



COUNTY BOARD AGENDA - STUDY SESSION

RE: Elimination of the Elected Office of County Auditor

County of Champaign, Urbana, Illinois

Tuesday, June 25, 2024 – *6:00 P.M. *PLEASE NOTE TIME

Shields-Carter Meeting Room

Brookens Administrative Center

1776 East Washington Street, Urbana, Illinois

Agenda Items

Page #'s

- I. Call to Order
- II. *Roll Call
- III. Read Notice of Meeting
- IV. Approval of Agenda
- V. Public Participation
- VI. Communications
- VII. Presentations/Discussion
 - A. League of Women Voters of Champaign County 1-8
 - B. Statutory Duties of Elected Auditor Presentation
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- VIII. Other Business
- IX. Adjournment

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LWVCC COUNTY GOVERNANCE STUDY TASK FORCE REPORT

AUGUST 2022

Introduction

Since 2010, citizens of Champaign County have been presented with several referenda concerning county government, some of which asked whether some county officers, traditionally elected, should be appointed and the functions of the office assigned to other offices. (Recorder of Deeds, Auditor, Coroner). In 2016, citizens were asked whether the structure of county board governance should be changed from a county board chair elected from amongst the county board members to another structure permitted by statute.

The League of Women Voters of Champaign County did not take a position recommending a yes or no vote on these referenda because we had neither studied the pertinent issues nor formally adopted a League position based on study. These are important issues and the League should be actively involved in discussing and recommending positions based on careful study and analysis. The purpose of this study is to develop a position on relevant issues of county governance so as to be able to advocate based on knowledge of county governance.

Process

The Task Force on County Governance, composed of League members and knowledgeable community members, was appointed by LWVCC President Trisha Crowley to complete the County Governance Study Project approved by the LWVCC membership on June 16, 2021. (*Appendix 1: List of Task Force members.*)

The Task Force determined that a reasonable first step was to contract with a knowledgeable consultant who could provide information on issues of county governance. (*Appendix 2: Bellwether Report – A Consideration of County Government Structure*). The consultant was asked to:

1. Recommend the most effective operating model for the offices of County Auditor and County Coroner;
2. Compare and contrast the various models of county board governance permitted in Illinois; and

3. Recommend the optimum number members of the Champaign County board.

The Task Force unanimously adopted the recommendations contained in this Report based upon the Task Force Members' specific expertise and experience with Champaign County government and the information in the Bellwether Report. The next step is presentation to the membership of the Champaign County League of Women Voters for adoption of a position on these issues.

Conclusions

Based on information in the Bellwether Report but weighting their own knowledge and experience as most important, the Task Force recommends these positions:

1. The elected office of Auditor should be eliminated and the duties assigned to other offices.
2. The elected office of Coroner should be retained.
3. The County Board chair should be elected by the voters of the entire county.
4. The current 22-member County Board is too large to function well. Although a smaller number (from 9-15 members) could work more effectively, the question should be deferred until a time closer to 2030 redistricting, which is the next opportunity to make changes.

Part 1. Elected County Officials

A. Recorder of Deeds

In 2020, the issue of whether to continue electing the Recorder of Deeds was put on the ballot by the County Board after the Democratic candidate for the office campaigned on the platform of eliminating the Recorder of Deeds. He posited that eliminating the elected position could save the county money, primarily because the office was purely ministerial and had little policy-making authority. The referendum was passed, the office was eliminated, and the duties were transferred to the County Clerk.

B. County Auditor

The primary duties of the County Auditor are to approve disbursement of county funds (in excess of \$175 million/year in Champaign County) and to complete a Comprehensive Annual Financial Report preparatory to an annual audit. Candidates for this elected office are not required to have professional licenses or any relevant education or experience. After being elected, 20 hours of professional training annually is the only mandatory requirement to hold the office of County Auditor.

Elected county auditors themselves agree that the public does not know what the auditor does. (*Appendix 2 - Bellwether Report, p.28*)

In recent years, Champaign County has had an auditor who was reelected despite rarely coming into his office, a situation highlighted by repeated newspaper coverage. Under the current elected auditor system, Champaign County has not had its annual audit completed on time for 6 consecutive years. In 2021, federal pass-through funds were delayed because of the lack of an approved audit.

