



OFFICE OF THE CHAMPAIGN COUNTY EXECUTIVE

1776 East Washington Street, Urbana, Illinois 61802-4581

Darlene A. Kloeppe, County Executive

MEMORANDUM

TO: County Board Members
FROM: Darlene Kloeppe, County Executive
DATE: December 13, 2020
RE: Additional Information from CLA Consultant (Information Only)

Attached are the e-mailed progress reports from the Clifton Larson Allen consultant regarding the work done at the Treasurer's Office. The Finance Committee Chair asked that the entire comments be distributed (in addition to the summary provided in our original memo), which include not only the consultant's weekly highlights, issues and recommendations, but also include the consultant's hours and examples of methods to make accounting entries to be shared with whomever takes on the responsibility for reconciliations in future.

Please be reminded that the consultant was hired only to do reconciliations, so her comments are limited in scope the county's bank accounts.

Client Name: Champaign County
Status Report for the week ending 12/07/19

Hours Worked: 22.25

Sunday:
Monday:
Tuesday: 4.25
Wednesday: 9
Thursday: 9
Friday:
Saturday:

Schedule for upcoming week**:

Monday: 9
Tuesday: 9
Wednesday: 9
Thursday: 9
Friday: 4

**Additional availability as needed by client and times are approx.

Upcoming Vacation/Scheduling Conflicts: None

Highlights for the week:

Scope: Perform bank reconciliations for 2019 and recommend a process going forward.

Brainstorming: Spoke with several personnel to try and get an understanding and overview of existing processes.

Was given a file with approximately ten bank reconciliations. There were also other various reconciliation type spreadsheets in it as well.

In addition, was given four additional First Financial banks; a listing of approximately thirty-five collector banks; and another list with approximately sixty banks that maybe combination of what I was already given; don't know how updated any of the lists are.

- Need a listing of the exact bank accounts that need reconciliation.
- The type and purpose of each account
- Personnel and function that is related to each account - for example, who is involved in any deposits or accounts payable that may be creating some type of daily or monthly report that can be useful for bank reconciliation purposes.
- Analyze how the bank reconciliations were performed previously
- Was told to only focus on treasurer accounts

Priorities for next week:

- Continued to analyze prior processes and begin the reconciliation process for 2019.

Issues or concerns:

- Limited resources of knowledge of processes

Estimated project completion date: TBD

Client Name: Champaign County
Status Report for the week ending 12/14/19

Hours Worked: 44

Sunday:
Monday: 10.50
Tuesday: 11.25
Wednesday: 11.50
Thursday: 10.75
Friday:
Saturday:

Schedule for upcoming week**:

Monday: 10
Tuesday: 10
Wednesday: 10
Thursday: 10
Friday: 4

**Additional availability as needed by client and times are approx.

Upcoming Vacation/Scheduling Conflicts: December 26 and 27 - holiday

Highlights for the week:

- Performed a revision of the Dec 2018 bank reconciliations
- Now have the exact bank accounts that need reconciliation
- Documented and analyzed current bank reconciliation process
- Created Jan through October 2019 bank reconciliation templates and file
- Analyzed some particular back transactions for trends and possible issues
- Started the 2019 bank reconciliation process

Priorities for next week:

- Start performing the 2019 reconciliations
- Place all files on the share drive (L drive)

Issues or concerns:

- Limited resources of knowledge of processes

Assessment:

Ten bank reconciliations using fifteen bank statements (there are an additional five bank statements that are used in the reconciliation process for some of the banks). There are approximately five reports that are used:

- Treasurer's receipt
- The equivalent of a GL report (can't think of the exact name at the moment)
- Outstanding checks (will be given to me Monday for January)
- Another report to be given to me Monday
- Balance sheet

Scope call for 2019 bank reconciliations for be performed; so far, I have received most of the statements through August and a few October. There is one bank I have not received any for the year at all.

For January to October, we are looking at ten reconciliations per month (with the additional five bank statements) for a total of 100 bank reconciliations (with the additional 50 that are a part of the process).

