




# OFFICE OF THE COUNTY AUDITOR

**Bill White, J.D.**

*DuPage County Auditor*

421 N. County Farm Road  
Wheaton, Illinois 60187  
(630) 407-6075  
FAX: (630) 407-6076  
[www.dupageco.org/auditor](http://www.dupageco.org/auditor)

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

From: Bill White, J.D.   
County Auditor

Subject: Internal Audit of Accounts Payable  
#22-03

Date: February 2, 2022

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 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 February 9, 2022 Board Meeting. The invoices listed on the Bank Account Payment History Report dated January 28, 2022 have been examined and are recommended for payment. The total amount of the expenditures is \$304,332.40 posted to the following fiscal years:

- |  |              |
|--|--------------|
| • FY2021 Equalization Fund (4000-5820) | \$ 818.99    |
| • FY2022 Equalization Fund (4000-5820) | \$303,513.41 |

Six exceptions were identified by the County Auditor.

A Motorola Solutions, Inc. invoice for monthly maintenance charges in the amount of \$39,455.16 was entered into the MHC system by the Finance Department as \$39,445.16. The invoice was disapproved by the County Auditor on January 12, 2022. The Finance Department corrected the entry and resubmitted the invoice to the County Auditor for approval the same day. The County Auditor recommended the corrected invoice for payment on January 13, 2022.

A DuPage Public Safety Communications (Du-Comm) invoice for monthly radio maintenance charges in the amount of \$3,300 was entered into the MHC system by the Finance Department on the wrong purchase order line for vendor service agreement 1071-0001 SERV. The invoice was disapproved by the County Auditor on January 12, 2022. The Finance Department corrected the entry and resubmitted the invoice to the County Auditor for approval the same day. The County Auditor recommended the corrected invoice for payment on January 13, 2022.

A CDW Government, Inc. invoice for computer equipment in the amount of \$185.76 was entered into the MHC system by the Finance Department as an expense invoice, instead of on the vendor service agreement 5574-0001 SERV, as indicated on the authorization label. The invoice was disapproved by the County Auditor on January 24, 2022. The Finance Department corrected the invoice entry and resubmitted it to the County Auditor for approval on January 24, 2022. The County Auditor recommended the invoice for payment the same day.

An AT&T invoice for monthly service charges in the amount of \$2,436.38 was entered into the MHC system with the wrong account information in the description by the Finance Department. The invoice was disapproved by the County Auditor on January 12, 2022. The Finance Department corrected the description and resubmitted the invoice to the County Auditor for approval that same day. The County Auditor recommended the invoice for payment on January 13, 2022. Subsequent to its recommendation, the County Auditor noted that the invoice was entered into the MHC system by the Finance Department without a "Y" entry, indicating a separate check is required for proper account payment application. The County Auditor notified the Finance Department on January 18, 2022. The Finance Department added the missing information to the entry that same day.

A ComEd invoice for monthly service charges in the amount of \$148.55 was entered into the MHC system by the Finance Department with the incorrect amount of \$148.35. The invoice was approved by the County Auditor on January 12, 2022. Subsequent to its recommendation, the ETSB identified the discrepancy. The Finance Department deleted the invoice from the Lawson ERP system and re-entered it into MHC with the correct amount of \$148.55 on January 27, 2022. The County Auditor recommended the corrected invoice for payment that same day.

An Intergraph Corporation (Hexagon Safety & Infrastructure) invoice for CAD system administration live-remote services in the amount of \$2,060 was entered into the MHC system by the Finance Department with the wrong fiscal year. This discrepancy was identified by the County Auditor during audit procedures on expenditures posted to the County's General Ledger. The Finance Department will prepare a journal entry to correct the error. The County Auditor will perform audit procedures prior to the March Board meeting to verify that the invoice was corrected.

In addition to the six exceptions above, the County Auditor reviewed three General Ledger Accounts Payable corrections identified by the ETSB. Three CDW

Government, Inc. invoices from April, June, and July 2021, were paid as expense invoices and not paid against the vendor service agreement 4970-0001 SERV. The Finance Department reversed the original entries and entered them on the service agreement. The County Auditor reviewed and approved the corrections on December 29, 2021. The corrections were included on check number 525236, dated January 28, 2022.

### **Objective**

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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**

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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**

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The County Auditor audited 35 invoices submitted for payment, six 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.

As reported in the January 4, 2022, Audit Report #21-98, the ETSB used FedEx shipping services in September 2021, in the amount of \$244.08. A journal entry was done to transfer the cost from the Finance Department to the ETSB; however,

the wrong expenditure account was used. Follow-up procedures verified that the \$244.08 journal entry was reversed and re-entered using the correct accounts, as recommended by the County Auditor.

Thank you for your continued assistance.

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