



# Illinois Department of Transportation

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

TO: Omer Osman, Director  
Division of Highways

FROM: William D. Winberg, Acting Chief Financial Review Officer  
Financial Review & Investigations Section

SUBJECT: Review of Edgar County, Symmes Township and Paris Township  
Motor Fuel Tax Funds

DATE: April 29, 2013

AUDIT REPORT NO.: 13-27-001

We have completed a review of Motor Fuel Tax funds provided to the recipients Edgar County, Symmes Township and Paris Township.

The State of Illinois provides Motor Fuel tax funds to assist in the maintenance of public roads. Motor fuel tax funds may be used for the reimbursement of eligible operating expenses incurred to maintain County and Township roads.

Our audit included a review of Edgar County, Symmes Township and Paris Township motor fuel tax revenues and expenses for the period August 28, 2009 to December 31, 2011.

Our review was made in accordance with the standards set forth in the Government Accountability Office's Government Auditing Standards except that consideration was not given to efficiency and economy in the use of resources or to the effectiveness in achieving program results.

Review of the internal controls in effect was not made as a specific element of the assignment.

A site audit was performed at the Paris, Illinois office of the recipients during September 2012.

Cost records maintained by the recipients in support of its claims were examined as we considered necessary to determine that the financial and compliance aspects of motor fuel expenses were in accordance with State rules, regulations and guidelines as applicable, including the Illinois Highway Code.


The 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. The auditors were also cognizant of conditions and activities where irregularities are most likely to occur.

**Opinion**

Except as noted in the Findings 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.

This report was prepared for the use of IDOT. Appropriate IDOT officials make final determinations establishing the official position of IDOT on the matters reported herein.

If you have any questions, please call me at 217/524-7941. Please extend our appreciation to your staff for their assistance and cooperation during the review.

 CPA CFE  
William D. Winberg CPA, CFE  
Acting Chief Financial Review Officer

WDW:mkp

cc: James Klein, Acting Bureau Chief, Bureau of Local Roads  
Joseph E. Crowe, Deputy Director of Highways, Region 3 Engineer  
Scott Lackey, Local Roads Engineer Region 3, District 5  
Chris Patrick, Edgar County Board Chairman  
Aaron Lawson, Edgar County Engineer  
August H. Griffin, Edgar County Clerk  
Jeff Heck, Director, Office of Quality Compliance & Review  
Giovanni Fulgenzi, Chief, Bureau of Fiscal Integrity & Investigations

**Audit Findings, Recommendations and Agency Responses**

**Finding No.1: County and Township MFT and Other Funds Used to Pay for Equipment, Materials and Labor Used to Repair Private Driveways**

Edgar County, Symmes Township and Paris Township motor fuel tax funds and other locally held funds were used to pay for the expenses of chipping and sealing the privately owned driveways of certain individuals. We noted that Edgar County employees chipped and sealed six private driveways of individuals dating from 2004 until October 5, 2011. Evidence shows that one individual had his driveway chipped and sealed twice since 2004. We examined records dating back to 2004 and noted that Edgar County highway employees would chip and seal certain individual driveways as directed by Township Road Commissioners.

Edgar County Highway chipped and sealed an individual's driveway that resided in the City of Paris in October 2010 and billed them on October 20, 2010 for \$ 701.60. The individual paid the balance owed to the County on December 9, 2010.

Once this practice was brought to the public's attention through local media, the Paris Township Road Commissioner billed three individuals in June 2012 for materials and labor involved for work performed for them from August 2009 through October 2011.

An individual residing in Symmes Township had his driveway chipped and sealed in 2004 and again on Sept. 1, 2009. The Symmes Township Road Commissioner represented that the individual did not pay for the work performed but did buy two (maybe three) semi-loads of CA-6 gravel and gave it to the Township in exchange for the work performed at his residence. We have been unable to substantiate the veracity of this claim.

The Edgar County Highway Engineer has stated that the County will no longer chip and seal private driveways.

The following individuals residing in Edgar County had their driveways chipped and sealed:

Name	Address	Date of Driveway Repair	Amount Paid \$
Bradley Young	Paris Twp	Oct. 5, 2011	229.59
Kirk Good	Paris Twp	Aug. 8, 2011	1,758.48
Chris Patrick	Symmest Twp	Sept. 1, 2009	Unknown
Steve Sunkel	Paris Twp	Aug. 31, 2009	1,454.80
Donnie Furry	City of Paris	Oct. 5, 2010	701.60

Edgar County, Symmes Township and Paris Township officials have stated that they were not aware that public funds could not be used in this manner.

As stated in the Illinois Highway Code, 605 ILCS 6-701.1 through 6-701.9, motor fuel tax funds can generally be used for work performed on public roads only.

Edgar County Highway Department, Paris Township and Symmes Township motor fuel tax funds and other public funds were not used in accordance with the Illinois Highway Code.

**Recommendation:**

We recommend that Edgar County and all of the Townships located within the County refrain from using County government resources and funds for chipping and sealing private driveways, and implement new policies, procedures and internal controls to ensure that MFT funds are used for their intended purposes in accordance with the Illinois Highway Code.

We also recommend that IDOT District 5 Local Roads engineers continue to monitor the use of MFT funds in Edgar County to ensure that MFT funds are used for their intended purpose.

