



# OFFICE OF THE COUNTY AUDITOR

**Bill White, J.D.**

*DuPage County Auditor*

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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  
#22-14

Date: May 4, 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 seven 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 May 11, 2022 Board Meeting. The invoices listed on the Bank Account Payment History Report dated April 29, 2022 have been examined and are recommended for payment. The total of the expenditures is:

- FY2022 Equalization Fund (4000-5820) \$776,485.06

Seven exceptions were identified by the County Auditor.

A Rave Mobile Safety invoice for software licenses in the amount of \$119,200 was entered into the MHC system by the Finance Department with the wrong invoice date and wrong remit to address. In addition, the invoice was coded to account 53830 (Other Contractual Services) but should have been coded to account 53806 (Software Licenses). The purchase order lines for service agreement 5162-0001 SERV were coded as account 53830. The invoice was disapproved by the County Auditor on April 14, 2022. The County Auditor, Finance Department, and ETSB staff agreed to pay the invoice as coded so that a budget transfer and Change Order could be processed and approved by the ETSB. A correction to the coding for the

invoice and service agreement will then be made by the Finance Department. The Finance Department corrected the invoice date and remit to address and resubmitted the invoice to the County Auditor for approval. The County Auditor recommended the invoice for payment on April 19, 2022 and will follow up that the correction was made.

A Telelanguage Inc. invoice for monthly telephonic interpretation services in the amount of \$601.25 was entered into the MHC system by the Finance Department with the wrong monthly service date in the description. The invoice was disapproved by the County Auditor on April 15, 2022. The Finance Department corrected the description and resubmitted the invoice to the County Auditor for approval. The County Auditor recommended the invoice for payment on April 19, 2022.

An AT&T invoice for monthly service charges in the amount of \$2,408.84 was entered into the MHC system by the Finance Department with the wrong account information in the description. The invoice was disapproved by the County Auditor on April 15, 2022. The Finance Department corrected the description and resubmitted the invoice to the County Auditor for approval. The County Auditor recommended the invoice for payment on April 19, 2022.

In addition to the five exceptions above, a DuPage Public Safety Communications (Du-Comm) invoice for monthly radio maintenance charges in the amount of \$52,350 for service agreement 1071-0001 SERV was originally approved and paid in February 2022. In March 2022, ETSB staff noted that the account coding for line 12 of the purchase order was incorrect. A Change Order was done to correct the purchase order account coding from 53820 (Grant Services) to 53830 (Other Contractual Expenses). On April 6, 2022, the Finance Department corrected the invoice entry in the Lawson ERP system. The County Auditor approved the correction on April 7, 2022.

It was also found that an Intergraph Corporation (Hexagon Safety & Infrastructure) invoice for \$113,079.75 for service agreement 1914-0001 SERV had an incorrect account coding on purchase order line 42. The invoice was coded as 54100 (IT Equipment) however the invoice was for software licenses. The County Auditor disapproved the invoice on April 26, 2022. The County Auditor and Finance Department staff discussed the appropriate coding and it was determined that Finance would create a new account code 54107 for capitalized software costs. It was agreed to pay the invoice as coded so that a budget transfer and Change Order could be processed and approved by the ETSB. The Finance Department resubmitted the invoice to the County Auditor for approval. The County Auditor recommended the invoice for payment on April 28, 2022 and will follow up that the correction was made.

### **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**

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 32 invoices submitted for payment, seven exceptions were identified.

It is recommended that the ETSB work with the Finance Department to ensure that the account coding used for service agreements is accurate and properly matches the nature of the services provided.

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.

Thank you for your continued assistance.

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