

The background of the page features a large, faint watermark of the Seal of Kane County, Illinois. The seal is circular with a scalloped outer edge. Inside the seal, there is a central diamond shape with a cross-like pattern. Text within the seal includes "OFFICE OF THE KANE COUNTY AUDITOR" at the top, "ORGANIZED JAN. 16, 1836" in the middle, and "STATE OF ILLINOIS" at the bottom.

OFFICE OF THE KANE COUNTY AUDITOR

Penny Wegman, Kane County Auditor

Kane County Procurement Card Review

December 2022 – November 2023

February 28th 2024

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Background

Kane County recognizes procurement cards are essential for facilitating the purchase of certain goods and services, especially those that may only be procured online, or those required during travel. The Auditor's Office is responsible for auditing the internal controls covering the Procurement Card Program.

The Auditor's Office performs an audit of all procurement cards (p-cards) used for the County and their respective transactions. The Auditor will provide continuous and transparent information regarding p-card transactions to the County Board and the citizens of Kane County. One of the ways to achieve this is by providing a semi-annual Procurement Card Review. An informational report for p-card transactions that occur from December through May will be published mid-year and a second report for p-card transactions from June through November will be published end-of-year (beginning of the new calendar year).

Audit Scope & Methodology

This report will provide information on the p-card transactions during the 12-month period from December 2022 through November 2023 (Full-Year).

Information was derived from an audit of all p-card purchase documentation/support imported into the County's Enterprise Resource Planning (ERP) software system, derived from the various County departments/offices, or through the credit card provider's online portal.

Procurement Card User Roles

The **Cardholder** is the County Employee that has been issued a p-card to be used for the responsible purchase of goods and/or services that are necessary for their department. The purchases must follow the current Financial Policies, Procurement Ordinance, and the Procurement Card agreement and Administrative Procedures.

The departmental **P-Card administrator** is responsible for receiving the billing statements and collecting all p-card purchase documentation/support for all p-cards issued to their department.

The **elected official** or **department head** is accountable for p-card usage in their areas of responsibility. Their approval, as denoted by signing, must be on the monthly billing statement.

The **system administrator** is the Director of Purchasing who provides program maintenance and serves as the interface between the procurement card provider and the department cardholders.

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Full-Year 12-month Summary

December 2022 through November 2023

Cardholders per Department

As of November 30, 2023, Kane County had a total of 95 p-cards issued to department employees as follows:

Kane County Cardholders	
Department	Count of Cardholders
Sheriff	28
State's Attorney	9
Circuit Clerk	8
IT	6
Court Services	6
Building Management	5
Coroner	3
Public Defender	3
Judiciary	3
Development	2
Community Reinvestment	2
Emergency Management Serv	2
Transportation	2
County Clerk	2
Workforce Development	2
Animal Control	1
Purchasing	1
Veteran's Commission	1
KaneComm	1
Water Resources	1
Law Library	1
Auditor	1
Payroll	1
County Board	1
Environ Mgmt	1
Health	1
Human Resources	1
Grand Total	95

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Total Procurement Card Purchases by Department

Pcard Transactions from December 2022 - November 2023		
Total Purchases		
Department	Count	Dollar Amount
Sheriff	1801	\$ 494,796.41
IT	817	\$ 284,015.93
Court Services	681	\$ 174,513.31
Building Management	358	\$ 170,368.49
State's Attorney	592	\$ 135,507.69
Transportation	567	\$ 99,599.08
Health	195	\$ 86,079.89
Workforce Development	140	\$ 42,045.51
Animal Control	180	\$ 34,103.75
Judiciary	116	\$ 32,060.30
Coroner	203	\$ 27,354.29
Circuit Clerk	98	\$ 25,978.46
Development	103	\$ 19,827.06
County Clerk	108	\$ 17,076.33
KaneComm	103	\$ 14,192.97
Public Defender	101	\$ 12,011.97
Environ Mgmt	47	\$ 11,762.02
Law Library	54	\$ 10,636.44
Veteran's Commission	36	\$ 9,133.23
Community Reinvestment	48	\$ 8,466.00
Water Resources	34	\$ 5,028.34
Purchasing	25	\$ 4,896.41
Human Resources	26	\$ 3,863.91
Payroll	52	\$ 2,874.12
Emergency Management Services	17	\$ 2,389.82
County Board	32	\$ 1,587.29
Environ Mgmt.	6	\$ 1,384.31
Auditor	9	\$ 785.03
Kane COMM	7	\$ 466.18
Grand Total	6,556	\$ 1,732,804.54