Because this is an elected office, the auditor cannot be replaced, regardless of job performance, except every four years at election time. The impact of problems in the auditor's performance are mainly internal to the county government; county offices are the most impacted because the auditor processes every department's bills. This condition is nearly opaque and very difficult for ordinary citizens to see, understand and evaluate.

The main argument for continuing to elect the county auditor is that it maintains the position's independence from the county board, allowing the auditor to raise issues publicly about the financial process.

Although the League strongly believes in democratic principles that include citizens' rights to determine who holds offices of importance in the County, the absence of an Illinois statutory requirement that elected county auditors have appropriate training, experience, and certification, undermines the electoral process. It is difficult for voters to understand the position's requirements and then to seek out candidates' relevant experiences and/or licensures in order to make independent decisions about how to cast their votes.

It is the Task Force's conclusion that the importance of professional skills that will be evaluated by professional county administrative staff outweighs the value of the independence of an elected position. This independence is rarely used, and if used does not necessarily lead to an effective change. If the job is not being done right, the person should be able to be replaced immediately, not 4 years later. The process of hiring a professional is much more likely to result in competence than is election by citizens who are basically unaware of what the auditor does. The County is required to have an independent audit annually, which is done by an outside professional accounting firm. This independent review of county finances provides the necessary oversight and is the oversight system in place in most government bodies throughout the state.

C. County Coroner

The coroner's position is the oldest administrative office defined by Statute and in existence in Illinois counties. The coroner attends each death, determines a cause - ordering an autopsy if necessary - and issues death certificates. The coroner deals with both the public and law enforcement. Voters understand what the coroner does and are likely to be aware of significant complaints by those who interact with the coroner's office because those complaints come from outside the office.

The alternative to a coroner is a medical examiner system. A medical examiner is required to be a licensed physician. That system is likely to be much more expensive due to the statutory requirement that the examiner holds a medical license. The pool of physicians who might want the job is likely to be small and the salary is likely to be higher than that of a coroner. Illinois counties with this system have reported difficulties finding qualified medical examiners. The present system of elected coroner is working well in Champaign County. For these reasons the Task Force recommends retaining the elected coroner.

Part 2. County Governance

There are 5 forms of county governance in Illinois:

1. Commission counties, which are generally very small in population and are found mainly in the southern part of the state. Because of the limitations of this statutory form, it is not appropriate for Champaign County and will not be considered further.
2. Cook County, which has its own statutory scheme because of its size and history and will not be considered further.
3. Township Counties, in which the county board selects a chair from amongst the district county board members. This is the default form of county government in township counties.
4. Township counties where the County board chair is elected by the voters county-wide. Seven counties, mostly the populous collar counties, use this form. (*Appendix 3: List of Illinois counties with county-wide elected board chair*)
5. Counties with a county executive elected by voters county-wide. Only 2 of Illinois' 102 counties - Champaign and Will - currently use this form. Under Illinois law, home rule for counties is possible only under the county executive form and only after a referendum approving home rule for the county. Neither Will nor Champaign are home rule counties because the voters were not asked to approve home rule powers when the referendum question on county executive structure was placed on the ballot. Home rule would require approval by the voters on that specific question in a county wide referendum.

Champaign County

(See *Appendix 4: background information about Illinois counties in general and Champaign County in particular.*)

In 2016, the voters were presented with 2 referenda:

1. To change the county board structure to one where the County board chair is elected by voters county-wide; and
2. To change to a structure where county voters elect a county executive.

Both referenda were approved by more than 50% of the voters. Although the board chair elected county-wide received substantially more votes, the county executive form was

implemented because state law held that a change in form (from Township County to Elected Executive) was to be given priority.

Clearly, most citizens were not satisfied with the previous system where the board chair was elected by board members. There had been several board chair elections that were supported by only a few members of the majority party (Democrats) and all or most of the members of the minority party (Republicans). Without the support of most of the majority party, there was often considerable disagreement during board meetings. This was well known to voters and is probably one of the major reasons they voted for change.

Because more than 50% voted 'yes' on both referenda, some voters said 'yes' to both questions. It is apparent there was some confusion among voters about which structure would be best. Although there was public discussion before the referenda, it focused mostly on arguing for voting yes for a change. There was not a substantial education campaign to explain to voters the differences between the two structures.

Differences between the two forms

The major differences in governance between these two structures is leadership of the county board. A board chair elected county-wide chairs meetings, sets agenda, participates in every vote and generally provides leadership that is similar to that of a strong city mayor. The county executive is the administrative head of the county. They prepare the budget but does not vote except for ties, and even then, their vote can be overridden by a 2/3 vote of the board. The position is not particularly well structured to provide leadership to the board because the county executive is not a member of the county board.

