

 Lake County Policy	3.7 Accounting, Auditing and Financial Reporting Policy
	Approved by the County Board on: Month Day, Year

1. Purpose and Intent

- 1.1 The purpose of this policy is to establish the standards of financial stewardship for accounting, auditing, and financial reporting and to ensure transparency for the public and other stakeholders.

2. Background

- 2.1 In accordance with 55 ILCS 5/6-31003, an audit must be performed annually. The audit report shall contain statements that set forth the financial position and the results of financial operations for financial statements for governmental activities, business-type activities, discretely presented component units, and each major fund and aggregated nonmajor funds for each fund, account, and office of the county government.
- 2.2 Financial statements should be prepared in accordance with generally accepted accounting principles and audited in conformity with generally accepted auditing standards.

3. Scope

- 3.1 This policy applies to all departments, agencies / commissions, and elected offices whose funding is approved by the Lake County Board, unless meeting criteria that waves this requirement as defined in policy 3.1 *Finance Policy*.

4. Authority

- 4.1 Authorities are in accordance with policy 3.1 *Finance Policy*.

5. Policy

- 5.1 The County shall follow generally accepted accounting principles (GAAP). [1.5.1]
- 5.2 The accounting system shall maintain records on a basis consistent with accepted standards for local government accounting, in accordance with State statute. [1.5.2]
- 5.3 The accounting information generated shall be compatible with the needs of budgeting and financial planning.

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5.4 Expense Reporting

5.4.1 Detailed documentation shall be provided for all expenses of the County or County controlled funds to be reviewed by the staff of the Finance Department prior to payment.

5.4.2 Required expense information shall include (at a minimum):

- A detailed description of the good or service that was provided in the form of an itemized invoice provided by the vendor (additional information can be added by the department), and
- The date the good was received or the service was provided, and
- An approval by the department or agency head or designee that the good or service provided was consistent with the specifications, purchase order, contract and/or any agreement that documented the expectations during the procurement. [1.5.3]

5.5 Annual Audit. An independent public accounting firm will conduct an annual audit and the County will issue a annual comprehensive financial report. [1.5.4 and Board Rules VII.F.6]

5.6 Quarterly Report. Reports comparing budget to actual results will be reviewed by the Finance Department monthly and presented at least quarterly as an attachment to the agenda of the Finance and Administrative Committee. [1.5.5 and 1.1.9 and Board Rules VII.F.5]

5.7 Capital

5.7.1 Capital assets are defined as governmental activities assets with a useful life greater than one year and an initial cost of more the \$50,000 for land; \$100,000 for buildings and improvements; \$25,000 for equipment; \$15,000 for vehicles; \$200,000 for intangibles and \$200,000 for roads and bridges.

5.7.2 Business-type activities capital assets are capitalized when they have an individual cost of more than \$5,000 for movable property; \$200,000 for infrastructure; and \$75,000 for all other enterprise fund capital assets.

5.7.3 The range of estimated useful lives by type of asset is as follows:

Building and improvements	10 – 40 years
Water facility	10 – 75 years
Sewer facility	10 – 75 years
Equipment	5 – 20 years
Vehicles	3 – 10 years
Road and bridges	20 years
Intangibles	5 – 10 years

5.8 Policy review and update shall be in accordance with policy 3.1 *Finance Policy*.

6. Severability

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6.1 If any section or provision of this document should be held invalid by operation of law, none of the remainder shall be affected.

7. Non-Discrimination

7.1 Lake County prohibits the discriminatory application, implementation, or enforcement of any provision of this policy on the basis of race, color, sex, age, religion, disability, national origin, ancestry, sexual orientation, marital status, parental status, military discharge status, source of income, gender identity housing status, or any other protected category established by law, statute, or ordinance.

Policy History			
Version	Date Adopted	Legistar Item #	Notes
Original	XXXXXX XX, 2022	22-XXXX	--