Estimated project completion date: End of December 2019

Client Name: Champaign County
Status Report for the week ending 12/21/19

Hours Worked: 48

Sunday:
Monday: 11.75
Tuesday: 11.25
Wednesday: 10.25
Thursday: 11.75
Friday: 3
Saturday:

Schedule for upcoming week**:

Monday: 10
Tuesday:
Wednesday:
Thursday:
Friday:

**Additional availability as needed by client and times are approx.

Upcoming Vacation/Scheduling Conflicts: PTO December 26 and 27

Highlights for the week:

Files and templates for the bank accounts have been set up through October - 100, however, still missing some October bank statements. The bank and book numbers have been inputted onto all the reconciliations through September. Started the January bank reconciliation and was able to get through seven of the ten and only two are completed. The other five of the seven have very large variances; and the last only been reviewed for how to about them. The process is extremely tedious because of trying to research what these variances could be. Able to identified outstanding checks by looking through files, and was just given a CR report that I can look through to determine some cash receipts transactions.

The bank reconciliations cannot be completed, and/or variances explained until transactions with the corresponding bank account, are identified and posted. It appears that these transactions are on the cash receipts side are hard to identify what they are. Asked the Treasurer's office for:

- All documents pertaining to the bank accounts
- Backup and/or documentation of any transactions, such as adjustments, credits, corrections, errors, reporting, etc.
- Any missing statements

The transactions that are ongoing issues include:

- Transactions not posted
- Transactions posted incorrectly
- Transactions posted in other months
- Transaction issues have been communicated, however, don't know what bank accounts these affect.

- Inconsistent naming conventions, and/or terminology across documents and reporting need to be revised to include all the wording for consistency. For example:
 - Bank Statement say: ENTERPRISE FUND
 - Bank Reconciliation say: NURSING HOME
 - "Data Processing" - (Book reporting) say: Fund Number (for example #81)

Determined that these three items were the same. All the accounts need to be reviewed and revised so that there is consistency in naming conventions. For example:

Enterprise Fund - Nursing Home #81.

- While being made aware of numerous transaction related issues, not being made aware of which bank accounts most of these issues affects.

Priorities for next week:

- Continue the reconciliation process
- Research issues and variances

Issues or concerns:

- Limited resources of knowledge of processes
- Transactions not posted
- Transactions posted incorrectly
- Transactions posted in other months
- Transaction issues have been communicated, however, don't know what bank accounts these affect.

Estimated project completion date: December 31, 2019

Client Name: Champaign County
Status Report for the week ending 12/28/19

Hours Worked 10.25

Sunday:
Monday: 10.25
Tuesday:
Wednesday:
Thursday:
Friday:
Saturday:

Schedule for upcoming week**:

Monday: 10
Tuesday: 4
Wednesday:
Thursday:
Friday:

**Additional availability as needed by client and times are approx.
Upcoming Vacation/Scheduling Conflicts: None

Highlights for the week:

1. Performed bank reconciliations - working through January. Had to look other months, various reports, and files to help determine variances.
2. Discussion with the treasurer's office, which included giving an update of where the reconciliation process currently is, and advisement on going forward. Informed the office that ten reconciliation files for ten bank accounts (using fifteen bank statements because five accounts have Illinois Funds' information added to the reconciliation), have been setup through October 2019, and that the reconciliation process has begun. Additionally, informed the office that the process has been difficult because of transactions not posted or recorded; posted or recorded incorrectly, and/or posted or recorded in other months. The Treasurer's office responded that they don't know how to record or post transactions or have knowledge of what the bank reconciliation process is. I explained that some transactions are posted or recorded by various departments who handles deposits for the bank accounts, and that there is reporting that comes from that. I further explained that other transactions, such as errors and adjustments, will have to be posted or recorded by them, or initiated by them for adjustments to be made by the Auditor's office. Concluding that a bank reconciliation is basically a reconciliation of what was posted or recorded in the county's system against the bank statement.