Several examples illustrate this point.

Under the county-wide board chair form, the county board hires (and fires) the county administrator with board approval. Policies such as the personnel policies for county employees and financial policies to guide budgeting are set by the board. The county administrator handles day-to-day matters, such as preparing the budget, and reports to the whole board.

The county executive can hire administrative staff and enact personal and financial policies without board input or approval.

Champaign's first county executive was elected in 2018. The county board proceeded to enact policies to minimize the statutory role of the county executive. These included board rules that provided for the county board chair to continue to fill appointments, such as vacancies on the county board itself, even though the elected county executive maintained that appointments were her responsibility by statute. This is the subject of a lawsuit between the county executive and the county board that is currently before the Illinois Supreme Court. (*Appendix 5: Kloepfel vs. Champaign County Board*).

Although the county executive, by statute, is given the authority to prepare the agenda for county board meetings, the board regularly voted to amend the agenda to ignore items placed on it by the county executive.

In 2022, the board, while acting to set the 4-year salaries of those county officials who would be elected in the November 2022 election, set the salary of the county executive – the person responsible for managing the entire county - at a rate lower than every other elected official. The salary, set at \$70,000/year, is not designed to attract county executive candidates with strong administrative and financial skills demonstrated by prior life and work experience. If the duties of the office are going to be broadly delegated by the county executive to a hired county administrator, there will not be the transparency and effective board relationships created by an administrator who is hired by the board under the county board chair.

The Bellwether Report recommends the county executive structure as the most effective form for Champaign County. The major reason for this recommendation is that the county executive structure is the only one that can acquire home rule power and that such authority would be an important way to handle the financial difficulties that Champaign and many Illinois counties face.

No Illinois county other than Cook has home rule authority. Home rule authority would allow the county board to ignore the property tax cap, which the county board has previously voted to impose on all non-home rule government units (including itself) in Champaign County. It would allow county board regulation of businesses throughout the entire county, conflicting with municipal home rule units. Municipal home rule has been exercised by many cities in Illinois for decades. That Champaign County would be the only home rule county outside Cook creates uncertainties of how this power would be interpreted and applied by the county board. Home rule authority is a negative factor, rather than a positive factor supporting the county executive form. (*Appendix 6 – Home Rule Powers*)

The Task Force thinks that this theoretical power to acquire home rule authority is very unlikely to be approved by Champaign County voters in the foreseeable future. In the absence of actual home rule authority, the benefits of a county board chair elected county-wide outweigh the benefits of the elected executive form.

Some of the major responsibilities of the county board in the past decade have been the downtown jail, which was severely decrepit, and the county nursing home, which was losing millions of dollars a year. Because of lack of strong leadership at the county board, these issues dragged on for many years. The failure of the County Board to adopt and implement appropriate plans to address and correct these issues was widely known by the public. These leadership issues were not improved by the county executive form because the executive structure was not designed to provide leadership to the county board, but only to take care of administration.

Conclusion

The Task Force recommends that a county-wide elected board chair form of county government will be the most effective statutory option.

The Task Force was charged to make recommendations based on the real world of Champaign County. The County has many advantages as the home of the world-class University of Illinois and it has a growing, diverse, and educated population and a strong agriculturally-based rural community. But the county board continues to be divisive and unable to make timely decisions.

In 2016, the citizens of Champaign County voted for change. The change to an elected county executive has not noticeably improved the functioning of the county board or county government. Most of the other similarly populated counties in Illinois now use the county-wide elected board chair form. The Task Force believes that this form also will be best for Champaign County.

This change cannot be enacted except by a referendum. The referendum could be placed on the ballot by the county board or by citizen petition.

Part 3. Size of Board Membership

Prior to 1970, county board members in a township county were not directly elected to the county board. The county board consisted of township superintendents and assistant superintendents. For Champaign County, with 27 townships, this meant a county board of 54. This was changed in 1969 following the requirements of the US Supreme Court's "One person, one vote" decisions.

By statute, the county board itself decides the number of districts and the number of members per district every 10 years, based on the most recent census. The first County board after 1970 was set at 27 members elected from 9 districts.

