

# OFFICE OF THE KANE COUNTY AUDITOR

TERRY HUNT, KANE COUNTY AUDITOR

MARIOLA OSCARSON  
DEPUTY AUDITOR

KRISTIN JENKINS  
STAFF AUDITOR



719 S.BATAVIA AVENUE  
GENEVA, ILLINOIS 60134

630-232-5915  
630-208-3838 (FAX)

December 10, 2018

## **DIRECTOR OF OFFICE OF EMERGENCY MANAGEMENT (OEM) TRANSITION AUDIT**

Under Illinois State Statute 55 ILCS 5 / 6-31005 – *Funds managed by County officials* – the County Board is required to engage a transition audit of all funds and accounts under the management / control of the county official. The audit report must be prepared and filed to the Chairman of the County Board no later than 180 days after the county official leaves office.

A County official is “[...] *any elected county officer or any officer appointed by the county board who is charged with the management or control of any county funds.*”

The “County official” in transition is the Director of Office of Emergency Management (OEM).

Mr. Donald Byrant (predecessor) held the position since December 1996 through May 25, 2018. The Kane County Board on June 12, 2018 (Resolution #18-189) unanimously agreed on the Chairman’s interim appointment of Mr. Sean Madison (successor), formally the Deputy Director of OEM.

The Office of Kane County Auditor was engaged to complete the transition audit.

### **TIMELINE**

Termination date      5/25/2018

Report due date      Extended beyond 11/21/2018 due to the interim status of the appointed successor

### **BACKGROUND**

Kane County Office of Emergency Management was established in 1976 (Ordinance 76-12) to prevent, minimize, repair and alleviate injury and damage resulting from disaster caused by enemy attack, sabotage or other hostile action, or from natural or manmade disaster.

OEM’s mission is to support a regional all-hazard approach to disaster management and Homeland Security through the coordination of programs that promote community planning, increase public awareness, and develop effective mitigation, response, and recovery capabilities. It is a 24 hour a day operation made up of one (1) Director, one (1) Deputy Director, one (1) Administrative Assistant, and Volunteers. It operates under three (3) funds:

1. General Fund (001.510)
2. Special Revenue Fund – EMA Volunteer Fund (247.510)
3. Special Revenue Fund – KC Emergency Planning (248.510)

OEM is mandated by State Statute 20 ILCS 3305 / 10 – *Emergency Services and Disaster Agencies*, County Code 8.2 - *Emergency Management Agency*, and County Code 8.3 - *Hazardous Substance Control and Hazardous Materials Incident Expense*.

Per the State Statute, the Principal Executive Officer (Chairman of Kane County) appoints a Coordinator (Director of OEM).

The Coordinator (aka Director of OEM) has the direct responsibility for the organization, administration, training, and operations of the emergency management agency, subject to the direction and control of that Principal Executive Officer. The agency coordinates and performs emergency management functions within the territorial limits of the political subdivision within which it is organized as are prescribed in and by the State Emergency Operations Plan, and programs, orders, rules, and regulations as may be promulgated by the Illinois Emergency Management Agency and by local ordinance.

OEM is required to be a member of the Kane County Local Emergency Planning Committee (LEPC). LEPC's purpose is to encourage and support hazardous materials emergency planning efforts at the state and local levels and to provide the public and local governments with information concerning potential chemical hazards present in their communities. It is also a member of the Kane County Natural Hazards Mitigation Committee.

## **PROCEDURES**

The Auditor's Office performed the following audit procedures, over the agreed to transition period (December 2017 to June 2018):

1. Inquire with predecessor and the newly appointed Interim Director
2. Inspect County assets allocated to the predecessor are properly returned
3. Perform a physical observation of County assets owned / allocated to OEM
  - a. Petty cash
  - b. Off balance sheet accounts
  - c. Inventory
  - d. Capital assets (equal to or greater than \$10,000)
  - e. Fixed assets (valued between \$500.00 - \$9,999.99)
  - f. Information technology equipment
  - g. Other agency equipment
4. Review the fund activity during the transition period
  - a. Cash received / revenue earned
  - b. Expenses incurred
5. Review the predecessor's final paycheck
6. Other

## RESULTS

1. Met and discussed with the predecessor and the successor.
2. The predecessor was assigned a County cell phone and drove a County vehicle. Both were returned on his last day of employment. He was also issued a procurement card (pcard), which was appropriately cancelled after his employment. Charges to the pcard were deemed in compliance with the Financial Policies.
3. OEM does not hold petty cash, own a bank account, own inventory, or maintain a list of fixed asset with cost valued between \$500.00 - \$9,999.99. It does maintain capital assets and IT equipment.
  - a. *Capital assets (historic value equal to or greater than \$10,000)*
    - i. Physically observed one hundred percent of the population. No exceptions were noted.
    - ii. No other assets were purchased or disposed of during the transition period, however, a vehicle (fixed asset #306) from OEM was transferred to Building Management on May 25, 2018.
  - b. *IT assets*
    - i. Physically observed one hundred percent of the population. Differences were found, and are being investigated by IT. Majority of the differences appear to be related to the accuracy of the listing maintained by the IT department, and less regarding discrepancies with OEM equipment. As such, no exceptions noted.

#### 4. *Cash received / Revenue earned*

The OEM General Fund's (001.510) main source of revenue is a grant reimbursement from Emergency Management Program Grant (EMPG) through the State of Illinois funded by the U.S. Department of Homeland Security. It is awarded typically in the fall of the fiscal year and is paid out in the fall of the subsequent year. During the transition period, OEM did not receive the FY17 awarded grant, and the FY18 grant had not been presented to the County Board. As such, passed on further review.

During the transition period in funds, EMA Volunteer Fund and KC Emergency Planning Fund, OEM collected \$8,550 in donations and earned \$314 in investment income. These funds were re-classified from Agency Funds to Special Revenue Funds in FY18 during the transition period, as recommended in the "Internal Audit of Agency Funds" (April 18, 2017). Donation revenue and investment income are immaterial in nature. As such no further review was performed.

#### *Expenses incurred*

Reviewed all expenses incurred in all funds, including procurement credit card charges, noted no Personal Expenditure Vouchers were submitted during the transition period, and there were no expenses deemed unusual.

Furthermore, OEM is operating within budget and no budget adjustments have been requested during the transition period.

5. Obtained the Personal Action Form (PAF) and validated the final paycheck for Donald Bryant was paid out in full, in accordance with his PAF form, in the appropriate payroll cycle. Furthermore, validated that he did not receive any more paychecks subsequent his term date.
6. Other observations noted:
  - OEM is currently operating with an Interim Director, and without a Deputy Director.
  - No new agreements / contracts were entered into during the transition period.
  - On August 14, 2018, a budget adjustment was approved by County Board (Resolution #18-261) to support the management of vaccinations for its volunteers.
  - On October 9, 2018, the EMPG FY18 grant award was approved by County Board (Resolution #18-381).
  - On November 13, 2018, the County Board approved (Resolution #18-432) a budget amendment for the Kane County Emergency Planning Fund (248) to increase donations received by \$2,600.

### **CONCLUSION**

No adverse findings were noted, and as such deemed the transition of control / management of funds appropriate.

The Auditor's Office would like to thank all those who assisted us in our review. Your cooperation and generous assistance is greatly appreciated.

Regards,

OFFICE OF THE KANE COUNTY AUDITOR



Terry Hunt  
*Kane County Auditor*



Mariola Oscarson  
*Kane County Deputy Auditor*