

TAZEWELL COUNTY, ILLINOIS
SINGLE AUDIT REPORT
YEAR ENDED NOVEMBER 30, 2015



CliftonLarsonAllen

**TAZEWELL COUNTY, ILLINOIS
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**INDEPENDENT AUDITORS' 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**

Chairman and Members of the County Board
Tazewell County, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Tazewell County, Illinois (the County) as of and for the year ended November 30, 2015, and the related notes to the financial statements, which collectively comprise Tazewell County, Illinois' basic financial statements, and have issued our report thereon dated May 20, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying schedule of findings and questioned costs, we identified a certain deficiency in internal control that we consider to be a material weakness.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2015-001 to be a material weakness.

Chairman and Members of the County Board
Tazewell County, Illinois

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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Tazewell County, Illinois' Response to Findings

The County's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result 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.



CliftonLarsonAllen LLP

Peoria, Illinois
May 20, 2016



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR FEDERAL PROGRAM, ON INTERNAL CONTROL OVER COMPLIANCE, AND ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS IN ACCORDANCE WITH OMB CIRCULAR A-133

Chairman and Members of the County Board
Tazewell County, Illinois

Report on Compliance for Each Major Federal Program

We have audited Tazewell County, Illinois' (County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended November 30, 2015. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, 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, 2015.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2015-002, 2015-003, 2015-004, and 2015-005. Our opinion on each major federal program is not modified with respect to these matters.

The County's responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control Over Compliance

Management of Tazewell County, Illinois is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2015-002 to be a material weakness.

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 deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2015-003, 2015-004 and 2015-005 to be significant deficiencies.

Chairman and Members of the County Board
Tazewell County, Illinois

The County's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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 result of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

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 Tazewell County, Illinois as of and for the year ended November 30, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated May 20, 2016, 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 basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information 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 as a whole.



CliftonLarsonAllen LLP

Peoria, Illinois
May 20, 2016

TAZEWELL COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED NOVEMBER 30, 2015

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-through Grantor's Number	Expenditures	Passed-through to Subrecipients
U.S. Department of Agriculture				
Passed through Illinois Department of Human Services:				
Special Supplemental Nutrition Program for Women, Infants, and Children (Major)	10.557	FCSTQ01102	\$ 182,794	\$ -
	10.557	FCSUQ01102	121,911	-
	10.557	Food Instruments	<u>831,144</u>	<u>-</u>
			1,135,849	-
Peer Counseling (Major)	10.557	FCSTQ01178	30,161	-
	10.557	FCSUQ01178	<u>18,731</u>	<u>-</u>
			48,892	-
WIC Farmer's Market Nutrition Program	10.572	FCSUQ00696	<u>1,000</u>	<u>-</u>
Total U.S. Department of Agriculture Passed Through Illinois Department of Human Services			1,185,741	-
Passed through Illinois State Board of Education: Summer Food Service Program	10.559	65108906551	<u>6,626</u>	<u>-</u>
Total U.S. Department of Agriculture			<u>1,192,367</u>	<u>-</u>
U.S. Department of Health and Human Services				
Passed through Illinois Department of Public Health:				
Cities Readiness Initiative	93.074	57180120C	27,885	-
	93.074	67180120D	<u>19,179</u>	<u>-</u>
			47,064	-
Public Health Information Network	93.074	57180086C	57,799	-
	93.074	67180086D	36,997	-
	93.074	67180189D	<u>2,072</u>	<u>-</u>
			96,868	-
Immunization Grants - Commodities	93.268	NA	135,752	-
Drug Free Communities	93.276	5H79SP018724-03	84,531	-
	93.276	5H79SP018724-04	<u>26,324</u>	<u>-</u>
			110,855	-

