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KANE COUNTY GOVERNMENT CENTER

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**Asset Verification Audit
Kane County Motor Vehicles
June 8, 2010**

The Auditor's Office conducted an internal audit to physically verify county vehicles. This audit was performed as authorized by 55 ILCS 5/3 1005(h). Utilizing asset lists from Finance, Risk Management, the Sheriff's Office, and the Department of Transportation, the Auditor's Office physically verified all county vehicles.

Minor exceptions have been noted and are being resolved by correcting data on the various asset lists, and inspecting records pertaining to new vehicle purchases and vehicle disposals. We have concluded that motor vehicle records are generally kept in an accurate manner, and that all vehicles in county service were in the appropriate hands during the audit period.

As part of our auditing procedures we devised worksheets and made notations as we physically verified each motor vehicle. To verify vehicles used on evening and night shifts, we inspected vehicles at the end of the night shift and the beginning of the evening shift. We have updated our work lists and have provided them to all offices and departments. The audit fieldwork was conducted between May 4, 2010 and June 8, 2010. A summary of audit verification work is shown below:

	Total	
Office/Department	Vehicles	Verified
Animal Control	5	5
Building Management	9	9
Circuit Clerk	2	2
Coroner	6	6
County Clerk	2	2
Court Services	14	14
Development	8	8
Emergency Management*	6	6
Environmental Management	1	1
Health	7	7

	Total	
Office/Department	Vehicles	Verified
Information Technology	5	5
State's Attorney	11	11
Veterans	1	1
Water Resources	1	1
KDOT	73	73
Sheriff	131	131
Totals	282	282

Finance and Human Resources Management Procedures

The Finance Department is responsible for maintaining the county's fixed asset list. On an annual basis, at the close of the fiscal year, the Finance Department solicits from all offices and departments, a list of assets acquired at a cost of \$10,000 or more, and a list of assets retired during the fiscal year just ended. Finance staff enters the cost and descriptive information supplied, and selects the appropriate depreciation schedule. Therefore, for fiscal 2010 acquisitions and disposals, the fact that a fixed asset record has not yet been set up or deleted, is not an exception. We make mention of the condition in our report, but do not expect a response from Finance. For other discrepancies in fixed asset records, we expect a response from Finance, in coordination with the owning department.

The Human Resources Management(HRM) Department is responsible for the insurance of county vehicles. This includes maintaining the list of insured vehicles and supplying a current year fleet insurance card for placement in each vehicle. Each department is responsible for informing HRM of a vehicle purchase or disposal. When informed, HRM supplies a fleet insurance card for placement in the vehicle. In addition, on an annual basis in October, HRM solicits a current vehicle list from each office and department. HRM compares this to their existing list to assure that they have correct and current information.

Since issuing the July 29th exception memo referred to below, the Auditor's Office has determined through HRM, that vehicles not appearing on the insurance list were insured. Insurance cards were in each vehicle. And the terms of our fleet insurance policy contain provision for coverage of newly acquired vehicles, even prior to HRM supplying a fleet insurance card for the vehicle glovebox.

Exceptions Found In This Audit

On July 29, 2010 the Auditor's Office sent out a lengthy memo with subject: Vehicle Audit 2010 Exception List, and a Master List of all county vehicles as of June 8, 2010. Some exceptions found included 1) vehicles not included on the fixed asset list; 2) vehicles not found on the insurance list; 3) vehicles appearing on fixed asset list or insurance list, but not in current fleet; and 4) miscellaneous discrepancies. Most, but not all departments responded. Responsibility for accurate recordkeeping lies with the department "owning" each vehicle. We ask that each department or office respond, even

if the work to clear an exception will be done by another department, such as Finance or HRM. Each department should communicate with Finance or HRM, as appropriate, to assure that records are corrected or updated.

The Auditor's Office also asks that Finance and HRM make note of exceptions that pertain to fixed asset and insurance records and see that they are corrected where needed, always in coordination with the owning department.

Finding #1:

We found a number of vehicles in use by the Coroner's Office, Clerk's Office, Emergency Management, Health Department, and State's Attorney Office, which were not on the Fixed Asset records of the County. The reason is that the acquisition cost for these vehicles was under \$10,000. We recommend that vehicle assets be recorded as Fixed Assets, even if the acquisition cost is under \$10,000. The reason is to be consistent in the recording of county vehicles on county records. Details are shown below:

