

PEORIA COUNTY, ILLINOIS

REPORT ON FEDERAL AWARDS

For the Year Ended December 31, 2012

PEORIA COUNTY

TABLE OF CONTENTS For the Year Ended December 31, 2012

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1 – 2
Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133	3 – 5
Schedule of Expenditures of Federal Awards	6 – 12
Notes to Schedule of Expenditures of Federal Awards	13
Schedule of Findings and Questioned Costs	14 – 15
Summary Schedule of Prior Year Audit Findings	16
Correction Action Plan	17

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 Chair and Members of
the Board of Peoria County
Peoria, Illinois

We have audited, in accordance with 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 business-type activities, each major fund, and the aggregate remaining fund information of Peoria County as of and for the year ended December, 31, 2012, and the related notes to the financial statements, which collectively comprise Peoria County's basic financial statements and have issued our report thereon dated June 14, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Peoria 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 Peoria County's internal control. Accordingly, we do not express an opinion on the effectiveness of Peoria 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. However, material weaknesses may exist that have not been identified. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency. The significant deficiency is item 2012-1.

To the Chair and Members of
the Board of Peoria County

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Peoria 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*.

Peoria County's Response to Finding

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 Vuchow Krause, LLP

Oak Brook, Illinois
June 14, 2013

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE;
AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY OMB CIRCULAR A-133

Independent Auditors' Report

To the Chair and Members of
the Board of Peoria County
Peoria, Illinois

Report on Compliance for Each Major Federal Program

We have audited Peoria County's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Peoria County's major federal programs for the year ended December 31, 2012. Peoria County's major federal programs are identified in the summary of auditor's 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.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Peoria 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 Peoria 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 Peoria County's compliance.

To the Chair and Members of
the Board of Peoria County

Opinion on Each Major Federal Program

In our opinion, Peoria 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 December 31, 2012.

Report on Internal Control Over Compliance

Management of Peoria County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Peoria 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 Peoria County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

To the Chair and Members of
the Board of Peoria County

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 business-type activities, each major fund, and the aggregate remaining fund information of Peoria County as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise Peoria County's basic financial statements. We issued our report thereon dated June 14, 2013, 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.

Baker Tilly Vuchaw Krause LLP

Oak Brook, Illinois
August 19, 2013

PEORIA COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2012

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Grantor's Number</u>	<u>Expenditures</u>	<u>Passed- Through to Subrecipients</u>
U.S. Department of Health and Human Services:				
Passed through the National Association of County and City Health Officials:				
Medical Reserve Corps Small Grant Program	93.008	MRC 110075	\$ 2,470	\$ -
		MRC 100075	993	-
			<u>3,463</u>	<u>-</u>
Passed through the Illinois Department of Public Health:				
Public Health Emergency Preparedness	93.069	27180115	34,244	-
		27180070	55,264	-
			<u>89,508</u>	<u>-</u>
Environmental Public Health and Emergency Response	93.070	23283007	888	-
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	37180115A	14,204	-
		37180070A	27,428	-
			<u>41,632</u>	<u>-</u>
Immunization Grants	93.268	25180018	35,000	-
		Commodities	137,909	-
			<u>172,909</u>	<u>-</u>
Maternal and Child Health Services Block Grant to the States	93.994	Q11GQ01035	32,853	-
		33480133A	11,094	3,839
		23480134	14,875	7,144
			<u>58,822</u>	<u>10,983</u>
Passed through the Illinois Department of Healthcare and Family Services:				
Child Support Enforcement Title IV-D	93.563	31KCC000071	34,436	-
		21KCC000071	17,417	-
			<u>51,853</u>	<u>-</u>

See accompanying notes to schedule of expenditures of federal awards.

