

OFFICE OF THE COUNTY AUDITOR
KANE COUNTY GOVERNMENT CENTER

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December 26, 2006

TO: Chairman McConnaughay and members of the County Board

FROM: William F. Keck, Auditor *WFK*

RE: Audit of County Contracts for the fiscal years 2004, 2005 and 2006

Enclosed is our audit review of contracts for the fiscal years 2004, 2005 and 2006. Included therein are our findings, conclusion and recommendations. If you have any questions or need additional information, please contact me.

cc: John Cunningham

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**AUDIT OF COUNTY CONTRACTS
FISCAL YEARS 2004, 2005 AND 2006**

INTRODUCTION

In accordance with 55 ILCS 5/3-1003 Duties of Auditor is “(d)” maintain a file of all contracts entered into by the county board and all authorized county offices for or on behalf of the county. Contracts (agreements) are of two origins:

By County Board resolution which is listed in the County Board Minutes and approved by the majority of the County Board Members.

By Office or Department entering into a contract for products or services already approved in their budgets for the fiscal year.

Offices or Departments initiating a contract submit a copy to the Auditor’s Office. The purpose of our audit was to determine whether contract copies were being submitted to the Auditor’s Office in accordance with 55ICLS 5/3-1003 (d).

FINDINGS

1. County board minutes were reviewed for the fiscal years 2004, 2005 and 2006. Minutes included resolutions which usually stipulated that a contract copy was to be submitted to the Auditor. There were instances where copies were received and the resolution did not indicate “Copy to Auditor”. Comparison of Auditor copies to total contracts is as follows:

	CONTRACT		COPIES	
	Auditor copy in resolution	Auditor copy not in resolution	Total	Auditor received
2004	38	35	73	6
2005	29	31	60	6
2006	19	37	56	10

Contracts not previously in possession were made from County Clerk files

	Auditor copies received	Copies from clerk file	Auditor copies available	Total Contracts
2004	6	15	21	73
2005	6	7	13	60
2006	10	7	17	56

CONCLUSION

Copies of contracts are not being submitted to the Auditor's Office when required and in a timely manner. Original contract transmittal to County Clerk is not stipulated in county board resolutions. Contract copy is referred to in the resolution but there is not a universal transmittal to the County Clerk as cited below:

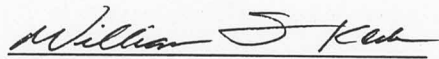
	Clerk copy in resolution	Clerk copy not in resolution	Total	Clerk received
2004	57	11	68	45
2005	51	7	58	26
2006	44	15	59	27

RECOMMENDATIONS

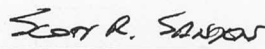
1. Copies of contracts identified in resolutions approved by the County Board must be submitted to the Auditor within 30 days from the resolution date. If contracts are not finalized within the 30 day time period, a memo should be sent to the County Clerk and the Auditor's Office with the reason for the delay and the expected completion date.
2. Contract copies received in the Auditor's Office should have:
 - a. Resolution number indicated on the top left hand corner
 - b. Signature and dated by the Board Chairman, county officer or department head entering into the contract as well as the representative of the company involved.
3. If not previously provided by a county officer or department head, a contract copy must be attached to a request for payment of funds to a vendor.

In accordance with KCC Sec. 2-192 (c) (2) "within thirty (30) days of receipt of the internal audit report, each county officer, agent or division shall submit a written response to the county auditor, outlining the action that has been taken in response to the recommendations made by the auditor."

Respectively Submitted,



William F. Keck, CPA
County Auditor



Scott R. Sanders
Deputy Auditor