

**CHICAGO PARK DISTRICT
OFFICE OF INSPECTOR GENERAL**

**2025
ANNUAL
AUDIT PLAN**

January 22, 2025



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I. Mission of the Office of Inspector General

The Chicago Park District (District) Office of Inspector General (OIG) is an independent oversight agency with the authority to promote the economy, efficiency, effectiveness, and integrity of the District. See Park District Code, Chapter 2(D)(4). The OIG Department of Audit (the “Department”) supports the OIG mission by conducting audits to enhance the effectiveness and efficiency of the District, mitigate risks which could impair the mission of the District, and ensure compliance with legal requirements, policies, and best practices. The Department is separate from, but complements (1) the OIG’s Investigations Section, which examines allegations of individual misconduct or wrongdoing; and (2) the OIG’s Hiring Compliance Section, which reviews and investigates the District’s hiring and employment practices to ensure compliance with the District’s Employment Plan.

The Department conducts performance audits with guidance from the United States Government Accountability Office’s Generally Accepted Government Auditing Standards (GAGAS or “Yellow Book,” 2024 revision). Pursuant to the Yellow Book:

Performance audits provide objective analysis, findings, and conclusions to assist management and those charged with governance and oversight with, among other things, improving program performance and operations, reducing costs, facilitating decision making by parties responsible for overseeing or initiating corrective action, and contributing to public accountability.¹

For other categories of work-product, such as advisories, explainers, notifications, and program descriptions, the Department follows the guidance set forth by the Association of Inspectors General in *Principles and Standards for Offices of Inspector General* (“Green Book,” 2024 revision).²

II. Purpose of the Annual Audit Plan

The OIG’s Annual Audit Plan (the “Plan”) is a guiding document which identifies potential audits for the upcoming fiscal year. The Plan presents a flexible list and is subject to change. Accordingly, the OIG may not ultimately conduct all audits included in the Plan and may also conduct audits during the year that are not included in the Plan. Deviations from the Plan can occur due to changing priorities, the re-allocation of limited resources, and changes in the District which fundamentally alter the nature of a potential audit.

The Plan is drafted in consultation with the Inspector General, OIG staff, and the District’s Audit Management Committee, with final approval by the Inspector General. The OIG solicits ideas for potential audits from a variety of sources including, but not limited to, feedback from the community, suggestions

¹ United States Government Accountability Office, “Government Auditing Standards 2024 Revisions,” February 2024, accessed December 26, 2024, <https://www.gao.gov/assets/d24106786.pdf>.

² Association of Inspectors General, “Principles and Standards for Offices of Inspector General,” July 1, 2024, accessed December 26, 2024, https://inspectorgeneralassociation-my.sharepoint.com/personal/mjcastrilli_inspectorgeneral_org/_layouts/15/onedrive.aspx?id=%2Fpersonal%2Fmjcastrilli%5Finspectorgeneral%5Forg%2FDocuments%2FWebsite%20Files%2FPrinciples%20and%20Standards%20for%20OIGs%20Eff%20July%201%2C%202024%2Epdf&parent=%2Fpersonal%2Fmjcastrilli%5Finspectorgeneral%5F%2FDocuments%2FWebsite%20Files&ga=1.

from District personnel, proposals from OIG staff, process and operational concerns from OIG investigations, audits from other government entities, and media coverage.

The OIG encourages departments to proactively assess any program included in the Plan and to alert the OIG to any changes to such a program in advance of an audit. The additional information will enable the OIG to better assess whether the program should still be audited.

III. 2025 Audit Plan Topics

This section includes brief synopses of the nine topics included in the OIG's 2025 Audit Plan.

1. Background Checks

The Chicago Park District conducts background checks for new hires before they begin employment. These checks involve applicants submitting fingerprints, which are then used to carry out Federal Bureau of Investigation (FBI) and state police background screenings. For returning seasonal employees, only an FBI background check is required, as the Illinois State Police provide updates on the records of current and past employees. The background check results are reviewed by the District's Director of Human Resources, who makes the final decision on employment eligibility. This audit would examine the above-detailed background check policies and procedures.

