



# COUNTY OF WINNEBAGO

WINNEBAGO COUNTY AUDITOR

**William D. Crowley, C.F.E.**

Winnebago County Administration Building  
404 Elm Street, Room 201  
Rockford, Illinois 61101

(815) 319-4200  
Fax: (815) 319-4201

---

## Winnebago County County Board Chairman and County Board Elected Official Transition Audit

**Effective: December 7th, 2020**

### **Recommendations: 1**

The mission of the Winnebago County Auditor's Office is to safeguard Winnebago County assets and provide objective, accurate and meaningful information about County operations so that the County Board can make informed decisions to better serve County citizens.

### **AUDIT TEAM MEMBER(S):**

Bryan M. Cutler, Chief Deputy Auditor  
David Lorenzen, Part-Time Staff

Office of the County Auditor  
404 Elm St., Suite 201 ♦ Rockford, IL 61101 ♦ (815) 319-4200

<http://wincoil.us/departments/auditor/>

February 16, 2021

Joseph Chiarelli, Winnebago County Board Chairman  
Members of the County Board

The Winnebago County Auditor's Office is required to perform several duties under Illinois Compiled Statute 55 ILCS 5/Div. 3.1. Sec. 3-1005. The Compiled Statute states that the County Auditor is required to "Maintain a continuous internal audit of the operations and financial records of the officers, agents or divisions of the County. The County Auditor shall have access to all records, documents, and resources necessary for the discharge of this responsibility".

Mr. Joseph Chiarelli, Winnebago County Board Chairman and four new County Board Members were sworn in on December 7<sup>th</sup>, 2020. It is standard protocol for the Winnebago County Auditor's Office to perform a transition audit when a newly elected official assumes office. The primary intent of such an audit is to provide assurance that monies and assets pertaining to the department are present and accounted for properly.

The scope of this audit included the following areas:

- Review historical purchases and physically verify existence
- Review of recent purchasing card activity
- Review of departmental expenditures
- Review of County Board Chairman historical compensation
- Review of departmental revenues
- Review of decentralized bank accounts, if any
- Confirmation and review of Human Resources standard departure procedures documents
- Review of historical budgetary compliance
- Follow-up on previous recommendations

Our comments, findings and recommendations are below:

**Review historical purchases and physically verify existence:**

The County Auditor's Office used the following reports to identify historical assets purchases:

- Munis list of disbursements originating in the County Board Office \$500 and above for the period 12-1-16 to 12-04-20 within the following departments:
  - 12500 - County Board
  - 12501 - County Board (Chairman)

- 12502 - County Board (Administrator)
- 12503 - County Board (Board)
- 12600 - Communications
- 13500 - Miscellaneous County

The County Auditor's Office manually selected 17 assets to physically verify which consisted entirely of computer equipment.

In all cases, the Winnebago County Department of Information Technology was able to identify each asset and the employee or elected official currently in possession of the asset. We chose not to physically observe the computer equipment due to the pandemic and the fact that nearly all items are being used remotely by Winnebago County Board members

#### **Review of recent purchasing card activity:**

The County Auditor's Office reviews all departmental purchasing card activity in detail on a monthly basis. For the purpose of this transition audit we reviewed for a second time the final 6 months of purchasing card activity for the former County Board Chairman. Our secondary review would focus on searching for unusual activity such as an increase of purchases of items with street value immediately leading up to the employee departure. In such cases, we would ask the department for a detailed explanation of the purchases and request to physically verify the items if possible.

We noted no unusual purchasing card activity in the context of our transition audit. All transactions in our secondary review appeared to be in the ordinary course of business of the County Board Office and were properly documented. In our assessment, the historical departmental purchasing card transactions have generally been well documented and have always been within the ordinary course of business of the County Board Office.

Additionally, we have verified that the purchasing card which had been in the possession of the former County Board Chairman has been returned to the purchasing office and permanently shut off.

#### **Review of departmental expenditures:**

The County Auditor's Office reviews and recommends for payment all departmental expenses originating in the County Board Office. We completed a secondary review of departmental expenditure transactions 10-1-17 to current. Our secondary review would focus on searching for unusual activity such as an increase of purchases of items with street value immediately leading up to the employee departure. In such cases, we would ask the department for a detailed explanation of the purchases and request to physically verify the items if possible.

We noted no unusual miscellaneous departmental expenditures in the context of our transition audit. Similar to departmental purchasing card transactions, miscellaneous departmental expenditures have generally been well documented and have always been within the ordinary course of business of the County Board Office.

**Review of County Board Chairman historical compensation:**

As required by State law the compensation schedule for the County Board Chairman position is established at least 180 days prior to first day of the term and may not be changed during term.