I asked the treasurer's office if they are currently posting or recording any transactions or adjustments, or doing anything regarding the bank accounts, etc. and was told no. I strongly advised them to 'stop the bleeding' as to not to go into 2020 with the current situation getting worst and to start immediately processing any bank transactions, adjustments, etc.; as well as keep any documentation as it relates to each of the bank accounts.

Priorities for next week:

- Focus will be knowledge transfer

Issues or concerns:

- Limited resources of knowledge of processes
- Transactions not posted
- Transactions posted incorrectly
- Transactions posted in other months
- Transaction issues have been communicated, however, don't know what bank accounts these affect.

Estimated project completion date: December 31, 2019

Client Name: Champaign County
Status Report for the week ending 01/03/2020

Hours Worked 12

Sunday:
Monday: 10
Tuesday: 2
Wednesday:
Thursday:
Friday:
Saturday:

Schedule for upcoming week**:

Monday:
Tuesday:
Wednesday:
Thursday:
Friday:

**Additional availability as needed by client and times are approx.
Upcoming Vacation/Scheduling Conflicts: None

Highlights for the week:

1. Was given some additional bank reconciliations from Pius; it appears that he found them in the Treasurer's file: Was placed it in the L drive:
 - March 2017
 - Feb2019
 - April 2019
2. Status meeting with Pius regarding bank reconciliation process
3. Recreated the template and files for 2020

Recommendations

There are two main recommendations for the bank reconciliations:

- Cleaning up 2019
- Going forward into 2020.

2019 Bank Reconciliations Cleanup

- Recommending there be a dedicated resource to focus solely on the 2019 bank reconciliation. Because of the ongoing challenges, estimated time frame is no less than three months.
- All ledger postings such as, transactions, corrections, adjustments, etc. needs to be completed.
- Need to create a process for "control pay" - which is the vendor payments. There was a spreadsheet in the reconciliation file that appears to be some type of reconciliation for control pay, but not able to follow it, however it is added as a tab to each bank reconciliation file. Jill has a spreadsheet that she keeps on the vendor level that maybe useful.

Bank Listing			
Name	Account #	Account Description	Notes
Busey Bank	12084	RPC Combined Funds (Regional Planning)	IL Funds MM 7139165264
Busey Bank	6417612	Accounts Payable #098	
Busey Bank	9945189	Clearing Account (Hold at Bank) - Payroll #094	
Busey Bank	87000154	Nursing Home - Enterprise Fund	IL Funds MM 7139165527
Busey Bank	500675715	RPC PIPP	
Busey Bank	500612361	Accounts Payable - Control Pay	Commerce Bank
Busey Bank	4000462248	Reg Planning Comm - USDA Loan Fund	
First Financial	70608385	General Corporate #80	IL Funds MM 7139164463
First Financial	70640076	Trust & Agency #600	IL Funds MM 7139164735
Prospect Bank	xxxx3739	Combined Highway	IL Funds MM 7139164726
Illinois Funds	Account #	Match With Above Recon Banks	Notes
Illinois Funds	7139164726	Combined Highway Funds	Part of bank reconciliation
Illinois Funds	7139164463	General Corp #80	Part of bank reconciliation
Illinois Funds	7139164735	Trust and Agency	Part of bank reconciliation
Illinois Funds	7139165264	RPC Combined Funds	Part of bank reconciliation
Illinois Funds	7139165527	#081 Nursing Home	Part of bank reconciliation

Going Forward 2020

- A daily review of all bank statement transactions online to ensure transactions are recorded into the ledger. Include deposits, errors, adjustments, etc.
- Retain all bank documentation and backup to all transactions. Each bank statement needs to have attached all documentation acquired during the course of the month
- Update documentation, bank reconciliation template, bank statements to reflect same naming convention and/or titles.

Issues or concerns:

- Limited resources of knowledge of processes
- Transactions not posted
- Transactions posted incorrectly
- Transactions posted in other months

Estimated project completion date: Complete