**TAZEWELL COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED NOVEMBER 30, 2015**

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-through Grantor's Number	Expenditures	Passed-through to Subrecipients
U.S. Department of Health and Human Services (Continued)				
Passed through Illinois Department of Public Health: (Continued)				
Breast and Cervical Cancer Screening	93.283	56180032C	\$ 84,533	\$ -
	93.283	66180031D	<u>32,551</u>	<u>-</u>
			117,084	-
Illinois Wisewoman	93.094	56180078C	21,912	-
	93.094	66180041D	<u>12,830</u>	<u>-</u>
			34,742	-
Maternal and Child Health Service				
Block Grant to the States	93.994	56380081C	26,852	-
	93.994	66380080D	21,555	-
	93.994	56380052C	<u>12,374</u>	<u>-</u>
			<u>60,781</u>	<u>-</u>
Total U.S. Department of Health and Human Services Passed through Illinois Department of Public Health			<u>603,146</u>	<u>-</u>
Passed through Illinois Department of Human Services:				
Partnerships for Success	93.243	FCSTP01816	<u>74,930</u>	<u>-</u>
Maternal and Child Health Service				
Block Grant to the States	93.994	FCSTU03040	(16,689)	-
	93.994	FCSUU03040	<u>45,000</u>	<u>-</u>
			28,311	-
Teen Reach (Temporary Assistance for Needy Families)	93.558	FCSTR00970	<u>66,441</u>	<u>-</u>
Total U.S. Department of Health and Human Services Passed through Illinois Department of Human Services			<u>169,682</u>	<u>-</u>

**TAZEWELL COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED NOVEMBER 30, 2015**

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-through Grantor's Number	Expenditures	Passed-through to Subrecipients
U.S. Department of Health and Human Services (Continued)				
Passed through Illinois Department of Healthcare and Family Services:				
Child Support Enforcement Title IV-D	93.563	2015-55-007-KT	\$ 6,627	\$ -
	93.563	2016-55-007-KT	-	-
			<u>6,627</u>	<u>-</u>
Medical Assistance Program	93.778	NA	<u>119,583</u>	<u>-</u>
Total U.S. Department of Health and Human Services Passed through Illinois Department of Healthcare and Family Services			<u>126,210</u>	<u>-</u>
Passed through National Association of County and City Health Officials				
	93.008	MRC110964	206	-
	93.008	MRC120964	137	-
			<u>343</u>	<u>-</u>
Passed through Illinois Public Health Association: In Person Counseling Program (Major)				
	93.525	IPL-15-149-004	<u>276,344</u>	<u>208,880</u>
Total U.S. Department of Health and Human Services			<u>1,175,725</u>	<u>208,880</u>
U.S. Environmental Protection Agency				
Passed through Illinois Emergency Services and Disaster Agency:				
Radon	66.032	15 TCHD (Radon)	4,617	-
	66.032	16 TCHD (Radon)	805	-
			<u>5,422</u>	<u>-</u>
Passed through Illinois Environmental Protection Agency:				
Capitalization Grants for Drinking Water State Revolving Funds	66.468	WHW-10302	2,461	-
	66.468	CWA-16203	72	-
			<u>2,533</u>	<u>-</u>
Total U.S. Environmental Protection Agency			<u>7,955</u>	<u>-</u>

TAZEWELL COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED NOVEMBER 30, 2015

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-through Grantor's Number	Expenditures	Passed-through to Subrecipients
U.S. Department of Transportation				
Passed through Illinois Department of Transportation:				
Public Transportation for Nonurbanized				
Areas	20.509	RPT-15-40-FED-#4564	\$ 136,742	\$ 136,742
	20.509	RPT-16-40-FED-#4561	120,623	120,623
			<u>257,365</u>	<u>257,365</u>
STEP and Holiday Enforcement Impaired Driving Grant	20.616	AP-15-0194	29,254	-
Total U.S. Department of Transportation Passed through Illinois Department of Transportation			<u>286,619</u>	<u>257,365</u>
Passed through Illinois Emergency Management Agency:				
Hazardous Materials Emergency Preparedness	20.703	HMEPTAZE13	3,695	-
	20.703	HMEPTAZE14	8,100	-
			<u>11,795</u>	<u>-</u>
Total U.S. Department of Transportation Passed through Illinois Emergency Management Agency			<u>11,795</u>	<u>-</u>
Total U.S. Department of Transportation			<u>298,414</u>	<u>257,365</u>
U.S. Department of Homeland Security				
Passed through Illinois Emergency Services & Disaster Agency:				
Emergency Management Performance Grants	97.042	15EMATAZEW	41,425	-
Total U.S. Department of Homeland Security			<u>41,425</u>	<u>-</u>