This was changed to 22 members in 11 districts after the 2010 census. In the 2020 redistricting process carried out in 2021, the number of districts and members were kept the same although some boundaries were redrawn because of population growth in certain areas. There was a lack of discussion about changing the number of districts or members, in part as a result of the pandemic delay in the census, which ultimately delayed the whole redistricting process. The next time this issue can be addressed is in 2030.

The Bellwether report notes the factors that impact the optimum number of county board members. As the Report notes, both too few and too many members result in structural limitations for collaboration and discussion. Without such discussion, it may be difficult for members to know each other and learn to work together.

The question of the size of the board, both numbers of districts and members, should be studied closer to 2030, the next opportunity to make changes. The study should ensure that rural residents are adequately represented as these residents depend upon county services to a greater degree than residents in towns and cities. An effort also should be made to understand the time required of each board member for committee and board meetings, for meeting preparation, and for constituent contact so that the number of members and districts relate appropriately to the time board members spend on their duties.

The statutes outline a redistricting process which involves public input and public meetings. The League should prepare in 2029-30 so as to be able to provide knowledgeable testimony at that time.

The Task Force is not making a recommendation on this issue, preferring to defer a recommendation until the completion of a study that LWVCC should carry out prior to the 2030 census.

Note from Co-chairs Trisha Crowley and Deb Busey

We would like to express our great appreciation for the time and thoughtful consideration given to these issues by the members of the Task Force. The diverse experience of the Task Force members brought points of view based on their lengthy experiences in Champaign County and added insight to the discussions.

We thank the members of the League of Women Voters of Champaign County for their strong financial support and their time and attention regarding this County Governance Study.

We would also like to extend a special thank you to Steve Beckett and Alan Nudo, community members who rallied additional financial support for this project from interested community members and former officials who have worked in and with Champaign County government.

MEMORANDUM

To: Catherine Metsker, Chairperson, and Members of the McLean County Board
From: Cassy Taylor, County Administrator
Re: Resolution to Eliminate the Office of County Auditor

As requested, this memorandum has been prepared for the County Board Chair to provide information for consideration regarding functions of the County Auditor position and to provide information on redundancies and antiquated practices. The Office of County Auditor was created by an act of the Illinois General Assembly in 1911, but only as a default option for counties with a population between 75,000 and 3,000,000. As a result, the vast majority of Illinois counties are excluded from the Act and the office of County Auditor was never established in those counties. Even counties that do have a population within the statutory range for a County Auditor may elect to eliminate the office.

The office of County Auditor predates the Illinois Constitution, but it was not among the county offices established by the Constitution in 1970 and therefore its existence is permissive. As a permissive office, voters may decide to eliminate the office by referendum. In 2022, voters in Peoria County eliminated the office of County Auditor by a margin of 70% to 30%, and there are now 16 elected County Auditors in the State of Illinois.

The office of County Auditor also predates the statewide county auditing requirements established under the County Auditing Law in 1963. The law establishes a statewide set of auditing requirements for counties by an auditor or auditors chosen by the County Board, and establishes the professional qualifications necessary to do so. Specifically, the law provides that an “auditor” means, “a licensed certified public accountant ... or the substantial equivalent of a licensed CPA who performs an audit of county financial statements and records and expresses an assurance or disclaims an opinion on the audited financial statements,” and, the statute explicitly excludes holding the office of

County Auditor as a basis for qualification. As a result, **counties with a County Auditor are required to support the costs of the internal office, even though the office is not legally qualified to perform audits for the County, in addition to contracting with external auditors with the necessary credentials.**

Notably, **in Illinois, there are no professional qualifications required to serve as a County Auditor.** Model legislation developed by the Association of Local Government Auditors (ALGA) suggests imposing proficiency requirements, which could be demonstrated by relevant certifications such as a Certified Internal Auditor (CIA), Certified Public Accountant (CPA), or Chartered Accountant (CA).” By way of contrast, the State imposes professional eligibility qualifications on County officials including, but are not limited to, the following:

County Office	Required Qualification
County Engineer	Certification as Registered Professional Engineer
Nursing Home Administrator	Licensed Nursing Home Administrator
Public Defender	Licensed attorney-at-law
State’s Attorney	Licensed attorney-at-law
Supervisor of Assessments	Either an active Certified Illinois Assessing Officer designation, or other designation from relevant professional association

The McLean County Auditor’s salary for FY 2025 is budgeted for \$90,324. Elimination of the internal office of County Auditor would generate immediate savings for taxpayers because, as discussed below, many of the functions assigned to the County Auditor by statute are performed by other officials in McLean County. Those duties not otherwise performed by other County offices could be eliminated or distributed among existing county officials.

