



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 read "Bill White".

Subject: Internal Audit of Accounts Payable
#21-65

Date: June 30, 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 five 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 July 14, 2021 Board Meeting. The invoices listed on the Bank Account Payment History Report dated June 29, 2021 have been examined and are recommended for payment. The total of the expenditures is:

- FY2021 Equalization Fund (4000-5820) \$274,281.51

Five exceptions were identified by the County Auditor.

An Intergraph Corporation invoice for EF training configuration (4000-5820-53610) in the amount of \$281 was entered into MHC as Employer Share Teacher Retirement (4000-5820-51020). The invoice was disapproved by the County Auditor on June 24, 2021. The account code was corrected by the Finance Department and the County Auditor recommended the invoice for payment that same day.

An AT&T invoice for wireline services in the amount of \$1,812.77 for vendor agreement 2031-0001 SERV was entered into MHC for \$181,277.00. The

invoice was disapproved by the County Auditor on June 24, 2021. The invoice amount was corrected by the Finance Department and the County Auditor recommended the invoice for payment that same day.

Three AT&T invoices were entered into MHC with an incorrect invoice number. An invoice for wireline services in the amount of \$1,128.60 on vendor agreement 2031-0001 SERV, an invoice for wireline services in the amount of \$894.59 on vendor agreement 3358-0001 SERV, and an invoice for wireline services in the amount of \$269.36 were disapproved by the County Auditor on June 24, 2021. The Finance Department corrected the 3 invoice numbers, and the County Auditor recommended the invoices for payment on that same day.

In addition, a FY2020 payment for Motorola invoice number [REDACTED] for \$116,375.18 was voided on June 3, 2021 reducing the FY2021 expenditures. The payment had appeared on the bills list for the December 7, 2020 Board Meeting.

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 28 invoices submitted for payment, five exceptions were identified.

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