

OFFICE OF THE KANE COUNTY AUDITOR
KANE COUNTY GOVERNMENT CENTER

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November 20, 2013

Hon. Chris Lauzen – Kane County Board Chairman
Hon. Terry Hunt - Kane County Auditor
Kane County Board Members

Ladies and Gentlemen,

The Auditor's Office has completed a transition audit of the Office of the Kane County Chairman. The audit objectives, summary of findings, background, audit procedures and audit findings comprise the report.

Audit Objectives:

As part of best practice procedures, whenever a new officeholder is elected, the County Auditor would typically perform an audit. Deputy Auditor Harahan has conducted a transition audit of the fixed assets and financial accounts assigned to the custody and control of the Kane County Chairman. The objectives of the audit were to:

- Verify that the fixed assets identified by the Finance Department as being in the custody of the County Chairman at the time of transition, were actually located within the Office, or at locations under the control of the Office; and,
- Verify the existence, review recent activity and assess internal controls in place relative to the bank accounts and credit card accounts maintained by, and under control of, the County Board Chairman at the time of transition, as well as the three month period before and after the newly elected County Chairman took office.

Summary of Findings:

- Though the Chairman's Office has no qualifying fixed assets listed by the Finance Department, all county equipment and property in use prior to the transition is accounted for or remains in place. Only personally-owned items were removed by the outgoing County Board Chairman.
- The Chairman's Office maintains no bank accounts outside the custody of the County Treasurer. Outgoing Chairman McConnaughay turned in her county credit card as called for by procedure. All charges made to this card in the last three months of fiscal 2012 were appropriate and within budget.

- The archiving project initiated by Chairman McConnaughay has been completed. Approximately 190 large boxes of documents have been scanned and classified, and are now digitally accessible by Chairman's Office staff. These boxes have been removed from the Chairman's suite, and are now in secure storage on county property, or boxes pertaining to particular departments or offices have been returned to those departments or offices.

Background:

County policy, as it applies to fixed assets, computer equipment and office furniture and equipment is as follows: It shall be the intent of the County to maintain a fixed asset ledger of all permanent assets acquired. The Finance department will maintain these asset records on an on-going basis to ensure proper controls and report annually regarding these records to the Board. No asset will be considered fixed unless its value or component value exceeds \$10,000 dollars.

County policy as it applies to financial accounts is as follows: Only the County Treasurer is authorized to establish financial accounts for the office of County Treasurer. All other offices must seek the approval of the County Board, unless otherwise prescribed by law.

The Chairman's Office has been able to conduct business without the need for separate bank accounts. Retiring Chairman McConnaughay did participate in the County's credit card program. In anticipation of her retirement, she turned in her County credit card in November. Newly elected Chairman Lauzen has so far declined to make use of the Credit Card program.

In the final months of fiscal 2011, Chairman McConnaughay initiated an archiving project of documents housed in the Chairman's Office. The State's Attorney's Office and IT Department were consulted on appropriate procedures and precautions that should be observed in such a project. When the project was completed in March 2013, approximately 190 boxes of documents had been scanned and organized by department and other broad categories. Boxes that pertained to particular departments or offices were returned to the department or office after scanning. Other boxes have been stored at particular secure county locations after scanning.

Audit Procedures:

Audit procedures were performed to verify that no County property was removed improperly. This included personal computer equipment. Since County credit card charges are audited on an ongoing basis, we reviewed the recent audit records and accounts payable ledgers. All was in order.

For the archiving project, Audit interviewed the project leader and requested records from the IT Department showing the work product of this project. We reviewed lists of the boxes in county custody and verified a sample for accuracy. We were given a list of computer directories and files that were created by the document scans. These files are accessible by County Board staff, and have been backed up following IT Department policies and procedures.

Audit Findings:

No adverse findings were noted.

The archiving project undertaken at Chairman McConnaughay's direction was a huge project and resulted in the scanning of documents from many administrations, not just the current retiring Chairman. This project makes more accessible a great store of documents.

I wish to thank the county staff Barbara Garza, Roger Fahnestock, Gary Erickson, and Rick Genslinger for their time and assistance in gathering information for this Audit.

Please feel free to contact me with any questions.

Sincerely,

OFFICE OF THE KANE COUNTY AUDITOR

A handwritten signature in black ink that reads "John F. X. Harahan". The signature is written in a cursive style with a large initial 'J' and a long horizontal stroke at the end.

John F. X. Harahan
Deputy Auditor