

May 26, 2020

To the Kankakee County Board, Finance Committee, and Management
Kankakee County, Illinois

In planning and performing our audit of the financial statements of Kankakee County, Illinois, as of and for the year ended November 30, 2019, we noted the following items which are worthy of your consideration.

Offline Accounts

We noted that a vehicle was purchased through the Sheriff Civil Process Fund which is an agency fund. Similar to other agency funds of the County, the fund's transactions and general ledger are not recorded in the centralized MIP accounting software, but offline. The purchase of a vehicle for County use should be captured and recorded in the centralized system to ensure proper reporting in the capital asset system and on the financial statements. In this instance, a transfer should have been recorded from the agency fund to the General Fund, and the purchase of the vehicle should have been recorded in the General Fund. We recommend that the County implement processes and procedures to ensure the financial statements accurately reflect the activity of the County, including those transactions that occur in offline agency funds.

Payroll Test

During our payroll test, we noted an error in the calculation of one employee's hourly pay rate for the purpose of paying retroactive amounts after settling the collective bargaining agreement. Due to the manual nature of calculating retro-pay and its susceptibility to error, we recommend that the County implement a process to have someone review/recalculate the amounts prepared by the payroll administrator. The reviewer could be a department head, the County Administrator, the County Auditor, or personnel from the Finance Department.

Bank Reconciliations – Commissary Fund

We noted that the bank reconciliation for the Commissary Fund did not balance as of November 30, 2019. The difference appears to have resulted from an error in a previous year. We recommend that the department continue to work toward resolving the issue and develop processes to ensure that bank accounts are appropriately reconciled in a timely manner.

Bonds and Interest Levy

For tax years 2017 through 2019, the County levied for bonds and interest on the General Obligation Bonds (2011, 2012 and 2012A alternate revenue bonds) which were paid by pledged revenue sources prior to tax year 2015. This decision was made due to the deteriorating fiscal condition of the County. As inmate housing revenues increase, the County should consider whether and when those revenues should once again be pledged for the payment of debt service in accordance the requirements of the bond ordinances.

We appreciate the courtesy and cooperation of your staff during our audit and would be happy to discuss the above items further at your request. This report is intended solely for the information and use of the Board, Board Committees, management, and appropriate regulatory agencies.

Sincerely,

SKDO, P.C.