PEORIA COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2012

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Grantor's Number</u>	<u>Expenditures</u>	<u>Passed- Through to Subrecipients</u>
U.S. Department of Health and Human Services (Continued):				
Passed through the Illinois Department of Healthcare and Family Services (Continued):				
Grants to States for Access and Visitation Programs	93.597	2012-55-024-K1C 2012-55-024-K4C	\$ 30,009 <u>23,076</u>	\$ - <u>-</u>
			<u>53,085</u>	<u>-</u>
Social Services Block Grant	93.667	FCSRE00772	<u>36,871</u>	<u>-</u>
Medical Assistance Program	93.778	N/A N/A	40,910 <u>22,385</u>	- <u>-</u>
			<u>63,295</u>	<u>-</u>
HIV Care Formula Grants	93.917	15780150 25780060	27,630 <u>25,880</u>	- <u>-</u>
			<u>53,510</u>	<u>-</u>
Grants to provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918	H76HA00519	<u>10,080</u>	<u>-</u>
Direct:				
Health Care and Other Facilities	93.887	C76HF10377	<u>236,237</u>	<u>-</u>
Passed through the Illinois Public Health Association:				
HIV Prevention Activities - Health Department Based	93.940	N/A	<u>5,625</u>	<u>-</u>
Human Immunodeficiency Virus (HIV)/ Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	93.944	137504 1175204	29,016 <u>36,777</u>	3,816 <u>-</u>
			<u>65,793</u>	<u>3,816</u>
Total U.S. Department of Health and Human Services			<u>943,571</u>	<u>14,799</u>

See accompanying notes to schedule of expenditures of federal awards.

PEORIA COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2012

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Grantor's Number</u>	<u>Expenditures</u>	<u>Passed-Through to Subrecipients</u>
U.S. Department of Agriculture:				
Passed through the Illinois Department of Human Services:				
Special Supplemental Food Program for Women, Infants, and Children	10.557	FCSRE01078	\$ 336,876	\$ -
		Q11GQ01236	354,633	-
		FCSRE01177	23,268	-
		Q11GQ00394	17,773	-
Noncash Food Vouchers	10.557	N/A	<u>2,313,123</u>	<u>-</u>
			<u>3,045,673 (M)</u>	<u>-</u>
Child Nutrition Cluster:				
Passed through the Illinois State Board of Education:				
School Breakfast Program	10.553	2012-4220-00	16,240	-
		2013-4220-00	<u>6,708</u>	<u>-</u>
			<u>22,948</u>	<u>-</u>
National School Lunch Program	10.555	2012-4210-00	25,074	-
		2013-4210-00	<u>10,380</u>	<u>-</u>
			<u>35,454</u>	<u>-</u>
Summer Food Service Program for Children	10.559		<u>300</u>	<u>-</u>
Total Child Nutrition Cluster			<u>58,702</u>	<u>-</u>
Passed through the Illinois Department of Human Services:				
Farmers' Market Nutrition Program	10.572	FCSRE01251	<u>1,000</u>	<u>-</u>
Total U.S. Department of Agriculture			<u>3,105,375</u>	<u>-</u>

See accompanying notes to schedule of expenditures of federal awards.

PEORIA COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2012

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Grantor's Number</u>	<u>Expenditures</u>	<u>Passed- Through to Subrecipients</u>
U.S. Department of Transportation:				
Passed through the Illinois Department of Transportation:				
Formula Grants for Other than Urbanized Areas	20.509	RPT-12-015 RPT-13-015	\$ - <u>76,025</u>	\$ - <u>-</u>
			<u>76,025</u>	<u>-</u>
Highway Safety Cluster:				
State and Community Highway Safety	20.600 & 20.601	1OP10072244 2OP10072244	2,298 <u>7,955</u>	- <u>-</u>
			<u>10,253</u>	<u>-</u>
Alcohol Impaired Driving Countermeasures Incentive Grants	20.601	AL2-0072-164 2AL14590135 3AL24590135	1,548 46,203 <u>13,410</u>	- - <u>-</u>
			<u>61,161</u>	<u>-</u>
Total Highway Safety Cluster			<u>71,414</u>	<u>-</u>
Total U.S. Department of Transportation			<u>147,439</u>	<u>-</u>
U.S. Department of Justice:				
Passed through the Illinois Department of Human Services:				
Juvenile Justice and Delinquency Prevention Allocation to States	16.540	2011GQ01361 3FCSRE01710	29,470 <u>17,603</u>	- <u>-</u>
			<u>47,073</u>	<u>-</u>
Title V-Delinquency Prevention Program	16.548	2011GQ01966	<u>12,758</u>	<u>12,758</u>

See accompanying notes to schedule of expenditures of federal awards.