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Top Vendors during the 12-month Summary
 December 2022 through November 2023

Top 10 Vendors Used		
Rank	Vendor	Number of Transactions
1	AMAZON	1,957
2	COMCAST CHICAGO	199
3	UNITED AIRLINES	139
4	AMERICAN AIRLINES	112
5	SOUTHWEST AIRLINES	88
6	UBER	71
7	ZOOM	68
8	GODADDY.COM	67
9	MEIJER	64
10	MARRIOTT	62
Total		2,827

Top 10 Vendors Paid		
Rank	Vendor	Total Dollars Spent
1	AMAZON	\$ 310,635.20
2	COMCAST CHICAGO	\$ 39,632.48
3	ZOOM	\$ 33,305.76
4	UNITED AIRLINES	\$ 33,102.43
5	FS COM INC*	\$ 31,877.45
6	ULINE SHIP SUPPLIES	\$ 31,772.62
7	SOUTHWEST AIRLINES	\$ 29,121.36
8	AMERICAN AIRLINES	\$ 28,211.83
9	MARRIOTT	\$ 24,095.61
10	TYLER USER CONFERENCE	\$ 21,787.00
Total		\$ 583,541.74

The above 10 vendors accounted for 43.12% of total procurement card purchases (Number of Transactions) with *Amazon* accounting for 29.85% of the total purchases (Number of Transactions).

The above 10 vendors accounted for 33.68% of total procurement card purchases (Total Dollars Spent) with *Amazon* accounting for 17.93% of the total purchases (Total Dollars Spent).

*FS.COM INC is a provider of communication and high-speed network system solutions in the fiber optic networking industry.

- The following 7 vendors were included in both the top 10 vendors *used* (Number of Transactions) and top 10 vendors *paid* (Total Dollars Spent): **AMAZON, COMCAST CHICAGO, ZOOM, SOUTHWEST AIRLINES, AMERICAN AIRLINES, UNITED AIRLINES, AND MARRIOTT.**

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Review Scope

We conducted our review of procurement card transactions from December 2022 through the end of November 2023. To accomplish our objectives, we performed the following:

- Obtained a listing of all procurement cardholders and reviewed transactions for compliance to cardholder agreements
- Examined all cardholder receipts and credit card statements for the 6-month testing period
- Verified whether appropriate levels of management review and approval existed and were exercised
- Receipt on file for every purchase, if not, then the missing receipt affidavit was completed
- Verified no tax was charged, and if tax was charged on a purchase, determine if a credit was received

Overall Findings for 12-month Summary

December 2022 through November 2023

Of the 6,556 procurement card transactions reviewed, the following general issues were identified:

- 14.52% of the documentation/support for the purchase lacked a description of the County/Business purpose or the County/Business purpose was not obvious¹
- 1.74% of the purchases included taxes paid, approximately \$1,123.90
- 1.39% had a missing receipt affidavit submitted in lieu of the receipt

¹ Per Kane County Financial Policies, Section 12. Other Financial Policies, a) Departmental Credit Cards Issued by the County, subsection 8) Internal Controls Regarding Procurement Card Program, "The procurement card administrator for a County department shall ensure that the County and/or business purpose of each County department expense is clearly indicated on the documentation for each expense...."

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Trend - Procurement Card Usage by Fiscal Year

As indicated below, over the past several years, the amount of p-card purchases has increased:

Procurement Card Purchases	
Year	Total Expenditures
2016	\$ 660,840
2017	\$ 663,492
2018	\$ 769,897
2019	\$ 958,198
2020	\$ 1,147,773
2021	\$ 1,182,842
2022	\$ 1,305,479
2023	\$ 1,732,805

