



OFFICE OF THE COUNTY AUDITOR

Bob Grogan, CPA, CFE
DuPage County Auditor

421 N. County Farm Road
Wheaton, Illinois 60187
(630) 407-6075
FAX: (630) 407-6076
www.dupageco.org/auditor

To: Paul Hinds, DuPage County Clerk

From: Bob Grogan, CPA, CFE
County Auditor

Subject: County Clerk Monthly Report Audit, October 2017
#17-122

Date: April 23, 2018

The Office of the County Auditor has completed an audit of the County Clerk's Office Monthly Report of Financial Condition for the month of October 2017. Audit procedures were performed to review the internal controls, transactions and supporting documentation for the account administered by the County Clerk at the Wheaton Bank and Trust.

Results

The audit procedures identified the following:

- The Monthly Report agreed to the bank statements and reconciliation;
- The deposit of fees with the County Treasurer complied with the statute;
- There was adequate segregation of duties between the bank account reconciliation procedure and the review process; and,
- The County's general ledger does not accurately represent the financial activity of the Wheaton Bank and Trust account.

Objective

The overall objectives of the audit were to:

- Ensure that the internal controls as designed and implemented are sufficient to safeguard the funds in the custody of the County Clerk;
- Verify that the Monthly Reports are accurate, performed on a timely basis and correspond to the bank reconciliation and bank account statements;
- Verify that the funds collected by the County Clerk are remitted to the County Treasurer in accordance with the applicable statutes; and,
- Determine that the financial activity is accurately recorded in the County's general ledger.

Background / Audit Scope

The County Clerk maintains a non-interest bearing checking account at the Wheaton Bank and Trust for the day-to-day processing of funds received by the Office. The account is used for the collection of fees and property tax sales redemptions.

Illinois statutes require that the County Clerk file a monthly report summarizing the financial status of his office. Additionally, the statute prescribes that the County Clerk deposit all fee income with the County Treasurer by the 10th day of the following month.

The fee receipt and disbursement activity of the County Clerk's Office is recorded in the County's general ledger through Cash Book entries reflecting the amounts deposited with the Treasurer.

The activity of the account maintained at the Wheaton Bank and Trust is included in the County's general ledger as an agency fund. The transactional activity of this account is recorded in aggregate at the end of the fiscal year.

The audit procedures included interviewing County Clerk's Office staff, reviewing pertinent documentation and verifying that the internal controls as described were appropriate and operating as designed. Audit procedures were also performed to determine that the transactions occurring in the bank accounts were consistent with the intent of the accounts and that the deposits were made in a timely manner.

Audit Findings and Recommendations

The internal controls corresponding to the preparation of the Monthly Report, transaction processing and administration of the bank accounts appear to be sufficient and functioned as described to the County Auditor. There appeared to be adequate segregation of duties and appropriate supervisory review of the process.

The Monthly Report was reviewed and agreed to the bank reconciliation. It appeared to be accurate and represented the amounts processed by the County Clerk's Office for October 2017. The transactions occurring within the bank accounts were analyzed and determined to be appropriate and consistent with the nature of the accounts.

Most of the fees collected during the month of *September 2017* appear on the October Report as disbursements paid to the County Treasurer. The disbursement was posted to the general ledger by the County Treasurer by the tenth day of the succeeding month as specified in the statutes.

Statutory compliance for the deposit of fee revenue reported on the October 2017 Report will appear in a subsequent audit. The bank reconciliation was reviewed and agreed to the bank statements for the period. The reconciliation bore the initials of the employee reviewing the document consistent with sound accounting practice.

- It is recommended that the employee preparing the reconciliation also indicate their initials and the date completed.

- It is also recommended that a different employee is trained on the preparation of the bank reconciliation and that that employee complete the reconciliation at least once per year.

The audit identified an exception in the method that the financial activity of the County Clerk's Office is recorded in the County's general ledger.

- The Finance Department prepares annual general ledger entries based upon the aggregated bank statement activity in the Wheaton Bank and Trust account. It is recommended that the monthly activity in the bank account be presented in the general ledger.

If you have any questions, please contact me.

cc: Paul Rafac, CFO