The County Auditor's Office reviewed the compensation paid to the former County Board Chairman. The schedule of compensation as approved via ordinance by the Winnebago County Board for the County Board Chairman 2016-2020 term was \$95,658 per year (Attachment 1) or \$382,632 for the entire duration of the 4-year term.

**Finding 1:**

Upon reviewing internal payroll records we noted that the former County Board Chairman was compensated \$384,472 which is \$1,840 over what was approved by the Winnebago County Board. This overpayment was caused by the former County Board Chairman's salary in the Munis accounting system being based on 260 work days in a year or 1,040 for the entire term, but the actual work days were 1045 for the entire term.

**Recommendation 1:**

- During the on-boarding process of a newly elected official we recommend that the salary for Munis accounting purposes be calculated based on the actual grand total of work days for the duration of the term and not based on 260 working days per year.
- On the final paycheck of an elected official's term, the historical compensation paid to that elected official should be reviewed and compared to the original ordinance approved by the Winnebago County Board.

**Miscellaneous comment regarding County Board Chairman compensation:**

In a letter dated December 5<sup>th</sup>, 2017 from the Winnebago County Auditor's Office to the former County Board Chairman and the Winnebago County Board, my office noted that certain employees including the former County Board Chairman were using County owned vehicles for personal use and this use was not being properly taxed as a fringe benefit.

The aforementioned taxation issue was resolved for the 2020 tax year but not retroactively corrected for the 2016, 2017, 2018 and 2019 tax years for the former County Board Chairman position.

**Review of departmental revenues:**

The County Board Office is not a revenue generating office and does not generally handle physical cash assets. In reviewing the revenues deposited by the department from October 1, 2019 to November 30, 2020, we noted that the County Board Office deposited approximately \$8,000 in checks. These checks consisted of certain reimbursements from a statewide association of county boards.

**Review of decentralized bank accounts, if any:**

A decentralized bank account is one held outside the custody of the County Treasurer's Office. Furthermore, the accounts are not reconciled by the Treasurer's Office, transactions are not processed through the County's general ledger accounting system in the Finance Office and the County Auditor is unable to perform monthly claim audits.

Our records indicate that the County Board Office was not in custody of any decentralized checking accounts during the time period under audit. Departmental staff also indicated that the County Board Office is not in custody of a decentralized account.

**Review departure procedures and documents:**

During the course of employment with Winnebago County, many employees are trusted to maintain custody of County assets such as keys, badges, phones, credit cards, etc. An off-boarding checklist is used by the Human Resources department to track the return of these items and request discontinued access of County systems such as the accounting system.

The standard procedure is that the aforementioned checklist be completed and all County property be returned prior to the departing employee receiving his or her final paycheck. Final paychecks are generated in paper form and are picked up in the Human Resources Office.

We were provided the completed off-boarding checking for the former County Board Chairman and the three former County Board Members. In all cases forms were completed properly. We also contacted external offices such as purchasing and building maintenance to ensure items were returned such as building access cards and purchasing cards.

**Review of historical budgetary compliance:**

The 2020 fiscal year expenditure budgets associated with the County Board Chairman position were well within compliance with amounts established by the Winnebago County Board. Taken as a whole, the expenditure budgets associated with the County Board Chairman position were \$151,931 under budget. This positive budget variance was as a result of positions being held open in the County Board Office and significant savings from a decline in travel expenses.

**Follow-up on previous recommendations:**

The last transition audit for the County Board Chairman position was completed on February 2<sup>nd</sup>, 2017. There are no pending recommendations relating to that report.

STATE OF ILLINOIS, } ss.  
COUNTY OF WINNEBAGO }

*I, MARGIE M. MULLINS, County Clerk in and for said County, in the State aforesaid, do hereby certify that I have compared the foregoing attached copy of:*

**RESOLUTION AFFIXING COMPENSATION AND OTER BENEFITS FOR CERTAIN ELECTED COUNTY OFFICIALS**

---

*with the original document which is on file in my office; and found it to be a true, perfect and complete copy of the original document*

*IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seal of said County, at my office in the City of Rockford, in said County,*

*this* 27<sup>TH</sup> DAY OF MAY, 2016.

MARGIE M. MULLINS, Winnebago County Clerk

BY: Angela Reina Deputy County Clerk



**RESOLUTION**  
**of the**  
**COUNTY BOARD OF THE COUNTY OF WINNEBAGO, ILLINOIS**

Submitted by: Operations and Administrative Committee and Finance Committee

2016 CR 069

---

**RESOLUTION AFFIXING COMPENSATION AND OTHER BENEFITS  
FOR CERTAIN ELECTED COUNTY OFFICIALS**

---

**WHEREAS**, the County Board of the County of Winnebago, Illinois is required to fix the salaries and other benefits to be paid to certain elected officials at least 180 days before the beginning of the term of those elected offices whose compensation is to be fixed; and,

**WHEREAS**, the term of office for the County Auditor, County Recorder, County Coroner, and County Board Chairman are scheduled to commence on December 1, 2016, and the County Board must fix the compensation for these officers on or before June 3, 2016; and,

**WHEREAS**, no officer may have his or her salary or other benefits increased or decreased during the term for which he or she is elected.