Statutory Duties

In jurisdictions the size of McLean County, there are eleven (11) statutory duties of the County Auditor. Of these eleven functions, some are already performed by other county officers or by the County Board, some are performed by the County’s external auditors, and others are not performed, or performed inconsistently. Modern finance software automates

several of these functions, whereas the statute creating the office of County Auditor is based on antiquated paper processes.

55 ILCS 5/3-1005 (a) Audit all claims against the county, and recommend to the county board the payment or rejection of all claims presented.

Under current practices, the County Auditor does not recommend the rejection of claims presented for payment. Instead, claims are approved by authorized county officials, reviewed by the County Auditor, and then processed for payment through the Treasurer's Office. The County Board typically provides retroactive approval of payments based on the County Auditor's recommendation. This arrangement has resulted in inefficiencies and late fees when the County Auditor believes that a claim should not be paid. The County could maintain a necessary system of internal controls without the role currently performed by the County Auditor. If voters were to eliminate the office of County Auditor, every expenditure would still require department head authorization, review by accounts payable staff in the office of the County Treasurer, approval by the County Board, and examination by external auditors.

55 ILCS 5/3-1005 (b) Collect, analyze and preserve statistical and financial information with respect to the cost of operation of the various institutions and facilities maintained, operated or owned by the county.

This is a function that is not provided by the County Auditor in McLean County. It is among the functions that are performed by modern accounting software.

55 ILCS 5/3-1005 (c) Approve all orders for supplies issued by the various county officers, before the orders are to be placed with the parties to whom the same are to be given.

This function is not provided by the County Auditor in McLean County. Once the County Board has budgeted for supplies in any given department, authorized department heads approve orders for supplies.

55 ILCS 5/3-1005 (d) Maintain a file of all contracts entered into by the county board and all authorized county officers, for or on behalf of the county.

This function is currently performed by the office of the County Administrator, and will be partially automated by a planned Enterprise Resource Planning (ERP) system that is in development. The new ERP system will allow department heads to upload contracts directly into the database, which will store them after approval by the County Board.

55 ILCS 5/3-1005 (e) Report quarterly to the county board the entire financial operations of the county including revenues anticipated and received, expenditures estimated and paid, obligations unpaid, the condition of all funds and appropriations and other pertinent information. The county auditor shall cause to be published in at least one newspaper of general circulation in the county, a notice of the availability of the quarterly report for public inspection in the office of the county auditor. Such notice shall be published within 30 days of the date of the scheduled release of the report.

This function is not performed by the office of the County Auditor on a consistent basis. Reports on revenues are provided by the County Treasurer. The County Auditor's office does not publish quarterly reports.

55 ILCS 5/3-1005 (f) Audit the receipts of all county officers and departments presented for deposit with the county treasurer.

This function is not performed by the County Auditor in McLean County, as the accounts receivable function is provided by the County Treasurer's Office. However, external auditors examine revenues received and deposited.

55 ILCS 5/3-1005 (g) 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.

While the County Auditor is provided access to all records, documents, and resources of the County, the Office does not maintain a continuous internal audit of the operations and financial records of the County. Multiple departments have reported that cash drawer and petty cash funds that were previously subject to internal audit are now unaudited.

55 ILCS 5/3-1005 (h) Audit the inventory of all real and personal property owned by the county under the control and management of the various officers and departments of the county.

The County Auditor's Office maintains a listing of property owned by the County, but auditing of the inventory has become inconsistent. This function can be shifted to staff assigned to risk and records management.

55 ILCS 5/3-1005 (i) Audit the documentation, records, and bases for the amounts billed to the county, as maintained by county vendors, under agreements between the county and its vendors, when those agreements provide that the amounts billed to the county are based upon actual costs incurred by the vendor, or when those agreements include the requirement that the county provide a reimbursement for out-of-pocket costs incurred by the vendors [...]

This function is performed by the office of the County Auditor on an irregular basis. Other vendor functions, such as 1099 documentation and adding/removing Vendors to software, are completed by the County Treasurer.