**Responses from Responsible Officials:**

Partially Disagree:

- Edgar County, Symmes Township and Paris Township officials are aware that public funds should not be used to improve private drives. The local officials wish to clarify that public funds were never intended to be used in lieu of reimbursement for the work.
- Edgar County, Symmes Township and Paris Township officials were not cognitive of the fact that using public funds to cover the initial costs for the sealing of private drives prior to formal recovery and reimbursement was misuse of funds.
- Edgar County is unable to determine whether upfront costs were MFT funds or local funds prior to fund recovery. The actual cost of the work was recovered and accounted for in accordance with past accounting practice. (County response to Finding No. 3 should be referenced)

Corrective actions have been implemented:

- County has implemented a policy to no longer seal private drives.
- County highway has implemented new accounting procedures.
- County highway has created a four-member finance committee to review financial decisions and ensure internal controls.

**Finding No.2:** Personal Driveway Repairs Billed to Individuals below Cost and Fair Market Value.

Labor and material costs were included in three invoices sent to individuals for driveway sealing performed by Edgar County employees as requested by the Paris Township Road Commissioner. Materials were billed by Paris Township at cost and labor was billed at \$ 20 per hour. Reimbursement was not sought for payroll taxes, equipment usage or other overhead costs for the County and its employees.

One personal driveway repair that was approximately 250 yards long was billed by Paris Township at \$ 1,758.48. Three companies listed in the Edgar County Yellow Pages that are in the driveway sealing business provided quotes for this type of drive (250 yards long, 8' wide with CA -16) at prices ranging from \$ 3,000 to \$ 5,500, with an average cost of \$4,133.

Edgar County billed an individual for a driveway repair that was approximately 250 yards long a total of \$ 701.60. Individuals that had their driveways sealed by Edgar County employees received the service free of charge or at a greatly reduced discount from the current market price.

Though the governments involved should not have been performing personal driveway repairs, all costs should have been recognized and considered when determining what should be billed in connection with these driveway-sealing projects.

**Recommendation:**

Edgar County officials have agreed to no longer chip and seal privately owned driveways. We would nevertheless recommend, however, that the County should bill individuals for all actual costs, including all applicable county materials, overhead and equipment costs in the event that County forces need to make repairs, for instance, on County property damaged by private individuals.

**Responses from Responsible Officials:**

**Partially Disagree:**

- To my knowledge, no driveways were ever sealed free of charge.
- Costs recovered were minimal and below fair market value as a result of the work being incidental to actual roadway work that already had forces in place.
- County response to Finding No. 3 should be referenced.  
Corrective actions have been implemented:
- County has implemented a policy to no longer seal private drives.
- County highway has implemented new accounting procedures.
- County highway has created a four-member finance committee to review financial decisions and ensure internal controls.

**Finding No.3:** Payments Received for Private Driveway Repairs Not Recorded as an MFT Fund Recovery

Paris Township received three checks totaling \$ 3,442.87 from individuals that had their driveways chipped and sealed by Edgar County Highway Department. The Township deposited these funds into their Road and Bridge Fund instead of the Motor Fuel Tax Fund. The Paris Township Road Commissioner deposited the three checks into the Road and Bridge Fund based on the belief that the Township had already paid Edgar County 100% of the MFT funds collected from the State in 2012 for other MFT projects.

Edgar County received one check for \$701.60 from an individual that had his driveway chipped and sealed. The County also deposited this check into their Road Fund instead of the Motor Fuel Tax Fund, but has subsequently transferred this money into their MFT Fund. At the time, Edgar County was not aware that this money was to be deposited into the MFT Fund.

Generally accepted accounting principles for government units requires that any portion of income or other credits relating to allowable costs received by the governmental unit shall be credited to the governmental unit's fund in which the funds were originally expended and should be shown as a cost reduction or cash refund.

The Paris Road and Bridge Fund received \$ 3,442.87 in funds that should have been deposited to the MFT Fund of Paris Township. Edgar County received \$701.60 that should have been deposited to the MFT Fund for Edgar County.

**Recommendation:**

We recommend that Paris Township transfer \$3,442.87 from their Road and Bridge Fund to their Motor Fuel Tax Fund to account for the reimbursements for the private driveway repairs.

Edgar County and Paris Township should develop policies, procedures and internal controls to properly account for credits, revenues and reimbursements received which should be appropriately credited to and returned to their MFT funds.

**Responses from Responsible Officials:**

Fully Agree:

- Edgar County and the Paris Township Road commissioner are unable to determine if MFT funds were used to front costs prior to fund recovery. However, per the recommendation, Paris Township will immediately transfer \$3,442.87 from their Road and Bridge Fund to their MFT fund.
- Edgar County highway has implemented new accounting procedures. Had these procedures been in place when the driveways were sealed, many of the questions raised in finding #1 and finding #2 would not exist.
- County highway has created a four-member finance committee to review financial decisions and ensure internal controls.
- County highway has been diligently working towards improving the process of ensuring funds are appropriately credited and returned to the appropriate account. County highway agrees that any portion of income or other credits relating to allowable costs received by the governmental unit shall be credited to the governmental unit's fund in which the funds were originally expended and should be shown as a cost reduction or cash refund.