



# 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. *WFW*  
County Auditor

Subject: Internal Audit of Accounts Payable  
#22-08

Date: March 1, 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 five 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 March 9, 2022 Board Meeting. The invoices listed on the Bank Account Payment History Report dated February 25, 2022 have been examined and are recommended for payment. The total amount of the expenditures is \$701,771.42 posted to the following fiscal years:

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|--|--------------|
| • FY2021 Equalization Fund (4000-5820) | \$ 7,704.00  |
| • FY2022 Equalization Fund (4000-5820) | \$694,067.42 |

Five exceptions were identified by the County Auditor.

A LogMeIn USA Inc. invoice for annual rescue software maintenance charges in the amount of \$14,808.96 was entered by the Finance Department into the MHC system with the incorrect amount in line 3 of the service agreement 5628-0001 SERV. The invoice was disapproved by the County Auditor on February 14, 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 invoice for payment on February 15, 2022.

A ComEd invoice for monthly service charges in the amount of \$127.96 was entered into the MHC system by the Finance Department with an incomplete description. The County Auditor disapproved the invoice on February 10, 2022. The Finance Department corrected the description on February 11, 2022 and resubmitted the invoice to the County Auditor for approval. The County Auditor recommended the invoice for payment the same day.

A ComEd invoice for monthly service charges in the amount of \$1,184.26 was entered into the MHC system by the Finance Department with an incomplete description. The County Auditor disapproved the invoice on February 10, 2022. The Finance Department corrected the description on February 11, 2022 and resubmitted the invoice to the County Auditor for approval. The County Auditor recommended the invoice for payment the same day.

A CDW Government, Inc. invoice for computer equipment in the amount of \$137.88 was entered into the MHC system by the Finance Department with no information in the purchase order line for service agreement 5574-0001 SERV. The County Auditor disapproved the invoice on February 18, 2022. The Finance Department added the missing information to the purchase order line on February 18, 2022 and resubmitted the invoice to the County Auditor for approval. The County Auditor recommended the invoice for payment the same day.

A Finance Department invoice for FedEx shipping services dated December 1, 2021, included an ETSB charge in the amount of \$407.19. A journal entry was done to transfer the cost from the Finance Department budget appropriation to the ETSB. The journal entry was incorrectly entered by the Finance Department to the 52200 Operating Supplies & Materials expenditure account instead of the 53804 Postage & Postal Charges expenditure account. This error has not yet been corrected.

### **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**

The County Auditor audited 39 invoices submitted for payment, five exceptions were identified.

It is recommended that the Finance Department correct the journal entry for the \$407.19 FedEx charges. The journal entry should be reversed and re-entered as Postage & Postal Charges for the ETSB budget 4000-5820-53804.

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 February 2, 2022, Audit Report #22-03, an Intergraph Corporation 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. Follow-up procedures verified that journal entries were done to move the expenditure from the fiscal year 2022 budget to the fiscal year 2021 budget, as recommended by the County Auditor.

Thank you for your continued assistance.

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