



Opinion: A Proposition To Change Madison County Auditing Firm Every 6 Years

by Kurt Prenzler

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This month I am proposing a resolution to the county board that the county changes its outside auditing firm every 6 years.



This is on the agenda for the Wednesday, Aug 18, Executive Committee meeting.

For more than 20 years Madison County has had the same CPA firm auditing its books.

This is the "best practice" of the State of Illinois and many of the best-run counties.

The following counties changed (hired new and different) outside auditors beginning with these fiscal years:

Champaign – 2016

Lake – 2017

McLean – 2019
Peoria – 2016
Sangamon – 2017
Winnebago – 2017
Franklin County, Missouri – 2020
St. Charles County, Missouri – 2021
St. Louis County, Missouri - 2020

Major counties that did not change auditors within the last 5 or 6 years are usually with very large, often international, accounting firms.

Independence is the reason for changing outside auditors.

It's possible that over years of working together, relationships may develop between an auditor and its client that can erode an auditor's independence.

I want to emphasize that my proposing a mandatory rotation policy should not be viewed as a negative comment on the county's current outside auditor.

In 2017, I recommended that the board change auditors, but the board voted to continue with the current outside auditor for another four years. The current auditor was the low bidder at \$496,800, about \$8,000 less than the next bid.

A county can have the best CPA firm in the world, but a mandatory rotation policy simply requires a "new set of eyes" on a regular basis.

I want to congratulate the board and management of the Metro East Parks and Recreation District, which voted to change auditors in 2021. I was told that this decision was in no way a poor reflection on the prior auditor, but the entire board believed it was a good idea to have a set of new eyes on the books.

Business vs. Government

A business may choose to use the same auditor for 20 years, and that's perfectly fine, if its stockholders and creditors are happy with that arrangement.

But government needs more stringent policies.

History of embezzlement from local governments

City of Wood River \$143,000 - 2012

Wood River Levee District - \$160,000 - 2018 (alleged)

Madison County \$32,000 - 2009

Moro Township \$700,000 - 2013

East St. Louis Township - 2016

And who can forget - just up the road in Dixon, Illinois - the hometown of former Pres. Ronald Reagan - \$53 million embezzled - perhaps the largest municipal embezzlement in U.S. history. **See link to video:** <https://www.youtube.com/watch?v=q57ZKn-C-To>

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