



# OFFICE OF THE COUNTY AUDITOR

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*DuPage County Auditor*

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To: Margaret Ewing, Human Resources Director

From: Bill White, J.D. *WFW*  
County Auditor

Subject: Retention Benefit Payments Limited Scope Internal Audit  
#21-96

Date: January 3, 2022

The Office of the County Auditor has completed a limited scope internal audit of the payment of retention benefits for the pay period ended December 10, 2021. The results of the audit identified no exceptions related to the payment of retention benefits or for required disclosures for the four employees receiving such benefit payments this pay period. There were three exceptions noted that were related to the sale of vacation hours and one exception with the required disclosure of accrued benefits for one employee.

## **Results**

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Audit procedures determined that for the pay period ended December 10, 2021, four employees were eligible for retention benefits and received the appropriate amount of retention benefit payments as outlined in the County's personnel policy.

The County was not in compliance with the statutory requirements to include a disclosable payment for 637.5 hours of accrued sick time valued at \$25,143.38 for one employee in the required discussion by the County Board in accordance with the Open Meetings Act.

Three employees each sold 40 more vacation hours than allowed per County policy resulting in total overpayments of \$2,928.74. The County Auditor confirmed that 247 requests to sell vacation time were processed by the Human Resources Department for the first two pay dates in December 2021.

The Human Resources Department declined to provide any of the documents requested by the County Auditor. The Department stated that human oversight was a sufficient explanation for the errors. As a result, the County Auditor was compelled to rely on indirect information to complete the audit procedures and develop recommendations.

**Objective**

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- To audit the payment of accrued retention benefits to ensure that the amounts distributed to employees are in compliance with County policy.
- Verify the County's compliance with the Local Wage Increase Transparency Act as prescribed by Illinois Compiled Statutes 50 ILCS 155/5.

**Background/Audit Scope**

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In November 1998, DuPage County Board resolution FI-0190-98 established the County Employee Retention Incentive Program to assist in recruiting new employees as well as retaining the most experienced and qualified County employees. The Program provided a benefit to eligible employees to receive up to 120 days of compensation with 20 years of service, upon notice of termination. Eligibility begins at either age 55 with 10 years of continuous service, or 20 years of continuous service regardless of age. The Program, which was discontinued in 2002, applies to employees hired before December 1, 2002.

The Illinois statutes require local governments to disclose certain wage increases made to employees. As prescribed by law, the payment of accrued benefits, under specific circumstances to employees not covered under collective bargaining agreements, is considered a disclosable payment requiring discussion by the governing board in accordance with the Open Meetings Act.

This limited-scope internal audit was designed to test payroll transactions to determine if the transactions have been entered correctly as well as reviewing the transactions for compliance with applicable policies. The audit procedures consisted of examining the payroll and employment verification reports available to the County Auditor for the pay period ended December 10, 2021. On a sample basis, the service period and age of employees receiving retention benefit payments was examined to determine eligibility for retention benefits as defined in the County's personnel policy. The total number of hours of retention benefits paid to the sample individuals in prior payroll periods in addition to the current pay period was calculated to verify that the employees did not exceed the maximum allowable retention benefit as outlined in the County's personnel policy. The sample represented 2,090 hours and \$99,911.97 of retention benefit payments.

**Audit Findings and Recommendations**

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Four employees received retention program benefits for the pay period ended December 10, 2021. The retention program benefit payments to these individuals were made in compliance with the County's policy.

The County was not in compliance with the statutory requirements to include a disclosable payment for 637.5 hours of accrued sick time for a State's Attorney's employee in the required discussion by the County Board in accordance with the Open Meetings Act. The County Board pension discussion for October 26, 2021, listed 900 retention hours and no sick hours for the employee; however, the employee sold 37.5 sick hours in November 2021. This was brought to the attention of the Human Resources Department who indicated that the State's Attorney's Office tracks the accrual balances for its employees and had erroneously reported

that the employee had no accrued sick hours. The Human Resources Department contacted the State's Attorney's Office and learned that the employee had 637.5 hours of accrued sick hours valued at \$25,143.38. The Human Resources Department indicated that a revised discussion item including the accrued sick hours will appear on the January 25, 2022, County Board agenda.

*In instances where an employee's sick hours balance is provided verbally or with no documentation, it is recommended that the Human Resources Department ascertain the sick hours balance at the end of the prior fiscal year and obtain the number of sick hours used during the current fiscal year from the department to verify the accuracy of the reported hours.*

*It is recommended that retirement documents submitted to the Human Resources Department include the employee's sick hours balance eligible for monetary compensation with a verification signature from the department.*

Three employees sold more vacation hours than allowed per County policy resulting in overpayments totaling \$2,928.74:

1. A Care Center employee with 9.4 years of service sold 80 hours of vacation on his December 3, 2021, paycheck but was only eligible to sell 40 hours, resulting in an overpayment of \$465.45.
2. A Care Center employee with 11.9 years of service sold 80 hours of vacation on his December 17, 2021, paycheck but was only eligible to sell 40 hours, resulting in an overpayment of \$547.25.
3. A Sheriff's Office employee with 13 years of service sold 80 hours of vacation on his December 17, 2021, paycheck but was only eligible to sell 40 hours, resulting in an overpayment of \$1,916.04.

These overpayments were brought to the attention of the Human Resources Department who indicated that corrections will be made on the December 30, 2021, pay checks for these 3 employees, reducing their respective vacation pay by 40 hours each.

*It is recommended that the Human Resources Department put procedures into place to reduce the likelihood of human error when completing the "Request for Payment of Earned Vacation" form.*

*It is recommended that the Human Resources Department add a section on the "Request for Payment of Earned Vacation" form for the department to sign off that the employee is eligible, and the vacation hours requested are within County policy.*

If you have any questions, please contact me.

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