**TAZEWELL COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED NOVEMBER 30, 2015**

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-through Grantor's Number	Expenditures	Passed-through to Subrecipients
U.S. Department of Justice				
Passed through Illinois Criminal Justice Information Authority:				
State's Attorney Appellate Prosecutor	16.738	411225	\$ 18,800	\$ -
	16.738	413025	4,700	-
			<u>23,500</u>	<u>-</u>
Crime Victim Assistance	16.575	214212	26,919	-
	16.575	215212	20,054	-
			<u>46,973</u>	<u>-</u>
Total U.S. Department of Justice Passed through Illinois Criminal Justice Information Authority			70,473	-
Passed through National Children's Alliance:				
Crime Victim Assistance Discretionary Grants	16.758	Pekin-IL-SA14	9,000	-
Discretionary Grants (JAG Cluster)	16.738	412841	6,630	-
Total U.S. Department of Justice Passed through National Children's Alliance			<u>15,630</u>	<u>-</u>
Total U.S. Department of Justice			<u>86,103</u>	<u>-</u>
U.S. Election Commission				
Passed through Illinois State Board of Elections:				
Help America Vote Act Requirements Payments	90.401	NA	22,194	-
Total U.S. Election Commission			<u>22,194</u>	<u>-</u>
Total			<u>\$ 2,824,183</u>	<u>\$ 466,245</u>

TAZEWELL COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED NOVEMBER 30, 2015

Summary of Federal Awards by Federal CFDA Number and Cluster	Federal CFDA Number	Expenditures	Passed-through to Subrecipients	Cluster Total If Applicable
	10.557	\$ 1,184,741	\$ -	
	10.559	6,626	-	
	10.572	1,000	-	
	16.575	46,973	-	
	16.738	30,130	-	
	16.758	9,000	-	
	20.509	257,365	257,365	
	20.616	29,254	-	
	20.703	11,795	-	
	66.032	5,422	-	
	66.468	2,533	-	
	90.401	22,194	-	
	93.008	343	-	
	93.074	143,932	-	
	93.094	34,742	-	
	93.243	74,930	-	
	93.268	135,752	-	
	93.276	110,855	-	
	93.283	117,084	-	
	93.525	276,344	208,880	
	93.558	66,441	-	
	93.563	6,627	-	
	93.778	119,583	-	
	93.994	89,092	-	
	97.042	41,425	-	
		<u>\$ 2,824,183</u>	<u>\$ 466,245</u>	

**TAZEWELL COUNTY, ILLINOIS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED NOVEMBER 30, 2015**

NOTE 1 GENERAL

The accompanying Schedule of Expenditures of Federal Awards includes the activity of all federal grants of Tazewell County, Illinois. The Tazewell County reporting entity is defined in Note 1 to the County's basic financial statements. Federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included on the schedule.

NOTE 2 RELATIONSHIP TO FINANCIAL STATEMENTS

The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in the financial statements.

NOTE 3 BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the County's basic financial statements.

NOTE 4 COMMODITIES - VACCINES

The County receives vaccines at no charge from the Illinois Department of Public Health through federally assisted programs. The County does not reflect financial activity related to the contribution of the vaccines in the financial statements. The value of vaccines activity during fiscal year 2015 was as follows:

<u>Beginning Inventory November 30, 2014</u>	<u>Acquisitions</u>	<u>Usage</u>	<u>Ending Inventory November 30, 2015</u>
<u>\$ 16,432</u>	<u>\$ 135,752</u>	<u>\$ 122,410</u>	<u>\$ 29,774</u>

**TAZEWELL COUNTY, ILLINOIS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED NOVEMBER 30, 2015**

NOTE 5 NONCASH FOOD INSTRUMENTS

The County participates in the Supplemental Food Program for Women, Infants, and Children and issues food instruments to eligible participants. The food instruments can be exchanged for authorized supplemental foods at retail stores. The state of Illinois processes and tracks the food instruments redeemed. The federal portion of food instruments distributed by Tazewell County and redeemed during the period October 1, 2014 to September 30, 2015 was \$831,144 and is reported in the Schedule of Expenditures of Federal Awards. Information is not available from the State to report this information on the County's fiscal year.

NOTE 6 OTHER NONCASH ASSISTANCE

The County did not receive any federal awards in the form of noncash assistance for insurance in effect during the year, loans, or loan guarantees.

