

OFFICE OF THE COUNTY AUDITOR

KANE COUNTY GOVERNMENT CENTER

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AUDIT OF ANIMAL CONTROL DEPARTMENT COVERING FISCAL YEARS 2008, 2009, AND 2010. APRIL 6, 2011

INTRODUCTION:

An internal audit of the Kane County Animal Control Department was conducted covering fiscal years 2008, 2009, and 2010. Audit objectives were: 1) examine controls over cash receipts; 2) examine controls over expenditures; and 3) examine controls over regulated pharmaceuticals.

The Animal Control Department is located just southwest of the intersection of Peck and Keslinger Roads at 4060 Keslinger Road in Geneva. The department occupies a building completed for Animal Control in fiscal 2007. It's mission includes rabies vaccination and registration of domesticated dogs and cats in Kane County. Related to this mission are its activities attendant to animal bites, containment of stray animals, and investigation of nuisance complaints and neglected or abused dogs. The Department focuses on unincorporated Kane County and twenty municipalities that contract for services. The current staff of 12 includes three wardens, one kennel manager, three kennel assistants, three office assistants, an administrative officer and administrator. During the term of the audit, Mary Lawrie served as Administrator. At Ms. Lawrie's retirement in early March 2011, Sharon Verzal was appointed Acting Administrator. Since the department is managed by a non-veterinarian administrator, there is a contract veterinarian, as required by statute. During the term of the audit, Dr. Jane Davis DVM, has served as veterinarian for Animal Control.

We surveyed financial statements for the periods under audit and noted the negative fund balance for each year. This negative fund balance is due to advances from the county's general fund and capital fund to help finance the construction of the Animal Control building. The Capital Projects Fund advanced \$934,580 and the General Fund advanced \$598,150. The Animal Control Fund is repaying these advances over ten years ending fiscal 2017. We include abbreviated financial statements covering six years to include before and after the construction period.

OBJECTIVE 1: Examine Controls Over Cash Receipts

We selected a sample of deposits from the audit period using the dollar unit sampling method. These deposits totaled approximately 14% of revenues received. We matched entries on the financial system with deposits received by the bank. Deposits were made in a timely manner, records documenting transactions were in order and no exceptions were noted.

OBJECTIVE 2: Examine Controls Over Disbursements

We selected a sample of expenditures from the audit period using an interval method. Beginning with the fifth, we picked every twenty-fifth invoice. We checked that the invoice was present, that management approval was present, and that it was an appropriate purchase. Our sample totaled

\$22,677.64. This was 4.5% of non-payroll expenditures. All documents were in place and management approvals present. No exceptions were noted.

OBJECTIVE 3: Examine Controls Over Regulated Pharmaceuticals

Animal Control staff use three regulated pharmaceuticals: 1) Ketamine, a tranquilizer, which is used independently, or in a solution with a non-regulated substance; 2) Fatal Plus, a brand name for sodium pentobarbital, a euthanasia drug; and, 3) Butorphanol, a sedative, also known as Torbugesic. Logs are kept of each usage of these substances. During the audit, the recently appointed acting administrator developed an improved logging form to include listing the reason for amounts wasted and will require signatures at each entry instead of initials. This new form will be introduced as each current log sheet is finished. Audit took a physical inventory of these items and verified quantities with the logs. Audit surveyed the logs and observed the quantities noted as waste. The amounts listed were within tolerances considered acceptable in a veterinary/medical environment.

Finding #1:

We observed that the regulated pharmaceuticals are secured in a fireproof safe. The safe was accessible by all Animal Control staff. During the audit we recommended that access be limited to staff whose duties included usage and monitoring of these pharmaceuticals, namely the veterinarian, certified euthanasia technicians, and administrator. We also recommended a periodic inventory verification be conducted and documented. The administrator has implemented new limited access procedures, and will conduct a monthly physical inventory, and document these results. We recommend that the Executive Director of Public Health, to whom the Animal Control Administrator reports, include this in his monitoring activities.

CONCLUSION:

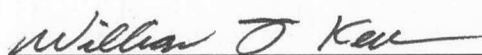
Within the scope of our examination, Audit found the internal controls in the Animal Control Department functioning well. Substantive testing in the three areas of our audit program showed no exceptions. Recommendations to enhance inventory controls of regulated substances were implemented during the audit.

Responses to Audit Report

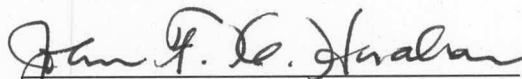
According to Kane County Code section 2-192, elected officials and department heads have 30 days to respond to audit findings pertaining to their areas of responsibility. The Auditor's Office thanks Executive Director Paul Kuehnert for his timely response. The response is included as the final page of this five(5) page audit report document.

