




OFFICE OF THE COUNTY AUDITOR

Bill White, J.D.

DuPage County Auditor

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To: Jeff Martynowicz, CFO
James Mendrick, County Sheriff

From: Bill White, J.D.
County Auditor 

Subject: Erroneous Invoice Payment – County Sheriff and County Auditor
#21-95

Date: December 3, 2021

The Office of the County Auditor has completed a limited scope internal audit of the transaction processing of invoices submitted for payment. The audit identified an erroneous payment of \$36,500. The results of the audit are presented below.

Results

The County Auditor identified an erroneous payment of \$36,500 payable from the County Auditor's budget (1000-4000) that should have been paid from the County Sheriff's budget (1000-4400). The document was originally entered into the MHC system on November 30, 2021, approved by the County Auditor, and paid on December 3, 2021.

The invoice was properly coded as 1000-4400-52000 and entered into the MHC system on service agreement 5544-0001 SERV, however the purchase order service line had been erroneously coded as 1000-4000-52000 by the Finance Department. The invoice was paid through the Lawson ERP system even though the County Auditor had insufficient funds to cover the payment.

In the situation identified by this exception, the internal controls built into the ERP and MHC systems did not work because it allowed a payment to be made against a budget that had insufficient funds in the accounting unit. Additionally, neither the Sheriff's Office nor the Procurement Division of the Finance Department noticed the incorrect accounting unit listed on the Purchase Requisition Line Details or entered into the Vendor Agreement Service Line.

Objective

The County Auditor will perform a series of procedures designed to evaluate the internal controls involved in the processing of transactions in the Enterprise

Resource Planning (ERP) 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 most 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 payment information has been entered into the MHC system by the Finance Department accounts payable staff. Additionally, the hardcopy supporting documentation is scanned into an image linked to the payment information. The audit procedures include reviewing the submitted documentation and comparing it to the information entered into the MHC system. Significant discrepancies noted between the supporting documentation and the information recorded in the MHC system are identified by County Auditor staff as exceptions. In these situations, the invoice recorded in the MHC system is "disapproved" by the County Auditor until the exception is resolved.

The County Auditor identified an erroneous payment of \$36,500 payable from the County Auditor's budget (1000-4000) that should have been paid from the County Sheriff's budget (1000-4400). The invoice was originally entered into the MHC system on November 30, 2021, approved by the County Auditor, and paid on December 3, 2021, on check number [REDACTED].

Illinois Communications Sales invoice number [REDACTED] for \$36,500 was properly coded as 1000-4400-52000 and entered into the MHC system on line 1 of vendor agreement 5544-0001 SERV, however the purchase order service line had been erroneously coded as 1000-4000-52000 by the Finance Department. The invoice was paid through the Lawson ERP system even though the County Auditor had insufficient funds in its budget appropriation to cover the payment.

In the situation identified by this exception, the internal controls built into the ERP and MHC systems did not work because it allowed a payment to be made against a budget that had insufficient funds in the accounting unit. Additionally, neither the Sheriff's Office nor the Procurement Division of the Finance Department noticed the incorrect accounting unit listed on the Purchase Requisition Line Details or entered into the Vendor Agreement Service Line.

Recommendations

It is recommended that the Finance Department void check number [REDACTED] and correct the coding on line 1 of vendor agreement 5544-0001 SERV.

It is recommended that the Sheriff's Office re-enter the invoice in the MHC system after the above corrections have been made so that it will be correctly paid against the Sheriff's budget appropriation.

It is recommended that the Sheriff's Office and the Finance Department review purchase requisition documentation and vendor agreement information thoroughly to preclude the payment of invoices with incorrect accounting information.

It is recommended that the Sheriff's Office regularly review available ERP reports and real-time transaction information to monitor the progress of invoices submitted for payment to preclude the potential for incorrect payments.

cc: Sheryl Markay, Chief Policy and Program Officer
Joan Olson, Chief Communications Officer
Nick Kottmeyer, Chief Administrative Officer

Attachments

440-2200



452 N Claremont Avenue
Chicago, IL 60612
Phone: (312) 243-0588
Fax: (312) 243-2467

INVOICE

Page 1
Page 1

Order Date: 11/22/2021

Bill To:
Dupage County Sheriff
501 N County Farm Road
WHEATON, IL 60187

Ship To:
Dupage County Sheriff
501 N County Farm Road
WHEATON, IL 60187

Contact: Dan Bilodeau
Contact #: 630-407-2402

Contact: Dan Bilodeau
Contact #: 630-407-2402

Customer #: 37788	SalesPerson: JP	PO#:	Terms: NET10
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Qty	Item	Description	Unit Price	Extended
1	LABOR	LABOR BDA system to enhance STARCOM System	36,500.00	36,500.00

