



# Illinois Department of Transportation

Office of Quality Compliance & Review  
2300 South Dirksen Parkway / Springfield, Illinois 62764

January 12, 2015

Doretha M. Johnson, Dir. of Finance & Administration  
Lake County Division of Transportation  
600 W. Winchester Road  
Libertyville, IL 60048

Dear Ms. Johnson:

Enclosed is a copy of Audit Report No. 01-048, covering the receipt and disbursement of Motor Fuel Tax funds by your County for the period beginning January 1, 2005 and ending December 31, 2012.

As shown in the report, we have included your responses. Thank you for your comments.

This report should be presented to the Board of Trustees at the first regular meeting after the receipt of this letter and then filed as a permanent record in your office.

Thank you for your assistance in this matter. If you have any questions or require additional information, please contact Roseanne Nance at [DOT.OQCR.MFT.Audits@illinois.gov](mailto:DOT.OQCR.MFT.Audits@illinois.gov) or (217)557-1762.

Sincerely,

A handwritten signature in blue ink, appearing to read 'WDW CPA CFE'.

William D. Winberg, CPA, CFE  
Chief, Financial Review & Investigation Section

WDW:RN:pk

Enclosure

cc: IDOT

John Fortmann, Deputy Director of Highways, Regional Engineer  
Christopher Holt, BLRS-District 1 Engineer  
Local Agency  
Paula Trigg, Director  
Willard Helander, County Clerk



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Lake County Division of Transportation  
600 W. Winchester Road  
Libertyville, IL 60048

Subject: Motor Fuel Tax Audit for 1/1/2005 – 11/30/2012  
Audit Report No.: 01-048

Dear Ms. Johnson:

We have completed an audit of the motor fuel tax records of Lake County for their Calendar years ending January 31, 2005 thru November 2012.

The objective of our audit was to provide reasonable assurance the County of Lake used Motor Fuel Tax Funds in accordance with the Illinois Highway Code, 605 ILCS /5.

Auditors are required to exercise due professional care in performing audits. In doing so, the audit procedures were designed and the audit conducted to ensure that auditors were alert to the possibility of wrongdoing, errors and omissions, inefficiency, waste, ineffectiveness and conflict of interest. Auditors were also cognizant of conditions and activities where irregularities are most likely to occur.

The management of Lake County is responsible for establishing and maintaining a system of internal accounting control. In fulfilling that responsibility, estimates and judgments made by management are required to assess the expected benefits and related costs of control procedures. Due to inherent limitations in any system of internal accounting control, errors or irregularities may occur and not be detected. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or the degree of compliance with the procedures may deteriorate.

The purpose of our audit was to determine the nature, timing and extent of the auditing procedures necessary for expressing an opinion on the County's use of Motor Fuel Tax funds.

Our audit was more limited than would be necessary to express an opinion on the system of internal accounting control taken as a whole and would not necessarily disclose all material weaknesses in the system; accordingly, we do not express an opinion on the system of internal accounting controls of County of Lake.

**OPINION**

Except as noted in the Finding section of this report, it is our opinion that the costs claimed are supported in accordance with State policies and contractual provisions. The details of these findings are discussed in this report.

If you have any questions, please contact me at 217-785-4593.



William D. Winberg, CPA, CFE  
Chief, FRI Section

**Audit Findings, Recommendations and Agency Responses**

**Finding No.1:** MFT funds disbursed with no authorization or approval

Noted during the audit of Motor Fuel Tax fund for Lake County, several projects have expenditures that exceed the amount of the approval/authorization. The following projects have exceeded the approved amount of expenditures:

- 00-00181-03-RS
- 00-00266-00-FP
- 07-00086-08-CH
- 09-00135-11-BT
- 11-00214-19-MG
- 12-00000-12-GM

The County disbursed Motor Fuel Tax funds without approval. The County also failed to follow required Department procedures.

As referenced in the Bureau of Local Roads Manual 9-1.03- Construction Project, When a local agency appropriates MFT funds for a project, the appropriation should cover, as practical, all anticipated costs and 14-2.02-Maintenance, Submit the resolution to the district for approval prior to the expenditure of MFT funds for the maintenance period covered by the resolution. Should the actual cost of maintenance exceed the total amount of MFT funds appropriated, the LPA must adopt a supplement resolution appropriating the additional funds.

At this time, the County Motor Fuel Tax fund does not agree with the Department Motor Fuel Tax fund in regard to these projects. The Department cannot effectively approve future projects.

**Recommendation:**

The County of Lake needs to review existing internal control procedures to prevent the disbursement of MFT funds without proper authorization from IDOT.

**Responses from Responsible Officials:**

We have reviewed the draft audit report submitted for period 1/1/2005-11/20/2012. In response to the one audit recommendation, we are submitting documentation to prove the proper procedures were followed in disbursing funds for the projects listed below.

- 00-00181-03-RS
- 00-00266-00-FP
- 07-00086-08-CH
- 09-00135-11-BT
- 11-00214-19-MG
- 12-00000-12-GM