

**OFFICE OF THE KANE COUNTY AUDITOR**  
KANE COUNTY GOVERNMENT CENTER

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September 9, 2013

Hon. Chris Lauzen – Kane County Board Chairman  
Hon. Thomas Hartwell - Kane County Circuit Court Clerk  
Kane County Board Members

Ladies and Gentlemen,

The Office of the Kane County Auditor has completed a transition audit of the Office of the Kane County Circuit Court Clerk. The audit objectives, summary of findings, background, audit procedures and audit findings comprise my report.

**Audit Objectives:**

As part of best practice procedures, whenever a new officeholder is elected, the County Auditor would typically perform an audit. As such, the Office of the Kane County Auditor has conducted a transition audit of the fixed assets and bank accounts assigned to the custody and control of the Kane County Circuit Court Clerk (Circuit Clerk). The objectives of the audit were to:

- Verify that the fixed assets identified by the Finance Department as being in the custody of the Circuit Clerk 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 maintained by, and under control of, the Circuit Clerk at the time of transition, as well as the three month period before and after the newly elected Circuit Clerk took office.

**Summary of Findings:**

- All of the ten sample items assigned to the custody of the Circuit Clerk were properly identified and located.
- All of the bank accounts, including checking and savings accounts, certificates of deposit, and the petty cash, assigned to the custody of the Circuit Clerk were properly maintained and adequate internal controls were in place.

## **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.

However, the Circuit Clerk is authorized by Statute to maintain financial accounts, including cash accounts not held under control of the County Treasurer.

## **Audit Procedures:**

Audit procedures were performed to verify the location of fixed assets, and the accuracy and internal controls of monetary assets under the custody of the Kane County Circuit Clerk.

The audit procedures included:

- Obtaining the Circuit Clerk fixed asset list from the finance department. Choosing an appropriate sample from that list. Verifying, by physical inspection, that the selected assets were present at the main office located at 540 S. Randall Rd., St. Charles, IL.
- Obtaining the Circuit Clerk listing of cash accounts from the finance department. Assessing internal controls in place, reviewing compliance with laws, regulations, ordinances and county financial policies as they relate to such accounts. Reviewing sample transactions for a period that covered at least three months before and after the new elected Circuit Clerk took office.
- Reviewing the Annual Financial Report of the Kane County Circuit Clerk for the fiscal year ended November 30, 2012 as prepared by Wermer, Rogers, Doran & Ruzon LLC – including the independent auditor's reports referencing the financial statements, compliance and internal controls, etc.
- Reviewing the Report on Agreed-Upon Procedures for the period December 1, 2011 to October 31, 2012 as prepared by Sikich LLP.

**Audit Findings:**

The physical inventory performed by my Office verified the location of all ten sample items assigned to the custody and control of the Circuit Clerk. Additionally twenty two cash accounts (including checking, savings and petty cash accounts and certificates of deposit) were verified for accuracy. No unusual transactions or activities of financial significance were noted.

I wish to thank the Circuit Clerk Thomas Hartwell and his staff for the assistance they provided to me and to my Office on this project. Additional thanks to the Finance Department and the Information Technologies Department for their cooperation.

Further acknowledgement goes to Wermer, Rogers, Doran & Ruzon LLC for their annual financial report of the Kane County Circuit Clerk. Lastly, the special report issued by Sikich LLP was reviewed although, due to the limited scope of the engagement, no reliance was placed upon the report or the information included therein.

Please feel free to contact me with any questions.

Sincerely,

OFFICE OF THE KANE COUNTY AUDITOR

A handwritten signature in cursive script, appearing to read "Terry Hunt".

Terry Hunt

Kane County Auditor