System to include:
 BDA +27dBm DL, 80db gain
 700/800mHz outdoor antenna
 2 antenna wall mounts
 Polyphaser
 10 indoor antennas
 Set FMR
 3 splitters
 6 tapas
 8 jumpers
 3000' 1/2" plenum cable
 28 male type N connectors
 System design and testing
 Labor - 10 days

Process Level 100 PO-5544-000-SERV
 Acct 1000-4400-52000 \$ 36,500.00
 Date 11/30/21 Auth C3
 11/22/21 - BDA system

Subtotal:	\$36,500.00
Tax :	
Order Total:	\$36,500.00

12/03/21
 REPORT REVEXPAUD
 4000 COUNTY AUDITOR

1000 - GENERAL FUND
 REVENUE AND EXPENDITURES
 FOR PERIOD ENDING 11/30/21

ACCOUNT	DESCRIPTION	CURRENT PERIOD ACTUAL	OUTSTANDING ENCUMBRANCE	YEAR-TO-DATE ACTUAL	TOTAL OBLIGATIONS	ANNUAL BUDGET	UNOBLIGATED REMAINING
Revenues:							
46003-0001	ETSB SALARY REIMBURSEMENT	0.00	0.00	24,240.43-	24,240.43-	23,000.00-	1,240.43
	Total Miscellaneous	0.00	0.00	24,240.43-	24,240.43-	23,000.00-	1,240.43
	TOTAL REVENUES	0.00	0.00	24,240.43-	24,240.43-	23,000.00-	1,240.43
Expenditures							
50000-0000	REGULAR SALARIES	40,960.56	0.00	517,573.37	517,573.37	547,000.00	29,426.63
51000-0000	BENEFIT PAYMENTS	0.00	0.00	3,685.45	3,685.45	4,054.00	368.55
51010-0000	EMPLOYER SHARE I.M.R.F.	3,510.29	0.00	62,610.05	62,610.05	34,164.00	28,446.05-
51030-0000	EMPLOYER SHARE SOCIAL SECURITY	2,954.59	0.00	38,128.16	38,128.16	18,705.00	19,423.16-
51040-0000	EMPLOYEE MED & HOSP INSURANCE	7,202.06	0.00	94,260.02	94,260.02	50,143.00	44,117.02-
51050-0000	FLEXIBLE BENEFIT EARNINGS	50.00	0.00	300.00	300.00	0.00	300.00-
51090-0000	CAR ALLOWANCE	450.00	0.00	5,850.00	5,850.00	5,400.00	450.00-
	Total Personnel	55,127.50	0.00	722,407.05	722,407.05	659,466.00	62,941.05-
52000-0000	FURN/MACH/EQUIP SMALL VALUE	36,500.00	0.00	39,292.24	39,292.24	2,795.00	36,497.24-
52100-0000	I.T. EQUIPMENT-SMALL VALUE	0.00	0.00	687.22	687.22	690.00	2.78
52200-0000	OPERATING SUPPLIES & MATERIALS	0.00	0.00	245.40	245.40	250.00	4.60
	Total Commodities	36,500.00	0.00	40,224.86	40,224.86	3,735.00	36,489.86-
53500-0000	MILEAGE EXPENSE	0.00	0.00	30.40	30.40	50.00	19.60
53510-0000	TRAVEL EXPENSE	0.00	0.00	2.80	2.80	10.00	7.20
53600-0000	DUES & MEMBERSHIPS	0.00	0.00	2,035.40	2,035.40	2,040.00	4.60
53610-0000	INSTRUCTION & SCHOOLING	95.00	0.00	4,214.99	4,214.99	4,125.00	89.99-
53801-0000	ADVERTISING	0.00	0.00	125.00	125.00	225.00	100.00
	Total Contractuals	95.00	0.00	6,408.59	6,408.59	6,450.00	41.41
	TOTAL OPERATING EXPENSE	91,722.50	0.00	769,040.50	769,040.50	669,651.00	99,389.50-
	TOTAL EXPENDITURES	91,722.50	0.00	769,040.50	769,040.50	669,651.00	99,389.50-
	NET OPER (GAIN) LOSS	91,722.50	0.00	744,800.07	744,800.07	646,651.00	98,149.07-
	NET (GAIN) LOSS	91,722.50	0.00	744,800.07	744,800.07	646,651.00	98,149.07-