Potential Objective(s):

- To evaluate whether the Chicago Park District is in compliance with the District's background check policy.
- To determine if the Chicago Park District is receiving and utilizing updated background check results for its returning seasonal employees.

2. Form I-9

The Form I-9 documents the "verification of the identity and employment authorization of each new employee...to work in the United States."³ According to the United States (U.S.) Citizenship and Immigration Services, "[a]ll U.S. employers must properly complete Form I-9 for every individual they hire for employment in the United States" including both citizens and noncitizens.⁴ Employers are to retain Forms I-9 for either three years after employment begins or one year after employment ends, whichever is later. If a Form I-9 is not properly completed, employers may be subject to civil or criminal penalties.⁵ This audit would evaluate the District's compliance with federal regulations.

Potential Objective(s):

³ United States Citizenship and Immigration Services, "Instructions for Form I-9, Employment Eligibility Verification," August 1, 2023, accessed December 20, 2024, <https://www.uscis.gov/sites/default/files/document/forms/i-9instr.pdf>.

⁴ United States Citizenship and Immigration Services, "I-9, Employment Eligibility Verification," August 1, 2024, accessed December 20, 2024, <https://www.uscis.gov/i-9#:~:text=Use%20Form%20I%2D9%20to,This%20includes%20citizens%20and%20noncitizens>.

⁵ United States Citizenship and Immigration Services, "Instructions for Form I-9, Employment Eligibility Verification," August 1, 2023, accessed December 20, 2024, <https://www.uscis.gov/sites/default/files/document/forms/i-9instr.pdf>.

- To determine if the Chicago Park District appropriately completes and retains a Form I-9 for every employee in compliance with federal regulations.

3. Instructor Qualifications

The District hires instructors for its various classes and programs including, but not limited to aquatics, culture and arts, gymnastics, outdoor and environmental, sports, and wellness. This audit would examine how the District establishes qualifications for instructors, including certification requirements, and ensures its instructors meet those qualifications.

Potential Objective(s):

- To determine how the District determines which instructors are required to have certain qualifications, including certifications, in order to instruct classes.
- To determine how the District ensures its instructors meet and maintain the necessary qualifications, including certifications, throughout their tenure as instructors.

4. Performance Evaluations and Pay Schedules

According to the United States Office of Personnel Management, “[e]mployees must know what they need to do to perform their job successfully” which includes setting expectations, continually monitoring performance, and “periodically rating performance.”⁶ A performance evaluation can serve as the basis of a merit pay increase which is “a raise in pay based on a set of criteria set by the employer [which] usually involves the employer conducting a review meeting... to discuss the employee’s work performance during a certain time period.”⁷ Many governments determine merit pay increases by utilizing a pay schedule, such as the federal government’s General Schedule or the City of Chicago’s Classification and Pay Plan.⁸ This audit would assess the District’s processes for conducting performance evaluations.

Potential Objective(s):

- To determine whether the Chicago Park District consistently utilizes performance evaluations to assess its employees as well as to inform pay increases.

⁶ United States Office of Personnel Management, “A Handbook for Measuring Employee Performance,” March 2017, accessed December 23, 2024, https://www.opm.gov/policy-data-oversight/performance-management/measuring/employee_performance_handbook.pdf.

⁷ United States Department of Labor, “Merit Pay,” accessed December 23, 2024, <https://www.dol.gov/general/topic/wages/meritpay>.

⁸ United States Office of Personnel Management, “General Schedule,” accessed December 24, 2024, <https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/2024/general-schedule/>; City of Chicago, “Classification and Pay Schedule Salary Resolution 2023-2024 Schedule A,” November 2023, accessed December 24, 2024, https://www.chicago.gov/content/dam/city/depts/dhr/supp_info/JobClassification/2023_2024_Classification_and_Pay_Plan.pdf.

5. Program Evaluations

According to the Chicago Park District, over 350,000 people participate in the District's "thousands of sports, recreational, cultural, and environmental programs."⁹ District programming covers a wide range of activities from sailing to dance to creative writing to bowling, with many additional options for patrons of all ages. Some of these programs are offered across different parks, meaning some variability is to be expected in patrons' experiences. Other programs are only offered at a single park, meaning patrons do not necessarily have an alternative if they find the programming lacking in some aspect. This audit would examine the District's processes for evaluating its programs.

