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**EMPLOYEE EVENTS FUND (599)
AUDIT REPORT
June 1, 2007**

BACKGROUND:

The Employee Events Committee (EEC) was established in 1989 for the purpose of overseeing the Christmas Party and Picnic. Minutes of the Human Services Committee do not indicate the Employee Events Committee formation was approved by board vote.

By-Laws of the EEC were established but the creation date of the By-Laws could not be determined. Article VII - Funds states the committee receives commissions from vending service, telephone and feminine products machines throughout the County buildings and other donations. Currently no funds are received from telephone machines. The Administrative Committee minutes dated September 16, 1998 recorded the approval of a motion for the renewal of the Pay Phone Service Agreement. No evidence could be found discontinuing the telephone service.

A document was discovered that appears to be a copied page from the Kane County Code Section 2-173 Recreational Events acknowledging the events committee and its funding. This section is not included in the current code.

The Human Services Committee minutes dated May 12, 2006 stated that the Human Services Committee asked that the amendments (referring to Amendments to the Personnel Policy Handbook) be sent to the full Board for input. Resolution 06-288 dated July 11, 2006 approved the amendments to the policy handbook but Recreational Events was not included.

Resolution 07-21 dated January 9, 2007 approved the following changes to the policy handbook:

1. Deleted "Christmas party."
2. Added "an employee recognition luncheon."
3. Added "and audited by the County Auditor."
4. Deleted "Employee Events Committee."
5. Added "Department of Human Resources Management."

The purpose of the fund changed from a Christmas Party and Picnic for employees regardless of performance, to a County (acting as an employer) sanctioned luncheon to

recognize employee performance that is, in essence, funded by the employees themselves.

The Employee Events Committee is currently dissolved. A flyer dated 5-14-07 was distributed to the Auditor's Office announcing the formation of a volunteer committee to work on a 2007 Employee Christmas Party.

At April 30, 2007 the fund balance totaled \$37,151.29 with \$6,151.29 held in a checking account and \$31,000 held in an investment account. Current accounting records are not maintained by the Department of Human Resources. Revenues representing commission are received by the Executive Director of Human Resources Management, who then submits the checks to the Treasurer's Office for deposit.

COMPLIANCE WITH VENDING MACHINE CONTRACTS:

Resolution 05-402 authorized the County Board to enter into contracts with Park Vending of Aurora and Coca-Cola of St. Charles for the food/hot beverage and soda pop machines, respectively. Resolution 06-034 authorized the County Board to replace Park Vending with Local Vending which was subsequently replaced by its successor Vorant Vending.

We performed observations of the vending machines located on the Main Campus at random times between April 4, 2007 and May 22, 2007. Vorant Vending is the vendor for snack, cold food and hot beverage machines. Their contract will expire in December 2007. The Coca-Cola contract will expire at the end of October 2007.

The vending machines located in Building B and Building C are in compliance with the vending contract. Following is our findings for the vending machines located in Building A:

Snack, Cold Food and Hot Beverage Machines:

- The price charged for snack items exceeded the limits set forth in the contract. The contract specifies a price range of \$.50 up to \$1.00 for snack items. Two of the 32 spots in the snack machine are priced at \$1.25. The Cold Food, Hot Beverage machine are priced in accordance with the terms of the contract.
- The contract stipulates that Vorant is to perform "Daily cleaning of all vending machine surfaces, microwave machines surfaces (inside and out), counter areas, table tops, fixtures, and floor areas from spills;." Our observation and testing for cleanliness indicated that Vorant does not make daily stops to clean. The glass panel on the snack item machine had hand smudges and spill streaks that had not been cleaned as of June 1, 2007. The cold food machine plastic access panels are very dirty and should be completely cleaned or replaced. One of two test areas on the cold food machine did show signs of cleaning but not completely. The other test area was not cleaned at all.