NOTE 7 MEDICAL ASSISTANCE PROGRAM RECONCILIATION

Federal CFDA Number	93.778
Amount Awarded	\$ 91,063
Total Amount Reported on Schedule of Federal Awards	<u>119,583</u>
Difference	<u>\$ (28,520)</u>

Amount awarded is based on the amounts the state has remitted to Tazewell County during the state's fiscal year of July 1, 2014 – June 30, 2015. However, the Schedule of Expenditures of Federal Awards recognizes the County's federal expenditures when incurred during its fiscal year December 1, 2014 – November 30, 2015. Tazewell County, Illinois incurred reimbursable expenditures of \$119,583 that were recognized during fiscal year 2015. Thus, this is reported as such on the 2015 Schedule of Expenditures of Federal Awards, as opposed to the \$91,063 of receipts remitted by the state during its fiscal year.

NOTE 8 RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports.

**TAZEWELL COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED NOVEMBER 30, 2015**

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? X yes no

Significant deficiency(ies) identified that are not considered to be material weakness(es)? yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? X yes no

Significant deficiency(ies) identified that are not considered to be material weakness(es)? X yes none reported

Type of auditors' report issued on compliance for for major programs? Unmodified

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)? X yes no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.557	Special Supplemental Nutrition Program for Woman, Infants, and Children
93.525	In Person Counseling Program

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

Auditee qualified as low-risk auditee? yes X no

TAZEWELL COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED NOVEMBER 30, 2015

Section II - Financial Statement Findings

Finding No. 2015-001 - Significant Audit Adjustments

Condition:

During the course of our audit, we posted a variety of adjustments that had a material effect on the County's financial statements. A significant number of the adjustments related to adjusting to the modified accrual basis or accrual basis of accounting from the cash basis, and recording capital assets and long-term debt for the government-wide financial statements. A prior period adjustment was also recognized in the current year financial statements to reflect an error in the previous period.

Criteria or specific requirement:

A control deficiency 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 misstatements on a timely basis.

Effect:

The County's lack of effective internal controls over its accounting system constitute a material weakness, which is a deficiency, or combination of deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the County's internal control.

Cause:

Significant audit adjustments were a result of some accounting records and reports being prepared on the cash basis of accounting. Examples include grant revenue, highway revenue, and interfund activity. The County's audited basic financial statements have been converted to the modified accrual basis or accrual basis, as required by accounting principles generally accepted in the United States of America.

Recommendation:

To establish proper internal control over its accounting system, the County should continue establishing procedures to record these accrual items, which include identifying factors that may affect the balances, as well as accumulating sufficient reliable data on which to base the balances. Such procedures should be performed by an individual possessing a thorough understanding of applicable generally accepted accounting principles and knowledge of the County's activities and operations.

Views of responsible officials and planned corrective action:

Within the County Administration office a new accounting oversight position has been created and the position will soon be filled. With the newly added position being on-boarded very soon, we will review internal controls and ensure that the financial statements are converted to the modified accrual basis, and that capital assets and long-term debt are recorded on the financial statements.

TAZEWELL COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED NOVEMBER 30, 2015

Section III – Federal Awards Findings and Questioned Costs

Finding No. 2015-002 - General Accounting for Federal Awards

Federal Agency/Program: U.S. Department of Agriculture -10.557 - Special Supplemental Nutrition Program for Women, Infants, and Children, passed through Illinois Department of Human Services

U.S. Department of Health and Human Services - 93.525 -
In Person Counseling Program, passed through
Illinois Public Health Association

All other programs

Questioned Costs: None

Condition:

The County receives a significant amount of funding through state and federal grants. Grants are currently handled by the individual departments requesting the funding. During the period under audit, there was no central office or individual that tracks grant applications and reports. Individual departments are responsible for monitoring compliance with their grants as well as completing both financial and program reports for their grants.

The current method of monitoring grants makes it very difficult to identify all of the federal funds received by the County for proper reporting under the federal Single Audit Act. During our audit we noted the following related to accounting for grants that should be addressed.

