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Law Library Audit

November 14, 2014

INTRODUCTION

In accordance with Chapter 55, Act 5, Section 5-39001 of the Illinois Compiled Statutes, the Office of the County Auditor has completed certain internal audit control procedures of the Law Library Fund receipts and disbursements. The purpose of the audit is to determine compliance with the applicable Illinois Compiled Statute and Kane County Code and to evaluate internal control procedures regarding the handling of receipts and disbursements of the fund.

Per General Order 13-03, as of the 14th day of January 2013, whereas, as of December 3, 2013, the Sixteenth Judicial Circuit is a single County Circuit with a population of 2,000,000 or fewer inhabitants; and

Whereas, pursuant to 55 ILCS 5/5-39001, Kane County has established and maintains a county law library in the Kane County Judicial Center pursuant to Resolution No. 12-12-1961 of the Kane County Code Sec. 13-1; and

Whereas, the Law Library is freely available to all whenever court is in session; and

Whereas, the Law Library staff strives to provide outstanding service, recognizing, supporting, and furthering open and equal access to legal and governmental information for all; and

Whereas the cost of maintaining the Law Library is defrayed by the authorization of the Kane County Board for the Kane County Circuit Clerk to collect a law library fee, pursuant to Ordinance No. 04-306 amending Sec. 13-2 of the Kane County Code; and

Whereas, the Chief Judge has the exclusive authority to determine the application and use of the funds so collected for the maintenance and operation of the library;

It is ordered that disbursements from the Kane County Law Library & Self Help Legal Center Fund, retained by the Kane County Treasurer, shall be disbursed on the order of the Chief Judge of the 16th Judicial Circuit after review by the Chief Judge pursuant to current Kane County Law Library Policy and Procedure.

The Law Library is located in the Judicial Office Facility and is staffed by three employees, Director and two employees. The Fund is a special revenue fund established to account for the financial operations of the Law Library through the Law Library fee charged to both parties upon the first filing of all civil court cases. Illinois Compiled Statutes prescribe the maximum fee amount which can be assessed by the Clerk, subject to approval by the County Board. For 2013, the statutory limit is \$13 per first civil case filing plead court case. Effective February 11, 2014, amendment to Chapter 13, Sec. 13-2 of the Kane County code surcharge on all civil case first filing plead court cases increased from \$13 to \$19.

A comparison of revenue and expenditures for fiscal years ending, 2011, 2012, 2013, projected year 2014 and budget 2015 are listed below:

	2011	2012	2013	Projected - 2014	Budget - 2015
Revenue	\$350,517	\$320,293	\$254,642	\$343,525	\$342,586
Expenditures	\$367,376	\$335,384	\$390,523	\$343,382	\$342,586
Net Change in Fund	(\$16,859)	(\$15,091)	(\$135,881)	\$143	\$0

	2011	2012	2013	Projected - 2014	Budget - 2015
Salaries and Wages	\$110,213	\$115,991	*\$150,612	\$164,270	\$165,704
Benefits	\$29,588	\$30,544	\$45,350	\$54,215	\$59,221
Other	\$186,679	\$186,383	\$190,532	\$125,204	\$116,684
Capital Outlay	**\$40,896	\$2,466	\$4,029	\$0	\$977
	\$367,376	\$335,384	\$390,523	\$343,689	\$342,586

* 2011 Capital Outlay for computers, computer software, furniture, photo copier.

** 2013 Salaries/Wages increases for Librarians and Director.

SCOPE AND TESTING

Receipts

- Review with Director, deposits, cash handling and bank deposit procedures.
- Review Circuit Clerk fees remitted by Non-Negotiable check each month against the Receipt Transaction Report.
- Review various cash register revenue generating categories for the period December 1, 2012 through November 30, 2013.
- Review the procedures used when purchasing books, dues and subscriptions for the library.

Expenses - According to the Statute, in a single county circuit of two-million or fewer inhabitants, disbursements from the Fund shall be made by the County Treasurer on the order of the Chief Judge. Audit procedures identified no exceptions in the non-personal disbursements sampled during fiscal year 2013. Payroll disbursement is not included in the scope of this audit.

Review invoices and approvals from Chief Judge, supporting documentation, proper g/l coding and proper accounting period.

Review Director's use of county credit card program utilized for Law Library purchases which is reconciled monthly with payments reviewed by Auditor's Office.

FINDINGS/RECOMMENDATIONS

Approximately three percent of the Fund's fiscal year 2013 annual revenue was collected directly from the library patrons. The library has procedures and methods for collection fees of various copiers, fax, book sale, etc. The Director makes deposits to the bank once or twice a month which includes cash and checks only due to the policy, as debit or card purchases are not accepted. Deposits sometimes differ from cash register revenue tape, and differences are coded to miscellaneous when reconciling cash. It is recommended that cash over/cash short handling procedures for differences in excess of positive or negative \$5 have written guidelines.

Law Library fees for the past 3 years (fiscal years, 2013, 2012 & 2011) have been declining each year, generally due to the decline in case filings, which results in lower civil court filing fee revenues. The Amendment to Chapter 13, Sec. 13-2 of the Kane County code surcharge on court cases, effective February 11, 2014, to increase the Law Library fee of \$13 to \$19 in all civil cases at the time of the first filing pleading, will reflect higher revenue collection to offset fund spending for fiscal year end 2014 and future fiscal years. As expenses continue to rise and in the event that case filings decline further, management may consider cost reduction solutions such as online subscriptions and books versus paper subscriptions from vendors that would not limit the accessibility and usefulness for patrons and the courts.

We would like to express our appreciation to the Law Library, Treasurer and Circuit Clerk personnel for their generous assistance provided during this audit.

Respectfully submitted,



Terry Hunt – Kane County Auditor



Margaret Todd-Cave – Staff Auditor