

OFFICE OF THE COUNTY AUDITOR

KANE COUNTY GOVERNMENT CENTER

WILLIAM F. KECK, C.P.A.  
KANE COUNTY AUDITOR



719 S BATAVIA AVENUE  
GENEVA, ILLINOIS 60134

630-232-5915  
630-208-3838 (FAX)

February 13, 2007

TO: Chairman Noverini and members of the Finance/Budget Committee

FROM: William F. Keck, Auditor *WFK*

RE: Review of Bank Accounts

Enclosed is our report on the Review of Bank Accounts for offices and departments completed to date.

There is an office and department to be reviewed in the near future but we did not want to delay communication of our current findings, conclusions and recommendations.

cc: K. McConnaughay  
D. Rickert  
C. Pattelli

## REVIEW OF BANK ACCOUNTS

Bank accounts were reviewed for timelines of reconciliations and activity for the following offices and departments:

OFFICE/DEPARTMENT	NUMBER OF BANK ACCOUNTS
Treasurer	11 (Exhibit A)
Recorder	3 (Exhibit B)
State's Attorney	1 (Exhibit C)
Sheriff	
Civil Division	11 (Exhibit D)
Patrol Division	4 (Exhibit E)
Corrections	2 (Exhibit F)
Court Services	8 (Exhibit G)
Juvenile Justice Center	1 (Exhibit H)
Judiciary	3 (Exhibit I)
Health Department	1 (Exhibit J)
Environmental Management	1 (Exhibit K)
<b>TOTAL BANK ACCOUNTS</b>	<b>46</b>

Exhibits in this report are write-ups by the Auditor's Office staff with their findings and in certain instances, conclusions and recommendations. Included herein is a recap of our conclusions and recommendations.

### TREASURER

- Bank accounts are reconciled monthly by an employee who does not have responsibility for the issuance of checks.
- KCDEE needs to correct the voided check problem by using check stock in their printer.
- KCDEE needs to investigate 2005 and early 2006 outstanding checks for possible voiding or replacement.
- Treasurer needs to investigate the difference between the bank and books for the various collector accounts and prepare necessary adjustments.
- Treasurer needs to review outstanding checks from 2005 and 2006 for possible voiding or replacement.

### RECORDER

- Bank accounts are reconciled monthly but the reconciler is also an authorized check signer on the accounts.
- Bank reconciliation needs to be reviewed and approved by a Supervisor who is not responsible for the issuance of checks.
- Recorder needs to review outstanding checks from 1998 to present for possible voiding, replacement or purging as unclaimed property.

### STATE'S ATTORNEY

- Bank account is reconciled monthly but the reconciler is also an authorized signer on the account. However, this control weakness is mitigated by the requirement of two authorized signatures on each check.
- Bank reconciliations need to be as of month-end not an interim date as is the current practice.

### SHERIFF – CIVIL DIVISION

- Bank accounts are reconciled manually on a monthly basis and only at the end of the fiscal year but the reconciler is also an authorized check signer on the accounts.
- Monthly bank reconciliations are prepared by the fore mentioned check signer using a computer program which only lists outstanding checks from reconciliation period, not prior periods and is not acceptable for audit review.
- Bank reconciliations need to be reviewed and approved by a Supervisor who is not responsible for the issuance of checks.
- In order to provide a listing of all outstanding checks for audit review, a business accounting program should be purchased and implemented.

### SHERIFF – PATROL DIVISION

- Bank accounts are reconciled manually on a monthly basis but the reconciler is also one of the authorized check signers on the accounts.
- Bank reconciliations need to be reviewed and approved by a Supervisor who is nor responsible for the issuance of checks.
- Donor receipts need to be sequentially numbered for control purposes.
- Bank accounts with limited activity should be closed and consolidated with another account.

### SHERIFF – CORRECTIONS

- Bank accounts are reconciled monthly but the reconciler is also an authorized check signer on the accounts.
- Bank reconciliations need to be reviewed and approved by a Supervisor who is not responsible for the issuance of checks.
- The software has an available unused bank reconciliation function which needs to be utilized in the reconciliation process.
- Sheriff needs to investigate stale dated outstanding checks for possible voiding, replacement or purging as unclaimed property. The purging of outstanding inmate account settlement checks should be approved by the State's Attorney office in order to avoid legal issues.
- Sheriff's business office Supervisor should review Canteen Vendor payments for IRS income reporting requirements.