PEORIA COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2012

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Grantor's Number</u>	<u>Expenditures</u>	<u>Passed- Through to Subrecipients</u>
U.S. Department of Justice (Continued):				
Passed through the Illinois Criminal Justice Information Authority:				
Violence Against Women Formula Grants	16.588	20AWL609278	\$ 25,629	\$ 14,708
		30AWL610078	27,362	11,172
		20AWL609177	26,854	-
		30AWL609177	2,483	-
		30AWL611177	26,873	-
		20AWL610075	90,188	-
		30AWL610075	13,912	-
		30AWL610275	<u>84,489</u>	<u>-</u>
			<u>297,790</u>	<u>25,880</u>
Direct:				
State Criminal Alien Assistance Program	16.606		<u>9,609</u>	<u>-</u>
Bulletproof Vest Partnership Program	16.607		<u>13,884</u>	<u>-</u>
Passed through the City of Peoria:				
Public Safety Partnership and Community Policing Grants	16.710	2009-CK-WX-0084	<u>213,366</u>	<u>-</u>
Direct:				
Congressionally Recommended Awards	16.753	2010-DD-BX-0736	<u>175,608</u>	<u>175,608</u>
Justice Assistance Grant Program Cluster:				
Passed through City of Peoria:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2010-DJ-BX-1176	52,258	-
		2011	49,735	-
		2012	<u>40,246</u>	<u>-</u>
			<u>142,239</u>	<u>-</u>
ARRA - Edward Byrne Memorial	16.803	2009-G1982-IL-SB	<u>327,492</u>	<u>-</u>
Total JAG Program Cluster			<u>469,731 (M)</u>	<u>-</u>
Total U.S. Department of Justice			<u>1,239,819</u>	<u>214,246</u>

See accompanying notes to schedule of expenditures of federal awards.

PEORIA COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2012

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-through Grantor's Number	Expenditures	Passed- Through to Subrecipients
U.S. Department of Housing and Urban Development:				
Passed through DCEO:				
Community Development Block Grants/State's Program	14.228		\$ 143,167	\$ -
Direct:				
Lead-Based Paint Hazard Control in Privately-Owned Housing	14.900	ILLHB0501-11	495,137 (M)	-
Total U.S. Department of Housing and Urban Development			<u>638,304</u>	<u>-</u>
U.S. Department of Education:				
Early Intervention Services Cluster:				
Passed through the Illinois Department of Human Services:				
Special Education Grants for Infants and Families	84.181	2011GQ0100	123,597	-
Total U.S. Department of Education			<u>123,597</u>	<u>-</u>
U.S. Environmental Protection Agency:				
Congressionally Mandated Project	66.202		419,000 (M)	-
Passed through Illinois Department of Public Health:				
Performance Partnership Grants	66.605	25380290	550	-
Total U.S. Environmental Protection Agency			<u>419,550</u>	<u>-</u>
U.S. Election Assistance Commission:				
Passed through the State of Illinois State Board of Elections:				
Help America Vote Act Requirements Payments	90.401	N/A	5,711	-
Total U.S. Election Assistance Commission			<u>5,711</u>	<u>-</u>
	See accompanying notes to schedule of expenditures of federal awards.		<u>5,711</u>	<u>-</u>

PEORIA COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2012

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-through Grantor's Number	Expenditures	Passed- Through to Subrecipients
Department of Homeland Security:				
Passed through Illinois Emergency Management Agency:				
Emergency Management Performance Grants	97.042	312EMAPEOCO	\$ 29,590	\$ -
Passed through Illinois Terrorism Task Force:				
Emergency Management Performance Grants	97.042	311NBEMPECO	11,956	-
Total Emergency Management Performance Grants			41,546	-
Passed through Illinois Law Enforcement Alarm System:				
Homeland Security Grant Program	97.067	n/a	54,435	-
			11,134	-
			65,569	-
Total Department of Homeland Security			107,115	-
TOTAL EXPENDITURES			\$ 6,730,481	\$ 229,045