Potential Objective(s):

- To determine if the Chicago Park District conducts consistent and systematic evaluations of its programs.
- To determine how the Chicago Park District incorporates feedback from patrons to improve its programs.

6. Program Fees

In 2025, the District is expected to generate \$10.7 million in program revenue after accounting for the "approximately \$1 million in financial aid available for families in need."¹⁰ The fees which generate this revenue are paid by park patrons and can vary depending on program location and other factors. For example, the fees for Pilates classes for patrons 18 and over range from \$10 to \$60. This audit would examine the District's processes for establishing program fees, including how the District determines the prices within its variable fee structure.

Potential Objective(s):

- To determine how the Chicago Park District establishes its fee structures for programs and locations, including the processes and criteria used to adjust program fees.
- To evaluate whether the program fee structure promotes fairness and equitable access to Chicago Park District programs across demographic and socioeconomic groups.

7. Purchase Orders

The District "purchases millions of dollars of goods and services on an annual basis."¹¹ The District's Department of Purchasing manages the purchasing process and "is responsible for purchasing all supplies, materials, equipment, and services."¹² The purchasing processes, including approval, differ depending on

⁹ Chicago Park District, "Programs and Memberships," 2024, accessed December 23, 2024, <https://www.chicagoparkdistrict.com/programs-memberships>.

¹⁰ Chicago Park District, "2025 Budget Appropriations," December 2024, accessed December 23, 2024, <https://assets.chicagoparkdistrict.com/s3fs-public/documents/departments/budget/2025/2025%20Budget%20Appropriations.pdf>.

¹¹ Chicago Park District, "Purchasing," 2024, accessed December 24, 2024, <https://www.chicagoparkdistrict.com/doing-business/purchasing>.

¹² Chicago Park District, "Purchasing," 2024, accessed December 24, 2024, <https://www.chicagoparkdistrict.com/doing-business/purchasing>; Chicago Park District, "Purchasing Policies," accessed December 24, 2024, <https://assets.chicagoparkdistrict.com/s3fs->

the purchase total. This audit would examine whether the District's is complying with its own policies related to purchasing orders.

Potential Objective(s):

- To determine if the Chicago Park District has standard practices for purchasing goods and services.
- To determine if the Chicago Park District appropriately communicates and makes available to relevant District personnel its purchasing policies.

8. Record Management and Retention

The Illinois Local Records Act (50 ILCS 205) regulates local governments' preservation and disposal of public records, including records which are needed for the governments' operations, those which need to be archived, and those which can be destroyed because they are obsolete. The Act also establishes Local Records Commissions who, in turn, approve record retention schedules, i.e., how long a local government must retain a record before it can be destroyed. When a local government seeks to destroy a record, the government must first consult their Application for Authority to Dispose of Local Records to determine if a record is eligible for destruction. The local government must next complete a Records Disposal Certificate. Only when the Certificate is approved can the government destroy the record. This audit would examine the District's processes for record management and retention to ensure compliance with the Local Records Act.

Potential Objective(s):

- To determine whether the Chicago Park District is in compliance with the Illinois Local Records Act.

9. Recycling Efforts

The District's Department of Cultural and Natural Resources is responsible for managing the District's recycling contracts and has contracted with Flood Brothers Disposal Company to "[p]rovide garbage and recycling collection and disposal services Districtwide."¹³ In 2019, the District reported a pre-pandemic total of 960 recycling tonnage through its contract work, with another 525 tonnage from its in-house work on the City's Lakefront, and set a target of 1,100 tons and 800 tons, respectively, by the end of 2024.¹⁴ In

[public/documents/departments/Purchasing/Chicago%20Park%20District%20Purchasing%20Procedures%20Manual.pdf](https://public.documents/departments/Purchasing/Chicago%20Park%20District%20Purchasing%20Procedures%20Manual.pdf).

¹³ The District's most recent contract with Flood Brothers was eligible for four one-year extensions and expired on October 18, 2024. As of December 2024, the District's "Procurement Portal" does not list an active contract for recycling services.

