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 one invoice totaling $4,550.62 that required additional supporting documentation from the department. The missing documents were subsequently provided and attached to the invoice. The invoice has been recommended 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 June 12, 2018 Board Meeting. The invoices listed on the Bank Account Payment History Report dated June 1, 2018 have been examined by the Office of the DuPage County Auditor and are recommended for payment:

- FY2018 Wireline Fund (4000-5800) $3,284.48
- FY2018 Wireless Fund (4000-5810) $170,845.99
- FY2018 Equalization Fund (4000-5820) $115,181.61

Audit procedures identified one invoice totaling $4,550.62 that required additional supporting documentation from the department. The missing documents were subsequently provided and attached to the invoice. The invoice has been recommended for payment by the County Auditor.
Objective
The County Auditor will perform a series of procedures designed to evaluate the internal controls involved in the processing of transactions in the Enterprise Resource Planning (ERP) system and the MHC Image Express (MHC) 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 implementation of the ERP system has resulted in significant changes to the processing and reporting of transactions compared to the accounting systems formerly used by the County. One of the many benefits of the ERP system is the ability to reduce duplicate payments to vendors by requiring unique vendor invoice numbers.

The County Auditor performs audit procedures on the payment documentation after the information has been entered into the ERP system by the Finance Department’s Accounts Payable staff. These procedures include reviewing the submitted documentation and comparing it to the information entered into the ERP system. Significant discrepancies noted between the supporting documentation and the information recorded in the ERP system are identified by County Auditor staff as exceptions. In these situations, the invoice recorded in the ERP system is transferred by the County Auditor to a non-processing batch until the exception is resolved. The hard-copy invoice and supporting documentation are returned to the Finance Department with an exception notice.

The County Auditor also performs audit procedures on the payment documentation after the information has been entered into the MHC system. These procedures include reviewing the scanned images of the invoice and supporting documentation and comparing it to the information entered into the MHC system. As is the case with transactions entered into the ERP system, significant discrepancies noted between the supporting documentation and the information recorded in the MHC system are identified by County Auditor staff as exceptions. In these situations, the invoice image scanned in the MHC system is disapproved by the County Auditor and forwarded to the Accounts Payable Division of the Finance Department for correction.

Additionally, after the Bank Account Payment History Report has been generated by the Accounts Payable Division of the Finance Department, the County Auditor verifies that each of the recommended payments was properly posted to the County’s General Ledger.

During the claims pre-audit process, the County Auditor reviewed 58 invoices scanned into the MHC system. One exception was noted.
Invoice number [REDACTED] for $4,550.62 payable to DU-COMM was dated May 22, 2018 and was a reimbursement for three individuals to attend the Navigator 2018 conference on April 24, 25, and 26, 2018 in Las Vegas. The reimbursement request was missing the approved Overnight Travel Request forms for the 3 attendees. The invoice was disapproved in the MHC system by County Auditor staff on May 29, 2018. The missing supporting documentation was subsequently provided to Accounts Payable and attached to the invoice the next day. The invoice was recommended for payment by the County Auditor on May 30, 2018.

The exception is listed below:

<table>
<thead>
<tr>
<th>Vendor</th>
<th>Amount</th>
<th>Exception</th>
</tr>
</thead>
<tbody>
<tr>
<td>DU-COMM</td>
<td>$4,550.62</td>
<td>The approved Overnight Travel Request forms for the 3 conference attendees were missing from the reimbursement request.</td>
</tr>
</tbody>
</table>

**Recommendations**

Departments should review invoices for completeness and accuracy prior to submission to the Accounts Payable Division of the Finance Department for payment processing.

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.

Thank you for your continued assistance.

cc: Linda Zerwin, Executive Director  
    Tom Cuculich, County Administrator  
    Paul Rafac, CFO