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**Asset Verification Audit
Kane County Motor Vehicles
June 8, 2010**

The Auditor's Office conducted an internal audit to physically verify county vehicles. This audit was performed as authorized by 55 ILCS 5/3 1005(h). Utilizing asset lists from Finance, Risk Management, the Sheriff's Office, and the Department of Transportation, the Auditor's Office physically verified all county vehicles.

Minor exceptions have been noted and are being resolved by correcting data on the various asset lists, and inspecting records pertaining to new vehicle purchases and vehicle disposals. We have concluded that motor vehicle records are generally kept in an accurate manner, and that all vehicles in county service were in the appropriate hands during the audit period.

As part of our auditing procedures we devised worksheets and made notations as we physically verified each motor vehicle. To verify vehicles used on evening and night shifts, we inspected vehicles at the end of the night shift and the beginning of the evening shift. We have updated our work lists and have provided them to all offices and departments. The audit fieldwork was conducted between May 4, 2010 and June 8, 2010. A summary of audit verification work is shown below:

	Total	
Office/Department	Vehicles	Verified
Animal Control	5	5
Building Management	9	9
Circuit Clerk	2	2
Coroner	6	6
County Clerk	2	2
Court Services	14	14
Development	8	8
Emergency Management*	6	6
Environmental Management	1	1
Health	7	7

	Total	
Office/Department	Vehicles	Verified
Information Technology	5	5
State's Attorney	11	11
Veterans	1	1
Water Resources	1	1
KDOT	73	73
Sheriff	131	131
Totals	282	282

Finance and Human Resources Management Procedures

The Finance Department is responsible for maintaining the county's fixed asset list. On an annual basis, at the close of the fiscal year, the Finance Department solicits from all offices and departments, a list of assets acquired at a cost of \$10,000 or more, and a list of assets retired during the fiscal year just ended. Finance staff enters the cost and descriptive information supplied, and selects the appropriate depreciation schedule. Therefore, for fiscal 2010 acquisitions and disposals, the fact that a fixed asset record has not yet been set up or deleted, is not an exception. We make mention of the condition in our report, but do not expect a response from Finance. For other discrepancies in fixed asset records, we expect a response from Finance, in coordination with the owning department.

The Human Resources Management(HRM) Department is responsible for the insurance of county vehicles. This includes maintaining the list of insured vehicles and supplying a current year fleet insurance card for placement in each vehicle. Each department is responsible for informing HRM of a vehicle purchase or disposal. When informed, HRM supplies a fleet insurance card for placement in the vehicle. In addition, on an annual basis in October, HRM solicits a current vehicle list from each office and department. HRM compares this to their existing list to assure that they have correct and current information.

Since issuing the July 29th exception memo referred to below, the Auditor's Office has determined through HRM, that vehicles not appearing on the insurance list were insured. Insurance cards were in each vehicle. And the terms of our fleet insurance policy contain provision for coverage of newly acquired vehicles, even prior to HRM supplying a fleet insurance card for the vehicle glovebox.

Exceptions Found In This Audit

On July 29, 2010 the Auditor's Office sent out a lengthy memo with subject: Vehicle Audit 2010 Exception List, and a Master List of all county vehicles as of June 8, 2010. Some exceptions found included 1) vehicles not included on the fixed asset list; 2) vehicles not found on the insurance list; 3) vehicles appearing on fixed asset list or insurance list, but not in current fleet; and 4) miscellaneous discrepancies. Most, but not all departments responded. Responsibility for accurate recordkeeping lies with the department "owning" each vehicle. We ask that each department or office respond, even