Office/Department	Year/Make/Model	VIN	Plate#
Coroner	1994 MedTec Disaster Response Unit	1FDKE30M7RHB83552	M180578
Clerk	Pace Trailer	40LFB12234P104255	M094406
Emergency Mgt	2005 Polaris Ranger	4XARF50A45D452567	N/A
Emergency Mgt	2008 Haulmark Shelter Trailer	16HCB14288H168465	M094479
Emergency Mgt	2000 Haulmark Trailer	16HCB1017YH059606	M090479
Emergency Mgt	1985 Nomanco Trailer	610ST362	M49835
Emergency Mgt	Pow'r Gard Portable Generator	4TCSU1044XH510033	M091897
Health	2001 Plymouth Neon-K608	1P3ES46C61D221976	M98181
Info Technology	1994 Ford Van	1FBHE31H3RHB89143	M173203
Info Technology	1998 Ford Taurus	1FAFP52U4VG149536	M167564
State's Attorney	2000 Chevy Cavalier	1G1JC5241Y7146251	652 2930
State's Attorney	2003 Chevy Cavalier	1G1JC52F137123918	M89 247

Exception List by Department and Status of Responses

Animal Control: No exceptions. Minor VIN and plate discrepancies. See Master List for VIN's and plates recorded in physical inspection. Management reports that 2004 Ford Ranger slated for asset sale. Vehicle requires some extermination work. Please provide target date for when vehicle can be turned over to Purchasing for sale. *(No response yet)*.

Building Management: No exceptions. Items reported pertain to 2010 acquisitions and disposals. 1) 1999 Chevy Pickup Fixed Asset(FA) 139 is 2010 disposal, still shown on Insurance List and Fixed Asset List. 2) 2010 Ford Pickup plate M182043 not shown on FA List or Insurance List. 3) 2010 Ford Pickup plate M182041 not shown on FA List or Insurance List. Minor VIN

discrepancy. See Master List for VIN's and plates recorded in physical inspection. (No further response required.)

Circuit Clerk: 1) 1997 Ford Van FA148 plate M104192 not on Insurance List. 2) 2005 Chevy Van FA156 plate M152133 shown in Insurance Court Services List. 3) 2005 Chevy Van FA156 described in fixed asset record as "Ford." (Exceptions addressed by memorandum from Management.)

Coroner: No exception. 1) 1994 MedTec Disaster Response Unit plate M180578 does not appear on fixed asset records. We understand that this is 2008 contribution, with cost < \$10,000. Please confirm. Minor VIN discrepancy. See Master List for VIN's and plates recorded in physical inspection. (Acquisition date and cost addressed by memorandum from Management.)

Clerk: 1) 2004 Pace Trailer plate M094406 not on fixed asset list. Assume it's cost < \$10,000. Please confirm cost and purchase date. Minor VIN discrepancy. See Master List for VIN's and plates recorded in physical inspection. (No response yet.)

Court Services: 1) 2001 Chevy Cavalier FA140 no plate is CFY09 disposal. Still shown on fixed asset list and Insurance List. 2) 2009 Ford Focus FA779 plate M123562 not shown on Insurance List(VIN1FAHP35N59W194044 purchased 12/1/08). Fixed asset record shows vehicle as 2008. Should be 2009. 3) Plates M135996 and M135997 are reversed on Insurance List. 4) Circuit Clerk Chevy Van appears on Insurance Court Services List. Minor VIN discrepancies. See Master List for VIN's and plates recorded in physical inspection. (Memo reported item 3 fixed, and items 1, 2, and 4 not Court Services to fix. Please follow up with Finance and HRM to see that others fixed.)

Development: 1) 2003 Dodge Dakota(202) FA87 record does not show a VIN (1D7HL32X73S312854). Minor VIN discrepancies. See Master List for VIN's and plates recorded in physical inspection. (Please follow up with Finance to see that asset record fixed.)

Emergency Mgt: 1) Neither Finance, Risk Mgt, nor department reported Pow'R Gard Portable Generator plated M091897. If cost < \$10,000, unit would not make fixed asset list. OEM Management recalls that unit was Y2K precautionary purchase by Building Mgt. Please show original cost and acquisition date. 2) For Polaris Ranger(no plate), Haulmark Shelter Trailer (M094749), Haulmark Trailer(M090479), and Nomanco Trailer(M49835), there is no recording on fixed asset list. We assume this is due to cost < \$10,000. Please confirm with costs and dates of acquisition. Minor VIN and plate discrepancies. See Master List for VIN's and plates recorded in physical inspection. (Exceptions addressed by memo from Management. Items not on FA List had costs < \$10,000.)

Health: No exceptions. Items reported pertain to 2010 or are not exceptions. 1) 2002 Dodge Neon FA347 plate M69366 is 2010 disposal. Finance and Risk Mgt update records. 2) Dept K608 not on fixed asset list since cost < \$10,000. Minor VIN discrepancy. See Master List for VIN's and plates recorded in physical inspection. (No response required.)