Department of Purchasing, Chicago Park District, "Contract with Flood Brothers Disposal Company for Waste Collections, Disposal, and Recycling Services District Wide," October 7, 2019, accessed December 20, 2024, <https://chicagoparkdistrict.bonfirehub.com/publicContracts/18957#!/>.

¹⁴ Chicago Park District, "2022 Budget Appropriations, December 2021, accessed December 20, 2024, <https://assets.chicagoparkdistrict.com/s3fs-public/documents/departments/budget/2022/2022%20Budget%20Appropriations.pdf>; Chicago Park District, "2024 Budget Appropriations," December 2023, accessed December 20, 2024, <https://assets.chicagoparkdistrict.com/s3fs-public/documents/departments/budget/2024/2024%20Budget%20Appropriations.pdf>.

its *2025-2030 Strategic Plan*, the District stated one of its strategies to meet its goal of a “greener city” is to “promote recycling, reuse, and responsible waste management among staff, partners, vendors, and the public using the parks” and noted that the District “has already made great progress toward advancing the sustainability of our programs and operations...including...recycling and waste reduction.”¹⁵ The Strategic Plan also stated that beginning in 2025, the District intends to launch campaigns to “increase and promote recycling rates in our parks” including “to reduce recycling contamination.”¹⁶ This audit would examine the District’s recycling efforts, including the work conducted by its contractor(s), and their collective ability to achieve the District’s goals related to recycling.

Potential Objective(s):

- To evaluate the District’s processes for recycling in its parks, including assessing the performance of its contractor(s).

IV. Ongoing Audits

This section includes brief synopses of the OIG’s four ongoing, i.e., in-progress, audits which will continue into 2025.

1. Information Technology Asset Management

The objective of this audit is to determine whether the District is effectively and appropriately inventorying and storing its over 5,000 information technology (IT) assets, which are located throughout the District.

2. Lead Contamination Testing

The objective of this audit is to determine whether the District’s lead contamination testing program is aligned with best practices for sampling, testing, and documenting lead levels from water service lines.

3. Pre-Qualified Vendor Pools

Pre-qualified vendor pools are intended to streamline the contracting process by putting eligible vendors into a “pool” from which the District can select one vendor to provide a service to the District. The District utilizes these vendor pools for specific jobs including, but not limited to, construction, architecture, and engineering services. The objective of this audit is to determine if the Chicago Park District appropriately utilizes its pre-qualified vendor pools.

4. Information Technology System Revocation for Separated Personnel

When District personnel, including contractors, separate from the District through resignation, retirement, termination, or reduction of the workforce, best practices dictate that the personnel’s access

¹⁵ Chicago Park District, “2025-2030 Strategic Plan,” 2024, accessed December 20, 2024, <https://assets.chicagoparkdistrict.com/s3fs-public/documents/about%20us/strategic%20plan/final%20plan%20docs/2025-2030%20Strategic%20Plan%20Park%20District--For%20Website.pdf>.

¹⁶ Chicago Park District, “2025 Budget Appropriations,” December 2025, accessed December 20, 2024, <https://assets.chicagoparkdistrict.com/s3fs-public/documents/departments/budget/2025/2025%20Budget%20Appropriations.pdf>.

to the various District IT systems should be revoked to reduce unauthorized access. The objective of this audit is to determine if the Chicago Park District appropriately terminates accounts and privileges when personnel separate from the District.

V. Planned 2025 Follow-Up Audits

This section includes brief synopses of the three follow-up audits planned for 2025. A follow-up audit is typically conducted six to twelve months after the conclusion of an audit to determine the status of a department's efforts in implementing the audit's recommendations. Follow-up audits can also be an opportunity to review the subject program for any changes in operation or policy that may have occurred since the conclusion of the audit.