The Auditor's Office wishes to express our appreciation to Paul Kuehnert, Health Department Executive Director, retired Administrator Lawrie, Acting Administrator Verzal, and department staff for their time and cooperation in the conduct of this audit.

Respectfully submitted,



William F. Keck
County Auditor



John F. X. Harahan
Deputy Auditor

Animal Control Audit Report – April 6, 2011

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***** Fiscal Year Ending *****

	30-Nov-10 ¹	30-Nov-09	30-Nov-08	30-Nov-07	30-Nov-06	30-Nov-05
Assets						
Cash & Investments	454,875	473,903	507,698	563,804	386,907	979,866
Petty Cash	10	10	10	10	10	10
Interest Receivable	430	693	2,791			
Accounts Receivable				77,651	96,537	73,995
Other Accounts Receivable	15,192	13,195	56,626			
Total Assets	470,507	487,801	567,125	641,465	483,454	1,053,871
Liabilities						
Accounts Payable	11,910	4,299	1,725	9,229	15,920	9,472
Accrued Liabilities				3,937		
Payroll Payable	26,338	22,493	22,892	24,020	19,293	13,565
Due To Other Funds					1,535,141	
Due to 001 - General Fund	418,705	478,520	538,335	598,150		
Due to 500 - Capital Projects	654,206	747,664	841,122	934,580		
Total Liabilities	1,111,158	1,252,976	1,404,074	1,569,916	1,570,354	23,037
Fund Equity						
Fund Balance - Unreserved	(640,651)	(765,175)	(836,949)	(928,451)	(1,086,900)	1,030,833
Total Fund Equity	(640,651)	(765,175)	(836,949)	(928,451)	(1,086,900)	1,030,833
	FY2010 ¹	FY2009	FY2008	FY2007	FY2006	FY2005
Revenues						
Charges for Services	770,963	759,812	861,320	809,564	706,378	587,290
Fines	13,477	9,815	16,945	25,502	28,864	3,940
Reimbursements	25,904	36,985	10,380	21,452	8,409	12,236
Interest	3,526	5,780	14,436	22,909	46,503	26,717
Miscellaneous	4,129	4,176	8,953	6,694	12	965
Total Revenues	817,998	816,568	912,034	886,121	790,166	631,148
Expenditures						
Personnel Services						
Full-Time Salaries	379,361	408,435	404,251	372,377	315,727	231,867
Part-Time Salaries	-	-	-	7,290	3,585	9,012
Overtime Salaries	31,698	30,929	41,302	34,691	26,431	23,851
Total Personnel Services	411,059	439,364	445,553	414,358	345,743	264,730
Benefits	130,126	140,199	139,808	142,419	107,523	78,420
Contractual Services	85,366	103,780	108,901	88,120	108,127	89,720
Commodities	66,923	61,451	77,195	73,694	42,337	29,285
Capital	-	-	49,075	9,081	21,439	-
Total Expenditures	693,474	744,794	820,532	727,672	625,169	462,155
Excess (Deficiency) of Revenues Over Expenditures	124,524	71,774	91,502	158,449	164,997	168,993
Other Financing Sources (Uses)						
Transfers Out	-	-	-	-	(2,282,730)	-
Total Other Financing Sources (Uses)	-	-	-	-	(2,282,730)	-
Net Change In Fund Balance	124,524	71,774	91,502	158,449	(2,117,733)	168,993
Fund Balance At Beginning Of Year	(765,175)	(836,949)	(928,451)	(1,086,900)	1,030,833	861,840
Fund Balance At End Of Year	(640,651)	(765,175)	(836,949)	(928,451)	(1,086,900)	1,030,833

¹ Fiscal 2010 balances are preliminary. Remaining years from audited financial statements.



**Kane County
Health Department**

Paul Kuehnert, MS, RN
Executive Director

14 April 2011

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Kane County Auditor
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Dear Mr. Keck,

I am in receipt of your report, "Audit of the Animal Control Department Covering Fiscal Years 2008, 2009 and 2010." Acting Administrator Sharon Verzal and I would like to thank you for your thorough review of our controls over financial receipts and disbursements as well as controlled substances. I agree with your finding regarding the need to enhance controls over the controlled substances in the facility. As you have noted in your report, Acting Administrator Verzal has already implemented your recommendation regarding restricting access to those substances to the Administrator, Deputy Administrator (County Veterinarian) and the two Certified Euthanasia Technicians. Ms Verzal has also improved the logging of these substances and their use and is instituting written policy and procedures governing their use and the logging of same. As part of my regular monitoring activities of Animal Control, I will conduct periodic, unannounced visits to review and inspect all pharmaceuticals, including the controlled substances, and review and inspect the controlled substance log for compliance with Department policy and procedures.

Again, thank you for your audit of the Animal Control Department.

Sincerely yours,

Paul Kuehnert
Executive Director

APR 18 2011
AUDITOR