



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

To: Margaret Ewing, Human Resources Director

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

Subject: Retention Benefit Payments Limited Scope Internal Audit
#22-05

Date: February 11, 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 February 4, 2022. The results of the audit identified no exceptions related to the payment of retention benefits or for required disclosures for the one employee receiving such benefit payments this pay period. There was one exception noted that was related to the payment of unused sick time.

Results

Audit procedures determined that for the pay period ended February 4, 2022, one employee was eligible for retention benefits and received the appropriate amount of retention benefit payments as outlined in the County's personnel policy. Additionally, the County was in compliance with the statutory disclosure requirements.

The payment of 200 hours of sick sold valued at \$6,954.10 for one employee was not in compliance with County policy. As per the union contract, the employee was paid out at the wrong rate resulting in an overpayment of \$2,318.04.

Objective

- 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

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 February 4, 2022. 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 individual in prior payroll periods in addition to the current pay period was calculated to verify that the employee did not exceed the maximum allowable retention benefit as outlined in the County's personnel policy. The sample represented 260 hours and \$13,037.13 of retention benefit payments.

Audit Findings and Recommendations

One employee received retention program benefits for the pay period ended February 4, 2022. The retention program benefit payments to this individual were made in compliance with the County's policy.

The County was in compliance with the statutory requirements of disclosing the payments by discussing the payments during the County Board meetings prior to the issuance of the payments.

The payment of 200 hours of sick sold valued at \$6,954.10 for one employee was not in compliance with County policy. The individual was paid out at the 75% rate of unused sick hours but should have been paid out at 50%, or \$4,636.06. This error resulted in an overpayment of \$2,318.04. The applicable union contract, Metropolitan Alliance of Police Chapter 126, indicates that for union members, hired after November 1, 2005, who have completed eight years of service, may receive monetary compensation for accrued sick time at 50% of the value. The employee was hired in 2008 and has approximately 13.8 years of service.

This overpayment was brought to the attention of the Sheriff's Office, who stated that they misread the union contract. The Sheriff's Office stated that they will recover the \$2,318.04 overpayment from the employee on a subsequent paycheck. The County Auditor will perform follow-up procedures to verify that the overpayment was recovered.

In that the individual is still a current employee, with an expected retirement date of April 15, 2022, it is recommended that the \$2,318.04 overpayment be recovered prior to the employee's final paycheck.

It is recommended that the Sheriff's Office establish procedures to reduce the likelihood of human error when entering payroll transactions. A best practice is to require a written form in every instance where benefits are paid out through payroll and that the form be signed by the employee and a supervisor.

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
Edmond Moore, Undersheriff