

The background of the page features a large, faint watermark of the Seal of the State of Illinois. The seal is circular with a scalloped outer edge. Inside the seal, there is a central emblem with a diamond shape and a banner. Text within the seal includes "OFFICE OF THE AUDITOR", "ORGANIZED JAN. 16, 1836", and "STATE OF ILLINOIS".

OFFICE OF THE KANE COUNTY AUDITOR

Penny Wegman, Kane County Auditor

Kane County Procurement Card Review

December 2023 – May 2024

September 25th 2024

Tom Laird
Deputy Auditor

Bob Quillinan
Staff Auditors

Jill Lombardi
Alondra Piedra
Accounts Payable Specialist

719 S. Batavia Ave, Geneva, IL 60134
(630) 232-5915

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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 6-month period from December 2023 through May 2024 (Mid-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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Mid-Year 6-month Summary

December 2023 through May 2024

Cardholders per Department

As of September 25, 2024, Kane County had a total of 101 p-cards issued to department employees as follows:

Kane County Cardholder	
Department	Count of Cardholders
Sheriff	29
State's Attorney	10
Circuit Clerk	9
Court Services	6
IT	6
Building Management	5
Development/ County Development	4
Community Reinvestment	3
Coroner	3
Emergency Management Services	3
Finance	3
Judiciary	3
Public Defender	3
County Clerk	2
Environmental Management	2
Transportation	2
Animal Control	1
County Auditor	1
County Board	1
Health	1
Human Resources Management	1
KaneComm	1
Law Library	1
Veteran's Commission	1
Grand Total	101

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Total Procurement Card Purchases by Department

Pcard Transactions from December 2023 - May 2024		
Total Purchases		
Department	Count	Dollar Amount
Sheriff	998	\$ 270,126.58
IT	416	\$ 158,690.29
State's Attorney	361	\$ 64,339.22
Court Services	361	\$ 91,365.09
Transportation	263	\$ 63,641.74
Building Management	156	\$ 43,096.62
Coroner	137	\$ 37,905.12
Animal Control	110	\$ 21,397.16
Health	104	\$ 72,100.49
Community Reinvestment	94	\$ 37,102.73
Judiciary	78	\$ 14,387.72
KaneComm	63	\$ 12,002.86
Workforce Development	46	\$ 12,651.47
Circuit Clerk	42	\$ 12,241.30
County Clerk	36	\$ 4,084.84
Environ Mgmt	36	\$ 4,428.37
Veteran's Commission	33	\$ 7,753.40
Emergency Management Services	31	\$ 5,235.32
Development	29	\$ 4,120.80
Law Library	24	\$ 3,049.18
Public Defender	22	\$ 3,459.15
Water Resources	19	\$ 4,986.93
Payroll	18	\$ 859.37
Human Resources	14	\$ 7,442.96
Finance	12	\$ 1,771.62
Purchasing	8	\$ 2,060.12
County Board	7	\$ 1,133.02
Grand Total	3,518	\$ 961,433.47

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Top Vendors during the 6-month Summary
 December 2023 through May 2024

Top 10 Vendors Used		
Rank	Vendor	Number of Transactions
1	AMAZON	994
2	UBER TRIP	142
3	UNITED AIRLINES	103
4	COMCAST CHICAGO	95
5	WAL-MART	47
6	AMERICAN AIRLINES	39
7	ZOOM	36
8	GODADDY.COM	29
9	MEIJER	26
10	FOX VALLEY ANIMAL HOSPITAL	26
Total		1,537

Top 10 Vendors Paid		
Rank	Vendor	Total Dollars Spent
1	AMAZON	\$ 139,073.69
2	ZOOM	\$ 34,708.85
3	UNITED AIRLINES	\$ 25,422.06
4	TYLER USER CONFERENCE	\$ 21,832.00
5	COMCAST CHICAGO	\$ 19,277.04
6	PROPERTY INSPECTION	\$ 13,800.00
7	4IMPRINT, INC	\$ 13,628.35
8	AMERICAN AIRLINES	\$ 13,582.32
9	PAYPAL	\$ 12,006.00
10	AXON TASER	\$ 11,868.60
Total		\$ 305,198.91

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).

*AXON TASER is a network that connects people, devices and apps to protect life in all regards. (Taser smart weapons for Police officers.

- 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, ZOOM, UNITED AIRLINES, TYLER USER CONFERENCE, COMCAST CHICAGO, PROPERTY INSPECTION, 4IMPRINT INC, AMERICAN AIRLINES, PAYPAL, AND AXON TASER.**

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Review Scope

We conducted our review of procurement card transactions from December 2023 through the end of May 2024. 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 6-month Summary

December 2023 through May 2024

Of the 3,518 procurement card transactions reviewed, the following general issues were identified:

- 12.00% of the documentation/support for the purchase lacked a description of the County/Business purpose or the County/Business purpose was not obvious¹
- 3.89% of the purchases included taxes paid, approximately \$1,864.55
- 2.67% 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	\$ 2,508,823
2024 - 6 months	\$ 961,433