(M) Denotes major program

PEORIA COUNTY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For the Year Ended December 31, 2012

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the “schedule”) includes the federal grant activity of Peoria County under programs of the federal government for the year ended December 31, 2012. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of Peoria County, it is not intended to and does not present the financial position, changes in net position or cash flows of Peoria County.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments, 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.

NOTE 3 – NONCASH PAYMENTS

Peoria County, Illinois receives vaccines at no charge from the Illinois Department of Public Health through federally assisted programs – Immunization Grants (CFDA 93.268). The value of vaccines received during the year ended December 31, 2012 was \$172,909.

Peoria County, Illinois received food vouchers at no charge from the Illinois Department of Human Services through federally assisted program – Special Supplemental Food Program for Women, Infants, and Children (CFDA 10.557). The value of vouchers received during the year ended December 31, 2012 was \$2,313,213.

NOTE 4 – INSURANCE AND LOANS OR LOAN GUARANTEES

During the year ended December 31, 2012, Peoria County received no insurance, loans or loan guarantees for purposes of administering federal programs.

PEORIA COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2012

SECTION I – SUMMARY OF AUDITORS’ RESULTS

FINANCIAL STATEMENTS

Type of auditors’ report issued: unmodified

Internal control over financial reporting:

- > Material weakness(es) identified? yes X no
- > Significant deficiencies identified? X yes none reported

Noncompliance material to basic financial statements noted?

 yes X no

FEDERAL AWARDS

Internal control over major programs:

- > Material weakness(es) identified? yes X no
- > Significant deficiencies 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 510(a) of Circular A-133?

 yes X no

Auditee qualified as low-risk auditee?

 X yes no

Identification of major federal programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program / Cluster</u>
10.557	Special Supplemental Food Program for Women, Infants and Children
14.900	Lead-Based Paint Hazard Control in Privately-Owned Housing
16.803 / 16.738	Justice Assistance Grant Program Cluster (ARRA)
66.202	Congressionally Mandated Project

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

 \$ 300,000

PEORIA COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2012

SECTION II – FINANCIAL STATEMENT FINDINGS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

FINDING 2012-1: ELECTRONIC TRANSFERS

Criteria: The county should strengthen review controls around electronic fund transfers.

Condition: Electronic fund transfers (EFTs), including wire transfers, may be authorized by one employee without a secondary approval.

Cause: The finding was caused by a lack of an independent review and approval of EFTs before authorization is provided by the original preparer.

Effect or Potential Effect: Inappropriate payments could be made to unapproved vendors or individuals without proper approval.

Recommendations for Corrective Action: We recommend the county review its EFT procedures and implement a requirement for secondary approval of all EFTs.

Management Response: The Treasurer will sign off on supporting documentation for all EFTs initiated by the Chief Deputy Treasurer.

SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

No findings were reported.

PEORIA COUNTY

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS For the Year Ended December 31, 2012

SECTION IV – SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

No findings were reported in the prior year.



Peoria County, Illinois
A-133 Single Audit Report: Corrective Action Plan
Year ended December 31, 2012

Finding 2012-1: Electronic Transfers

Criteria: The County should strengthen review controls around electronic fund transfers.

Condition: Electronic fund transfers (EFTs), including wire transfers, may be authorized by one employee without a secondary approval.

Cause: The finding was caused by a lack of an independent review and approval of EFTs before authorization is provided by the original preparer.

Effect or potential effect: Inappropriate payments could be made to unapproved vendors or individuals without proper approval.

Recommendations for corrective action: We recommend the County review its EFT procedures and implement a requirement for secondary approval of all EFTs.

Management response: The Treasurer will sign off on supporting documentation for all EFTs initiated by the Chief Deputy Treasurer.