- Information used in the preparation of reports requesting reimbursement for federal awards is frequently maintained on ledgers separate from the general ledger of the County. Many times there may be timing differences between the general ledger and these separate accounting of awards, or nonreimbursable costs are charged to respective general ledger accounts. Consequently, general ledger accounts do not easily trace to reports requesting reimbursement of federal funds. Not all reconciliations are readily available which reconcile general ledger financial information to that reported on the requests for reimbursement of federal funds.

Criteria or specific requirement:

The A-133 Compliance Supplement requires reports to include all activity of the reporting period, be supported by applicable accounting records, and be fairly presented in accordance with program requirements. All reports should agree with the accounting records. Reports should also include accounting of all noncash assistance received.

**TAZEWELL COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED NOVEMBER 30, 2015**

Section III – Federal Awards Findings and Questioned Costs (Continued)

Finding No. 2015-002 - General Accounting for Federal Awards (Continued)

Effect:

There is a greater risk the reports could be prepared inaccurately since they are prepared using information that is extracted from the general ledger and not reconciled to the general ledger.

Cause:

The County did not effectively monitor all federal programs and reconcile financial reports with the County's general ledger.

Recommendation:

Reconciliations should be prepared which reconcile general ledger financial information to that reported on the requests for reimbursement of federal funds.

Views of responsible officials and planned corrective action:

Within the County Administration office a new accounting oversight position has been created and the position will soon be filled. With the newly added position being on-boarded very soon, we will review how grants are handled and create a procedure and process for reconciling financial reports from each grant to the general ledger.

**TAZEWELL COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED NOVEMBER 30, 2015**

Section III – Federal Awards Findings and Questioned Costs (Continued)

Finding No. 2015-003 - Allowable Costs

Federal Agency/Program: U.S. Department of Agriculture - 10.557 - Special Supplemental Nutrition Program for Women, Infants, and Children, passed through Illinois Department of Human Services

Questioned Costs: \$22

Condition:

As part of our audit, we noted that there were 36 WIC hours wrongly charged to other programs. Additionally, there was 1 hour that was charged to WIC that should have been charged to another program.

Criteria or specific requirement:

The allowable cost requirements outlined in the OMB Circular A-133 Compliance Supplement indicate that payroll charges must reflect actual time worked in the program.

Effect:

The County did not comply with the allowable cost requirements set forth in the OMB Circular A-133 Compliance Supplement.

Cause:

There was an oversight by the client. 35 WIC hours were erroneously charged to other programs. There was also 1 hour relating to the Family Case Management program that was instead charged to the WIC program.

Recommendation:

Controls over payroll should ensure time charged to the program reflects actual time worked in the program.

Views of responsible officials and planned corrective action:

Time keeping methods have changed since the sample was taken for this audit. When this audit sample was taken business office staff was manually entering time into a program from hand written time sheets. Transposition errors did occur from time to time. The process now in place is all staff enter their own time electronically in a program. That time is verified by the staff member and their supervisor before it is released for payroll and grant keeping purposes.

**TAZEWELL COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED NOVEMBER 30, 2015**

Section III – Federal Awards Findings and Questioned Costs (Continued)

Finding No. 2015-004 - Sub-Recipient Monitoring

Federal Agency/Program: U.S. Department of Health and Human Services - 93.525 -
In Person Counseling Program, passed through
Illinois Public Health Association

Questioned Costs: None

Condition:

As part of our audit, we noted the County did not request and review audits and, where applicable, single audits of subrecipients in order to make management decisions regarding any findings that may have been noted in audit reports. In addition, the County did not communicate the CFDA name and number to the subrecipients.

Criteria or specific requirement:

The OMB Circular A-133 Compliance Supplement requires that the County properly monitor subrecipients. This includes reasonably ensuring subrecipients used Federal awards for authorized purposes. It also requires that CFDA and other federal award related information be communicated to the subrecipients.

Effect:

The County did not comply with the sub-recipient monitoring requirements set forth in the OMB Circular A-133 Compliance Supplement.

Cause:

There was an oversight by the client not being fully aware of the grant requirements.

Recommendation:

We recommend the County ensures that subrecipients have had the proper audits conducted. The County should review the results of the audit reports within 6 months of their issuance and determine if there are any control deficiencies or instances of noncompliance that would impact the authorized use of the pass-through funding. The County can also implement other monitoring mechanisms such as reviewing periodic financial or performance reports of the subrecipients, or making on-site visits to review records of the subrecipients' federal activity. We also recommend that the County communicate CFDA and other pertinent information with the subrecipients prior to the disbursing of funds.