SECTION 6: Purchase Requisition Information

Send Purchase Order To:		Send Invoices To:	
Vendor: Illinois Communications	Vendor#:	Dept: Sheriffs Office	Division: Corrections
Attn: [REDACTED]	Email: c [REDACTED]	Attn: [REDACTED]	Email: J [REDACTED]@if.org
Address: 452 N Claremont Ave	City: Chicago	Address: 501 N County Farm RD	City: Wheaton
State: IL	Zip: 60612	State: IL	Zip: 60187
Phone: [REDACTED]	Fax: [REDACTED]	Phone: 630-407-[REDACTED]	Fax:
Send Payments To:		Ship to:	
Vendor: Illinois Communications	Vendor#:	Dept: Sheriffs Office	Division: Corrections
Attn: [REDACTED]	Email: [REDACTED]	Attn: [REDACTED]	Email: [REDACTED]
Address: 452 N Claremont Ave	City: Chicago	Address: 501 N County Farm Rd	City: Wheaton
State: IL	Zip: 60612	State: IL	Zip: 60187
Phone: [REDACTED]	Fax: [REDACTED]	Phone: 630-[REDACTED]	Fax:
Shipping		Shipping	
Payment Terms: PER 50 ILCS 505/1	FOB: Destination	PO20 Delivery Date:	Requisitioner:
Contract Administrator (PO25):		Contract Start Date (PO25):	Contract End Date (PO25):

Purchase Requisition Line Details											
LN	Qty	UOM	Item Detail (Product #)	Description	FY	Company	AU	Acct Code	Sub-Accts/Activity Code	Unit Price	Extension
1	1	EA		Radio system BDA	2021	1000	4000 CC	52000		36,500.00	36,500.00
Requisition Total										\$	36,500.00

Comments	
HEADER COMMENTS	Provide comments for P020 and P025.
SPECIAL INSTRUCTIONS	Provide comments for Buyer or Approver (not for P020 and P025). Comments will not appear on PO.
INTERNAL NOTES	Provide comments for department Internal use (not for P020 and P025). Comments will not appear on PO.
APPROVALS	[REDACTED] 15,000. Procurement Officer Approval for ETSD.

The following documents have been attached: W-9 Vendor Ethics Disclosure Statement



Procurement Group **DPCO** ▾ DuPage County Proc Group

Vendor Agreement Reference **SHF- ILLINOIS COMMUNICATIONS** ▾

Company : ▾ Acct Unit : ▾ Distribution Code : ▾

FC	Line	Description	Svc Cd	Account
	1	RADIO SYSTEM BDA	A	4000 52000
				Company 1000
Line Detail				
		Contract	Activity	Codes
		Commodity Code		
Cost		36500.00	UOM	Tax Code
		Agreement Max Qty		Agreement Maximum Amt 36500.00
		Per Invoice Max Qty		Per Invoice Max Amt
		Per Invoice Min Qty		Per Invoice Min Amt
		Quantity Ordered		Amount Ordered 36500.00
		Comment Code	Add Comments	Add URL
			Dist	
		Sourcing Event Number	Status	Released
			Company	
			Company	

Inquiry Complete

Vendor Agree





DUPAGE COUNTY
 TREASURER
 421 N. County Farm Road
 Wheaton, IL 60187

Check No. [REDACTED]

Check Date: 12/03/2021

Vendor #:28203

ILLINOIS COMMUNICATIONS SALES, 452 N. CLAREMONT AVE, CHICAGO IL 60612

Invoice Number	Date	Description	Gross Amount	Discount	Net Amount Paid
[REDACTED]	11/22/21	BDA SYSTEM	\$36,500.00	\$0.00	\$36,500.00
Totals			\$36,500.00	\$0.00	\$36,500.00



DUPAGE COUNTY
 TREASURER
 Class C Accounts Payable
 421 N. County Farm Road
 Wheaton, IL 60187

12-03-2021

[REDACTED]
 70-2390
 719

Fifth Third Bank
 BOLINGBROOK, IL

ILLINOIS COMMUNICATIONS SALES
 452 N. CLAREMONT AVE
 CHICAGO IL 60612

NON-NEGOTIABLE