

OFFICE OF THE KANE COUNTY AUDITOR
TERRY HUNT, KANE COUNTY AUDITOR

ANDREA RICH
DEPUTY AUDITOR

MARGARET TODD-CAVE
STAFF AUDITOR



719 S.BATAVIA AVENUE
GENEVA, ILLINOIS 60134

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

Foreclosure Mediation (Fund 197)

Background

The Foreclosure Mediation Program is designed to reduce the burden of expenses sustained by lenders, borrowers, and taxpayers as a result of residential mortgage foreclosures. The Program aims at promoting judicial efficiencies while keeping families in their homes, if possible, to prevent vacant and abandoned houses in Kane County that negatively affect property values and de-stabilize neighborhoods.

Resolution No. 13-246 states:

Be it further resolved that the expenses of such a program be offset by the initiation of a court ordered filing fee, upon the order of the Chief Judge of the Sixteenth Judicial Circuit, to be placed in a new Foreclosure Mediation Fund, Fund #197, Revenue Line item, 197.240.000.34375 Foreclosure Filing Fee and that applicable expense line items be created in this Fund as needed.

Scope and Testing

General

- Reviewed County Code, resolutions, etc. relative to the fund.
- Reviewed processes and accounts with appropriate personnel.
- Performed Income Statement fluctuation analysis for 7/31/14 YTD actuals annualized vs 2014 budget vs FY 2013 noting annualized revenue is \$77k vs \$150k budget; however annualized expenses are \$14k vs \$64k budget. This is the first year for the fund.

Revenue – Agreed revenue to supporting documentation to ensure completeness.

Expenditures - Reviewed invoices for approval, supporting documentation, proper g/l coding and proper accounting period. Noted one invoice coded to Contractual/Consulting Services (50150) which would be better coded to General Association Dues (53130). Expense is for dues for the Elgin Hispanic Network Membership.

Findings and Recommendations

Financial best practice is to code an expense to the best descriptive line item, not where budget dollars are available. Budgets are largely developed based on prior year actuals. If invoices aren't coded correctly, then budgets will not be developed correctly, and the circle continues. Management is held responsible for a total budget – not budget by individual line item.

The Auditor's Office would like to express our thanks to the Court Administrator and Deputy Court Administrator for their support in the completion of the audit.



Terry Hunt – Kane County Auditor



Andrea Rich – Deputy Auditor