**TAZEWELL COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED NOVEMBER 30, 2015**

Section III – Federal Awards Findings and Questioned Costs (Continued)

Finding No. 2015-004 - Sub-Recipient Monitoring (Continued)

Views of responsible officials and planned corrective action:

The grants manager has now created a check off list for each and every grant based on contract requirements. This list will keep everyone accountable to a specific grant's needs. This grant has now ended. Both health departments in question are certified health departments with the funder and the record of their audits would be on file with the state Department of Public Health. The funder did not call this oversight into question. Finding 004 and 005 are directly related and the same response is appropriate.

**TAZEWELL COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED NOVEMBER 30, 2015**

Section III – Federal Awards Findings and Questioned Costs (Continued)

Finding No. 2015-005 - Reporting

Federal Agency/Program: U.S. Department of Health and Human Services - 93.525 -
In Person Counseling Program, passed through
Illinois Public Health Association

Questioned Costs: None

Condition:

As part of our audit, we noted the County did not submit their audited financial statements or single audit report to the Illinois Public Health Association.

Criteria or specific requirement:

The In Person Counseling Program grant agreement specifies that a grantee subject to OMB Circular A-133 shall provide audit reports within 180 days after the grantee's fiscal year.

Effect:

The County did not comply with the reporting requirements set forth in the grant agreement.

Cause:

There was an oversight by the client not being fully aware of the grant requirements.

Recommendation:

We recommend the County implement controls to ensure all reporting requirements are fulfilled and complied with.

Views of responsible officials and planned corrective action:

The grants manager has now created a check off list for each and every grant based on contract requirements. This list will keep everyone accountable to a specific grant's needs. This grant has now ended. Both health departments in question are certified health departments with the funder and the record of their audits would be on file with the state Department of Public Health. The funder did not call this oversight into question. Finding 004 and 005 are directly related and the same response is appropriate.

**TAZEWELL COUNTY, ILLINOIS
SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED NOVEMBER 30, 2015**

Finding No. 2014-001 – Significant Audit Adjustments

During the course of our audit, we posted a variety of adjustments that had a material effect on the County's financial statements. A significant number of the adjustments related to adjusting to the modified accrual basis or accrual basis of accounting from the cash basis, and recording capital assets and long-term debt for the government-wide financial statements.

Status

This finding has been repeated in the current year as Finding No. 2015-001.

Finding No. 2014-002 – Segregation of Duties

As a part of our audit, we noted that signature stamps are maintained within the Treasurer's office but there is less than complete control over who utilizes them and the authorized purpose.

Status

The finding has not been repeated in the current year.

Finding No. 2014-003 – General Accounting for Federal Awards

The County receives a significant amount of funding through state and federal grants. Grants are currently handled by the individual departments requesting the funding. During the period under audit, there was no central office or individual that tracks grant applications and reports. Individual departments are responsible for monitoring compliance with their grants as well as completing both financial and program reports for their grants.

The current method of monitoring grants makes it very difficult to identify all of the federal funds received by the County for proper reporting under the federal Single Audit Act. During our audit we noted the following related to accounting for grants that should be addressed.

- Information used in the preparation of reports requesting reimbursement for federal awards is frequently maintained on ledgers separate from the general ledger of the County. Many times there may be timing differences between the general ledger and these separate accounting of awards, or nonreimbursable costs are charged to respective general ledger accounts. Consequently, general ledger accounts do not easily trace to reports requesting reimbursement of federal funds. There are no reconciliations readily available which reconcile general ledger financial information to that reported on the requests for reimbursement of federal funds.

Status

This finding has been repeated in the current year as Finding No. 2015-002.

**TAZEWELL COUNTY, ILLINOIS
SCHEDULE OF PRIOR AUDIT FINDINGS (CONTINUED)
YEAR ENDED NOVEMBER 30, 2015**

Finding No. 2014-004 – Allowable Costs

As part of our audit, we noted eleven hours mistakenly charged to the program that were actually worked in a separate program.

Status

This finding has been repeated in the current year as Finding No. 2015-003.