1. Lake Michigan Rescue Equipment

The District is required to maintain and secure the rescue equipment along Lake Michigan. The OIG's audit determined (1) the District did not have formal policies and procedures or training for rescue equipment inspections and (2) the process for performing the inspections could be improved. The OIG therefore recommended the following:

- The District should adopt formal policies and procedures for rescue equipment inspections.
- The District should revise its "Life-Ring Box, Ring, Line, and Glass Inspection Report" to include additional information from the inspector about how the inspection was conducted, e.g., a physical check or a visual check.
- The District should document data regarding the locations of damaged or stolen rescue equipment.
- The District should provide training to inspectors regarding the inspection of rescue equipment.¹⁷

2. Summer Food Service Program

The District provides a complimentary lunch and snack to children participating in its daytime camp program through the Summer Food Service Program. Under federal law, the District is required to have an independent, external auditor annually audit its compliance with the Program's requirements. For 12 consecutive years, the District's external auditor determined that the District was not in compliance with the Program's requirements, including failing to maintain supporting documentation and ensure required forms were properly completed and approved. Accordingly, the OIG recommended the following:

- The District should review the external auditor's findings and develop a comprehensive plan to systematically identify and address the root causes.
- The District should consider establishing a monitoring mechanism as part of the comprehensive plan to better track the progress and effectiveness of these actions.

¹⁷ For more information about this audit, including the District's response to the OIG's recommendations, please see the OIG's Second Quarter 2023 Report. Office of Inspector General, Chicago Park District, "OIG Second Quarter 2023 Report," 2023, accessed January 14, 2025, <https://assets.chicagoparkdistrict.com/s3fs-public/documents/page/OIG%20Second%20Quarter%202023%20Report.pdf>.

- The District should conduct a financial accounting related to the Program to determine the annual expenditures, the amount of reimbursements received, and the amount of unreimbursed costs due to lack of compliance with federal regulations.¹⁸

3. Contract Extensions

The OIG's audit of the District's vendor contract extension process determined the District (1) did not have written policies and procedures regarding the extension approval process, (2) did not require a written justification of an extension, and (3) did not consistently document extension requests and approvals. The OIG therefore recommended the following:

- The District should adopt formal policies and procedures for its contract extension process.
- The District should revise its "Extension Option Review Form" to require a justification for the extension.
- The District should consistently use its "Extension Option Review Form" to document extension request and approval.¹⁹

¹⁸ For more information about this audit, including the District's response to the OIG's recommendations, please see the OIG's Third Quarter 2024 report. Office of Inspector General, Chicago Park District, "OIG Quarterly Report 2024 – Third Quarter," 2024, accessed January 14, 2025, <https://assets.chicagoparkdistrict.com/s3fs-public/documents/about%20us/OIG/2024/OIG%20Third%20Quarter%202024%20Report.pdf>.

¹⁹ For more information about this audit, including the District's response to the OIG's recommendations, please see the OIG's 2024 Annual Report. Office of Inspector General, Chicago Park District, "2024 OIG Annual Report," 2024, accessed January 15, 2025, <https://assets.chicagoparkdistrict.com/s3fs-public/documents/about%20us/OIG/2024/OIG%202024%20Annual%20Report.pdf>.



The mission of the Office of Inspector General (OIG) is to:

- Investigate allegations of fraud, waste and abuse or misconduct by Chicago Park District employees, Board members, contractors, agents, or volunteers
- Monitor the Park District's compliance with the Employment Plan's rules governing hiring and other employment actions
- Conduct audits by the Audit Department to assess integrity of financial reporting systems, the effectiveness of internal controls, and the efficiency of established procedures.

It is the duty of every employee, Board member, agent, and contractor of the District to report any fraud, mismanagement, waste of funds or resources, abuse of authority, conflicts of interest, ethical violations or other improper act by another involving District business or assets. The Park District Code prohibits retaliation for reporting to, cooperating with, or assisting the Inspector General.

Submit a report to the Office of the Inspector General through one of the following options:

- Online: <https://chicagoparkdistrict.i-sight.com/external/case/new>
 - By telephone: (312) 742-3333 (Confidential Hotline)
 - By fax: (312) 742-9505
 - In writing: Chicago Park District Office of Inspector General, 740 N. Sedgwick St., 3rd Floor, Chicago, IL 60654
 - In person: 740 N. Sedgwick St., 3rd Floor, Chicago, IL 60654
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