55 ILCS 5/3-1006 (a) Be the general accountant of the county and keep its general accounts.

The definition of a "general accountant" is not defined under the statute, but generally accepted accounting functions include accounts receivable, accounts payable, payroll, financial reporting, and financial analysis. In McLean County, accounts receivable, accounts payable, and payroll functions are all performed by the elected County Treasurer's office. The County Auditor does provide assistance with financial reporting and analysis, along with the County Treasurer, County Administration, and the external auditors.

The offices of both the County Treasurer and County Auditor post journal entries and maintain the general ledger of accounts.

55 ILCS 5/3-1006 (b) Devise and install a system of financial records in the offices and divisions of the county, to be followed in such offices and divisions. Such a system shall be suitable to the needs of the office and in accordance with generally accepted principles of accounting for governmental bodies.

This is a statutory power also assigned to the County Board and can be implemented through new ERP system.

For the reasons established above, it is my opinion that elimination of the internal office of County Auditor would result in cost savings to the County through reorganization and more efficient use of funds. For those that argue the elimination of the elected County Auditor creates the opportunity for fraudulent activities, there are several checks and balances that already exist today that manage risk. These include having an external auditor, which is required by law in Illinois, and internal controls from department heads through accounts payable in the Treasurer's Office, and ultimately, the County Board. Our policies and procedures are also consistent in content and in execution of generally accepted accounting practices (GAAP), guidelines from the Government Finance Officers Association (GFOA), and satisfy the standards of our external auditors, who routinely give the County an unqualified opinion (the highest rating possible) of the county's financial statements. This means that the county's financial statements are consistent with GAAP and meet the Government Accounting Standards as established and maintained by the Comptroller General of the United States, and free from fraud or error.

**RESOLUTION OF THE McLEAN COUNTY BOARD
 APPROVING A REFERENDUM TO ELIMINATE
 THE OFFICE OF COUNTY AUDITOR**

WHEREAS, Article VII, Section 4 of the Illinois Constitution permits the McLean County Board to authorize a referendum that eliminates the office of County Auditor, and;

WHEREAS, Article VII, Section 11 of the Illinois Constitution requires that such a referendum be on the ballot in a general election, and;

WHEREAS, the next scheduled general election will occur on November 5, 2024, and;

WHEREAS, the McLean County Board believes that the people of the County of McLean are entitled to decide whether the office of County Auditor shall be eliminated.

NOW, THEREFORE, BE IT RESOLVED that the McLean County Board submits the following referendum to be placed on the ballot for the General Election to be held on November 5, 2024:

Referendum Title: Eliminate the Office of County Auditor

Shall McLean County eliminate the elected office of County Auditor when McLean County already contracts an external Auditor as required by state law? Process improvements and the elimination of redundant functions would be a cost savings to the County.	<input type="checkbox"/> YES
	<input type="checkbox"/> NO

ADOPTED by the McLean County Board this 13th day of June, 2024.

ATTEST:

APPROVED:

 Kathy Michael, Clerk of the County Board,
 McLean County, Illinois

 Catherine Metsker, Chairman
 McLean County Board

AGENDA BRIEFING

COMMITTEE: Executive Committee
MEETING DATE: July 26, 2022

LINE ITEM:
AMOUNT:

ISSUE:

For RESOLUTION: Referendum Question to Eliminate the Office of County Auditor for the November 8, 2022 General Election

BACKGROUND/DISCUSSION:

Under the Counties Code of the State Statutes, county governments in Illinois are only required to have an elected Auditor if the population falls between 75,000 and 3,000,000 (55 ILCS 5 / Division 3-1). Peoria County is one of 21 counties that meet that criterion. That means 79% of the counties in Illinois do not meet the criteria to have an elected county auditor. Article VII, Section 4 of the State Constitution states that the office of County Auditor is not a Constitutional Officer, and that the office is permissive. This means that counties above or below the population thresholds do not have county auditors, but they may create the office by asking the voters via a referendum. It also means that counties, like Peoria County, that fall within the population threshold may ask the voters to eliminate the office.

Of the 21 counties that meet the criteria to have an elected county auditor, there are four (4) that do not have an auditor. They are DeKalb, Kendall, Lake, and Vermillion counties. DeKalb and Kendall were once below the population threshold and grew large enough to have an auditor. Voters in both counties said they wanted to keep the status quo by voting to eliminate the office before the county's first auditor could be elected. Lake County had met the population criteria for many decades before their voters approved a referendum to eliminate the office. Vermillion County grew in population during the 2020 census and is currently determining if it will duplicate the actions of DeKalb and Kendall counties.

