i>Total Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response:</i>				<u>57,148</u>	<u>-</u>
<i>Child Support Enforcement:</i>					
Key Information Delivery System	93.563	IL Department of Healthcare and Family Services	2021-55-007-3-G	9,086	-
Key Information Delivery System	93.563	IL Department of Healthcare and Family Services	2024-55-007	4,207	-
<i>Total Child Support Enforcement:</i>				<u>13,293</u>	<u>-</u>
<i>Refugee and Entrant Assistance State/Replacement Designee Administered Programs:</i>					
Refugee Health Services Grant	93.566	IL Department of Human Services	FCSBK01345	5,591	-
Refugee Health Services Grant	93.566	IL Department of Human Services	FCSCK01345	24,269	-
<i>Total Refugee and Entrant Assistance State/Replacement Designee Administered Programs:</i>				<u>29,860</u>	<u>-</u>
<i>Foster Care Title IV-E:</i>					
Legal Cost Reimbursement Grant	93.658	IL Department of Healthcare and Family Services	N/A	73,165	-
<i>Total Foster Care Title IV-E:</i>				<u>73,165</u>	<u>-</u>
<i>Social Services Block Grant:</i>					
Family Case Management	93.667	IL Department of Human Services	FCSBU06010	103,177	-
Family Case Management	93.667	IL Department of Human Services	FCSCU06010	79,236	-
<i>Total Social Services Block Grant:</i>				<u>182,413</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, 2023

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>Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations:</i>					
Breast & Cervical Cancer Early Detection	93.898	IL Department of Public Health	36180021K	\$ 11,612	\$ 7,131
Breast & Cervical Cancer Early Detection	93.898	IL Department of Public Health	46180021L	31,621	8,715
Total Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations:				43,233	15,846
<i>Sexually Transmitted Diseases (STD) Prevention and Control Grants:</i>					
Disease Intervention Specialist - Workforce	93.977	IL Department of Public Health	38180026K	56,525	-
Total Sexually Transmitted Diseases (STD) Prevention and Control Grants:				56,525	-
<i>Maternal and Child Health Services Block Grant to the States:</i>					
Family Case Management	93.994	IL Department of Human Services	FCSCU06010	206,016	-
School Based Linked Health Centers	93.994	IL Department of Public Health	26380037J	10,228	-
School Based Linked Health Centers	93.994	IL Department of Public Health	46380026L	75,000	-
Total Maternal and Child Health Services Block Grant to the States:				291,244	-
Total U.S. Department of Health and Human Services:				\$ 1,275,822	\$ 15,846
U.S. Department of Homeland Security					
<i>Emergency Management Performance Grants:</i>					
Emergency Management Performance Grant	97.042	IL Emergency Management Agency	22EMAROCKI	\$ 52,877	\$ -
Total Emergency Management Performance Grants:				52,877	-
<i>Port Security Grant Program:</i>					
Port Security Grant	97.056	Direct	EMW-2021-PU-00076-S01	645	-
Port Security Grant	97.056	Direct	EMW-2022-PU-00035-S01	31,961	-
Total Port Security Grant Program:				32,606	-
Total U.S. Department of Homeland Security:				\$ 85,483	\$ -
Total expenditures of federal awards:				\$ 11,319,881	\$ 2,642,764

* Tested as a major program.

Rock Island County, Illinois

Notes to Schedule of Expenditures of Federal Awards
November 30, 2023

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, 2023. 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, 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, 2023

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 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) of the Uniform Guidance? yes no

Auditee qualified as low-risk auditee? 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, 2023

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

Finding 2023-001: 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, 2023

Finding 2023-002: 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.

Rock Island County, Illinois

Schedule of Findings and Questioned Costs
Year Ended November 30, 2023

Section III - Federal and State Awards Findings and Questioned Costs

Finding 2023-003: Quarterly Report Reviews

Assistance Listing Number: 21.027

Program Title: COVID-19 – Coronavirus State and Local Fiscal Recovery Funds

Federal Agency: United States Department of Treasury

Pass-through Entity: N/A

Federal Award Identification Number / Year: N/A / 2023

Criteria: Per CFR section 200.303, "The non-Federal entity must: (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in Standards for Internal Control in the Federal Government issued by the Comptroller General of the United States or the Internal Control Integrated Framework, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO)."

Condition: Quarterly reports submitted to the United States Department of Treasury are not reviewed by someone other than the original preparer.

Cause: The County has not established a formal process of review around reporting for grants received from the United States Department of Treasury.

Effect: Eligible expenditure and other information included in the report submissions may include unidentified errors.

Questioned Costs: None noted.

Context: This represents a systemic matter as a formalized review process for reporting to the United States Department of Treasury does not exist. The sample of reports tested does not represent a statistically valid sample.

Recommendation: We recommend the County implement formal, documented review controls around reports submitted to the United States Department of Treasury by someone other than the original preparer prior to submission.

Management Response: Management has reviewed the finding and agrees.

Rock Island County, Illinois

Summary Schedule of Prior Year Audit Findings
Year Ended November 30, 2023

Finding No.: 2022-001

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.

Current Status: Finding still applicable. See 2023-001.

Finding No.: 2022-002

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.

Current Status: Finding still applicable. See 2023-002.