



# 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: Margaret Ewing, Chief Human Resources Officer

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

Subject: Retention Benefit Payments Limited Scope Internal Audit  
#22-07

Date: March 17, 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 18, 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 vacation time.

## **Results**

---

Audit procedures determined that for the pay period ended February 18, 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 number of vacation hours sold by one employee was not in compliance with County policy. The employee was paid out for 37.50 hours more than allowed resulting in an overpayment of \$1,470.63.

## **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 18, 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 960 hours and \$48,137.09 of retention benefit payments.

### **Audit Findings and Recommendations**

One employee received retention program benefits for the pay period ended February 18, 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 112.50 hours of vacation sold valued at \$4,411.89 for one employee was not in compliance with County policy. The policy limits the sale of vacation to 10 days, or 75 hours in this case. The employee was paid out for 37.50 hours more than allowed resulting in an overpayment of \$1,470.63.

The County Auditor spoke with the Probation Department, who indicated that the employee is scheduled to retire effective June 30, 2022, and it is their understanding that it is County practice that retiring employees are authorized to sell accrued vacation hours up to six months prior to their retirement date.

The County Auditor found that while County Policy 5.4 Sick Time Procedure 8 provides that, "Employees who sign a formal notice of separation may receive such payment for accrued, unused sick time up to six (6) months prior to their separation"; the vacation time policy does not contain a similar provision. The Probation Department agreed that the employee was overpaid in error.

*In that the individual is still a current employee, with an expected retirement date of June 30, 2022, the County Auditor will perform follow-up procedures to verify that the employee's final payout of accrued vacation hours is accurate.*

*It is recommended that the Probation Department 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  
Robert McEllin, Director of Probation