**NOW, THEREFORE BE IT RESOLVED**, by the County Board of the County of Winnebago, Illinois that the following schedule of salaries be, and the same is, hereby adopted:

<b><u>COUNTY AUDITOR</u></b>	
December 1, 2016 – November 30, 2017	\$81,284
December 1, 2017 – November 30, 2018	\$81,284
December 1, 2018 – November 30, 2019	\$81,284
December 1, 2019 – November 30, 2020	\$81,284

<b><u>COUNTY RECORDER</u></b>	
December 1, 2016 – November 30, 2017	\$81,284
December 1, 2017 – November 30, 2018	\$81,284
December 1, 2018 – November 30, 2019	\$81,284
December 1, 2019 – November 30, 2020	\$81,284



**COUNTY CORONER**

December 1, 2016 – November 30, 2017	\$88,176 Plus Vehicle
December 1, 2017 – November 30, 2018	\$88,176 Plus Vehicle
December 1, 2018 – November 30, 2019	\$88,176 Plus Vehicle
December 1, 2019 – November 30, 2020	\$88,176 Plus Vehicle

**COUNTY BOARD CHAIRMAN**

December 1, 2016 – November 30, 2017	\$95,658 Plus Vehicle
December 1, 2017 – November 30, 2018	\$95,658 Plus Vehicle
December 1, 2018 – November 30, 2019	\$95,658 Plus Vehicle
December 1, 2019 – November 30, 2020	\$95,658 Plus Vehicle

**BE IT FURTHER RESOLVED**, that the County Auditor, County Recorder, County Coroner, and County Board Chairman shall be eligible for any Health Plan and shall pay the same cost for individual, dependent and retiree health insurance coverage as County employees covered under AFSCME Local 473 Collective Bargaining Unit beginning in December 2016.

**BE IT FURTHER RESOLVED**, that this Resolution shall be in full force and effect immediately upon its adoption, and the compensation shall take effect upon commencement of office of the County Auditor, County Recorder, County Coroner, County Board Chairman, after the November 2016 general election.

**BE IT FURTHER RESOLVED**, that the Clerk of the County Board is hereby authorized to prepare and deliver certified copies of this Resolution to the County Auditor, County Recorder, County Coroner, and County Board Chairman.

**TO: TO HONORABLE MEMBERS OF THE COUNTY BOARD OF THE  
COUNTY OF WINNEBAGO, ILLINOIS**

Your Operations & Administrative Committee and Finance Committee presents the following  
**RESOLUTION ADOPTING RESOLUTION AFFIXING COMPENSATION AND  
OTHER BENEFITS FOR CERTAIN ELECTED COUNTY OFFICIALS** and recommends  
its adoption.

Respectfully submitted,

**OPERATIONS & ADMINISTRATIVE COMMITTEE AND  
FINANCE COMMITTEE**

---

TED BIONDO, CHAIRMAN

---

TED BIONDO, CHAIRMAN

---

GARY JURY, CHAIRMAN

---

GARY JURY, CHAIRMAN

---

DAVID BOOMER

---

DAVID BOOMER

---

BURT GERL

---

BURT GERL

---

ANGIE GORAL

---

ANGIE GORAL

---

JOE HOFFMAN

---

JOE HOFFMAN

---

KEITH McDONALD

---

KEITH McDONALD

**(TO ADOPT)**

**(NOT TO ADOPT)**

\_\_\_\_\_  
ELI NICOLOSI

\_\_\_\_\_  
ELI NICOLOSI

\_\_\_\_\_  
STEVE SCHULTZ

\_\_\_\_\_  
STEVE SCHULTZ

\_\_\_\_\_  
JOHN F. SWEENEY

\_\_\_\_\_  
JOHN F. SWEENEY

(TO ADOPT)

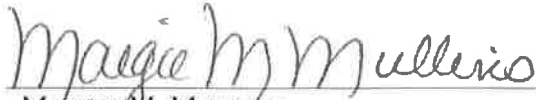
(NOT TO ADOPT)

**The above and foregoing Resolution was adopted by the County Board of the  
County of Winnebago, Illinois this 26th day of May 2016.**



\_\_\_\_\_  
SCOTT H. CHRISTIANSEN  
CHAIRMAN OF THE COUNTY BOARD  
OF THE COUNTY OF WINNEBAGO, ILLINOIS

ATTESTED BY:



\_\_\_\_\_  
MARGIE M. MULLINS  
CLERK OF THE COUNTY BOARD  
OF THE COUNTY OF WINNEBAGO, ILLINOIS