



OFFICE OF THE COUNTY AUDITOR

Bill White, J.D.

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To: Hon. Greg Schwarze, Chairman
DuPage County Emergency Telephone System Board (ETSB)

ETSB Members

From: Bill White, J.D.
County Auditor

A handwritten signature in blue ink, appearing to be "B. White".

Subject: Internal Audit of Accounts Payable
#21-55

Date: June 1, 2021

The Office of the County Auditor has completed a limited scope internal audit of the transaction processing of ETSB invoices submitted for payment. The audit identified six exceptions that required correction by the ETSB or Finance Department.

All invoices submitted have been reviewed and released for payment by the County Auditor. The results of the audit are presented below.

Results

My Office has performed voucher pre-audit procedures for the invoices submitted for approval by the ETSB at the June 9, 2021 Board Meeting. The invoices listed on the Bank Account Payment History Report dated May 28, 2021 have been examined and are recommended for payment. The total of the expenditures is:

- FY2021 Equalization Fund (4000-5820) \$1,824,650.24

Six exceptions were identified by the County Auditor.

An Intergraph Corporation invoice for software maintenance in the amount of \$1,364,694.61 for vendor agreement 1914-0001 SERV was entered into MHC as \$1,364,964.61 on line 4 of the purchase order. The invoice was disapproved by the County Auditor on May 20, 2021. The purchase order line amount was corrected by the Finance Department on May 21, 2021 and the County Auditor recommended the invoice for payment that same day.

A Voiance Language Services, LLC invoice for over the phone translation services in the amount of \$933.30 for vendor agreement 5089-0001 SERV was entered into MHC as "Dispatch Pro Law Enfrcmnt Training" on line 1 of the purchase order.

The invoice was disapproved by the County Auditor on May 19, 2021. The purchase order line description was corrected by the Finance Department and the County Auditor recommended the invoice for payment that same day.

An Office Depot, Inc. invoice for office supplies in the amount of \$21.58 was entered into the MHC system by the Finance Department with an incorrect process level. The County Auditor disapproved the invoice on May 19, 2021. The Finance Department corrected the process level and the County Auditor recommended the invoice for payment on that same day.

An AT&T invoice for flex circuits and DuComm PSAP's in the amount of \$4,738.83 for vendor agreement 5164-0001 SERV matched out of tolerance due to an incorrect service code associated with the purchase order. The Procurement Division of the Finance Department corrected the service code on May 19, 2021. The invoice was deleted from the Lawson ERP system and re-entered into MHC by the Finance Department. The County Auditor recommended the invoice for payment that same day.

A Baker Tilly US, LLP invoice for financial audit services in the amount of \$1,728 for vendor agreement 4305-0001 SERV was coded as 53300 Repair and Maintenance of Facilities on the authorization label. The invoice was disapproved by the County Auditor on May 19, 2021. ETSB staff corrected the coding and resubmitted the invoice to the Finance Department. The County Auditor recommended the invoice for payment that same day.

A ComEd invoice for electricity in the amount of \$133.92 was listed on the authorization label as \$139.31, the past due amount. The invoice was disapproved by the County Auditor on May 19, 2021. ETSB staff corrected the invoice amount and resubmitted the invoice to the Finance Department. The County Auditor recommended the invoice for payment that same day.

Objective

The County Auditor will perform a series of procedures designed to evaluate the internal controls involved in the processing of transactions in the accounts payable system. The actual procedures performed will depend upon the County Auditor's assessment of risks associated with the transactions.

Background/Audit Scope

Invoices and the related supporting documentation are initially prepared and submitted for payment processing by County departments to the centralized accounts payable function administered by the Finance Department.

The County Auditor performs audit procedures on the payment documentation after the information has been entered into the accounts payable system by the Finance Department. These procedures include reviewing the scanned images of the invoice and supporting documentation and comparing it to the information entered into the system. Significant discrepancies noted between the supporting documentation and the information recorded in the system are identified by the

County Auditor as exceptions. In these situations, the County Auditor notifies the Finance Department of the problem. When the discrepancies are resolved, the County Auditor approves the invoice.

A Bank Account Payment History Report is generated by the Finance Department after the invoices have been approved and the County Auditor verifies that each of the recommended payments was properly posted to the County's General Ledger.

Audit Findings and Recommendations

The County Auditor audited 40 invoices submitted for payment, six exceptions were identified.

The ETSB should verify that authorization labels have accurate account coding and invoice amounts prior to submitting the invoices to the Finance Department.

The Finance Department should verify the completeness and accuracy of invoices entered into the ERP and MHC systems prior to forwarding to the County Auditor for review and payment recommendation.

The ETSB should continue to regularly review available ERP reports and real-time transaction information to monitor the progress of invoices submitted for payment to preclude the potential for duplicate or incorrect payments.

Thank you for your continued assistance.

cc: Linda Zerwin, Executive Director
Jeff Martynowicz, Chief Financial Officer