For counties the size of Peoria County, the Counties Code lists eleven (11) duties of the County Auditor; the first nine (9) of which all counties with an Auditor are required to have and two (2) additional that are required for counties between 75,000 and 275,000 population. They are listed below. Many of the functions listed below are duplicated functions of other county officers (countywide elected officials) or the county board based on different sections of the Counties Code. Additionally, modern finance software automates several of these functions whereas the statute is based on antiquated paper processes.

Function

1. Audit all claims against the county, and recommend to the county board the payment or rejection of all claims presented.
2. Collect, analyze and preserve statistical and financial information with respect to the cost of operation of the various institutions and facilities maintained, operated or owned by the county.
3. Approve all orders for supplies issued by the various county officers, before the orders are to be placed with the parties to whom the same are to be given.
4. Maintain a file of all contracts entered into by the county board and all authorized county officers, for or on behalf of the county.

5. Quarterly financial reporting to the County Board with notice published in a newspaper of general circulation.
6. Audit the receipts of all county officers and departments presented for deposit with the county treasurer.
7. 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.
8. Audit the inventory of all real and personal property owned by the county under the control and management of the various officers and departments of the county.
9. Audit the documentation, records, and bases for the amounts billed to the county, as maintained by county vendors, under agreements between the county and its vendors, when those agreements provide that the amounts billed to the county are based upon actual costs incurred by the vendor, or when those agreements include the requirement that the county provide a reimbursement for out-of-pocket costs incurred by the vendors.
10. Be the general accountant of the county and keep its general accounts.
11. Devise and install a system of financial records in the offices and divisions of the county, to be followed in such offices and divisions. Such a system shall be suitable to the needs of the office and in accordance with generally accepted principles of accounting for governmental bodies.

For those that argue the elimination of the elected County Auditor creates the opportunity for fraudulent activities, there are several already existing checks and balances that work to manage and limit fraudulent risk. These include having an external auditor, which is required by law in Illinois. Our policies and procedures are also consistent in content and in execution of generally accepted accounting practices (GAAP), guidelines from the Government Finance Officers Association (GFOA), and satisfactory such that that our external auditors routinely give the County an unqualified opinion (the highest rating possible) of the county's financial statements. This means that the county's financial statements, which are prepared by the county (less than 5% of local governments prepare their own financial statements) are consistent with GAAP and meet the *Government Accounting Standards* as established and maintained by the Comptroller General of the United States, and free from fraud or error.

State Statutes do not specify the exact ballot language that must be used for this referendum. Therefore, the County Board has flexibility to craft the question to be asked of the voters. The ballot language below is suggested.

Shall Peoria County eliminate the internal Office of County Auditor when Peoria County already has an external Auditor as required by state law? This would be a cost savings of approximately \$150,000 annually.	<input type="checkbox"/> YES
	<input type="checkbox"/> NO

COUNTY BOARD GOALS:

STAFF RECOMMENDATION:

N/A

COMMITTEE ACTION:

PREPARED BY: James T. Fennell, Vice Chairman
DEPARTMENT: County Board

DATE: July 18, 2022

TO THE HONORABLE COUNTY BOARD)
)
COUNTY OF PEORIA, ILLINOIS)

Your Executive Committee does hereby recommend passage of the following Resolution.

Re: Referendum Question for the November 8, 2022 General Election to Eliminate the Office of
County Auditor

RESOLUTION

WHEREAS, Article VII, Section 4 of the Illinois Constitution permits the Peoria County Board to authorize a referendum that eliminates the Office of County Auditor, and;

WHEREAS, Article VII, Section 11 requires that such a referendum be on the ballot in a general election of which the November 8, 2022 General Election is included, and;

WHEREAS, the Peoria County Board believes that the people of the County of Peoria are entitled to decide whether the office of County Auditor shall be eliminated.

NOW, THEREFORE, BE IT RESOLVED that the County Board orders the following referendum to be placed on the ballot for the General Election to be held November 8, 2022.

Referendum Title: Eliminate the Office of County Auditor

Shall Peoria County eliminate the internal Office of County Auditor when Peoria County already has an external Auditor as required by state law? This would be a cost savings of approximately \$150,000 annually.	<input type="checkbox"/> YES
	<input type="checkbox"/> NO

RESPECTFULLY SUBMITTED,
EXECUTIVE COMMITTEE