Info Tech: No exceptions. 1) 1994 Ford Van plate M173203 and 1998 Ford Taurus plate M167564 shown acquisition by IT in 2008 and 2007. Costs < \$10,000. Please confirm. Minor VIN discrepancy. See Master List for VIN's and plates recorded in physical inspection. (Conditions addressed by memo from Management. Items not on FA List had costs < \$10,000.)

State's Attorney: No exceptions. Item reported pertains to 2010 acquisition. 1) During audit 2009 Chevy Impala plate L178756 purchased. Finance and Risk Mgt update records. 2) Two other vehicles not on fixed asset list due to cost < \$10,000. No exception. (No response required.)

Sheriff: Sheriff has his own fleet numbers. We show as Shfxxx. Actions required in parentheses.

1) 2008 Ford Crown Vic FA786, Shf32, VIN2FAHP71V78X1779948 not on Insurance List. (HRM update Insurance List.)

2) 2003 Cadillac Fleetwood Shf189, VIN1G6DW5276PR712030, a forfeiture, plated during Audit(524 7665) is not on Insurance List. (HRM update Insurance List.)

3) 2000 Ford Crown Vic FA190 VIN2FAFP71W7YX145671 not shown on Disposal Lists for cfy2008-2010. Sheriff says vehicle is Nov2008 disposal. (Hansen & Sivak please resolve.)

4) 2006 Chevy Cargo Van #2500 FA287 Shf94 VIN1GCGG25U461125670 is also listed as FA289. This is a duplicate entry on Fixed Asset list. (Finance please fix.)

5) 2000 Ford Crown Vic Shf132 VIN2FAFP71W5YX145667 plate S45-132 was not found on FA records. (Finance: when was fixed asset record deleted? Please research and resolve.)

6) 2009 Ford Crown Vic FA832 Shf133 VIN2FAHP71V49X124665 shows no VIN entry on FA records. (Finance insert VIN on fixed asset record.)

7) 2005 Chevy Impalas FA273 Shf27 and FA274 Shf138 have plates reversed. (Plates fixed per Sivak memo.)

8) During Audit two new vehicles were put in service: Shf22 and Shf45. No fixed asset records have been created as yet. Insurance List needs to be updated.

Transportation: Transportation has own fleet numbers. We show as Trnxx. (Management responses in parenthesis.)

1) 2003 Sterling LT-8513 Trn41 VIN2FZHAWAK63AK36389 has no FA record. (VIN error corrected and existing FA405 matched to Trn41.)

2) 2001 Chevy Pickup FA389 VIN1GCEK19T91E232796 sold according to Transportation. Not on Disposal Lists for 2008, 2009, 2010. (This asset used as trade-in for 2010 acquisition, Trn10 2010 Ford F-150 VIN 1FTEX1EW7AKC09827. FA number will be assigned during annual procedures.)

3) FA804 Sterling Tandem V-body w/wing and FA807 Sterling Equipment Package are combined in Trn52. Please confirm. (Combination confirmed and documented.)

4) FA805 Sterling Tandem V-body w/wing and FA808 Sterling Equipment Package are combined in Trn54. Please confirm. (Combination confirmed and documented.)

5) 1995 Chevy Pickup known as "Sand Buggy" VIN1GBJC34K25E258801 involved in past accident, repaired and modified for sand-blasting in Trans Dept yard. No plates, not on FA list, on Trans fleet list as "Sand Buggy," not on Insurance list. Is vehicle insured as "equipment?" Any other problems with continued use of this vehicle? (Insured as equipment, labeled for off road use only, removed from fixed asset list as vehicle in 2003. No problems with continued use as equipment.)


Responses to Audit Report

According to Kane County Code section 2-192, elected officials and department heads have 30 days to respond to audit findings pertaining to their areas of responsibility. Please do not feel obligated to use the full 30 days to provide responses. Please submit your responses to the Auditor's Office by October 7, 2010.

Respectfully submitted,



William F. Keck
County Auditor



John F. X. Harahan
Deputy Auditor

Report Issued September 7, 2010

Distribution:

Karen McConnaughay, County Board Chairman
All County Board Members: Each Committee has oversight of office/department with vehicles.
Mary Lawrie, Animal Control
Rick Genslinger, Building Management
Deborah Seyller, Circuit Clerk
Charles West, Coroner
John Cunningham, Clerk
Mary Hyatt, Court Services
Lisa Aust, Court Services
Mark VanKerhoff, Development
Tim Harbaugh, Environmental Management
Cheryl Pattelli, Finance
Paul Kuehnert, Health Department
Sheila McCraven, Human Resources Management
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