



# OFFICE OF THE COUNTY AUDITOR

**Bob Grogan, CPA, CFE**  
*DuPage County Auditor*

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To: Paul Rafac, Chief Financial Officer  
Timothy Harbaugh, Deputy Director of Facilities Management

From: Bob Grogan, CPA, CFE *BLG*  
County Auditor

Subject: Limited Scope Internal Audit of Erroneous Invoice Entry  
#18-89

Date: September 25, 2018

The Office of the County Auditor has completed a limited scope internal audit of the transaction processing of invoices submitted for payment. The audit identified a potential overpayment of \$241,973.00. The results of the audit are presented below.

## **Results**

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The County Auditor identified a potential overpayment in the amount of \$241,973.00 payable to Mansfield Power and Gas. An invoice for \$26,885.20 was erroneously entered into the MHC system as \$268,858.20 by the Accounts Payable Division of the Finance Department. The County Auditor identified the overcharge during the claims pre-audit process and disapproved the invoice for payment.

## **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 Enterprise Resource Planning (ERP) 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. One of the many benefits of the ERP financial accounting system is the ability to reduce duplicate payments to vendors by requiring unique vendor invoice numbers.

The recent implementation of the ability to image and process accounts payable transactions electronically through the use of the MHC software component of the ERP system has introduced a new series of challenges to the internal control environment.

In this system, the County Auditor performs audit procedures on the payment documentation after the payment information has been entered into the MHC system by the Finance Department accounts payable staff. Additionally, the hardcopy supporting documentation is scanned into an image linked to the payment information. The audit procedures include reviewing the submitted documentation and comparing it to the information entered into the MHC 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 recorded in the MHC system is "disapproved" by the County Auditor until the exception is resolved.

A properly authorized Mansfield Power and Gas invoice for July 2018 energy delivery was submitted by the Facilities Management Department to the Finance Department Accounts Payable Division for payment processing. The invoice was signed by an authorized signatory on August 17, 2018 and received in the Finance Department the same day. Invoice number [REDACTED] dated August 9, 2018 in the amount of \$26,885.20, which represented Facilities Management's portion of the \$31,971.78 invoice, was entered into the MHC system on September 24, 2018 as \$268,858.20. The invoice was reviewed by County Auditor staff and disapproved by the County Auditor on September 25, 2018.

There are no internal controls built into the MHC system to prevent the overpayment of an invoice due to a data entry error. The system relies on the accuracy and vigilance of the operator and the County Auditor. In this situation, the internal controls that prevent overpayments did not work because the Accounts Payable Division of the Finance Department forwarded an invoice with an erroneous amount to the County Auditor for approval.

### **Recommendations**

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It is recommended that the Accounts Payable Division of the Finance Department correct the amount of the Mansfield Power and Gas invoice to \$26,885.20 in the MHC system (document number 069300).

It is recommended that the Accounts Payable Division review all invoices entered into the MHC system to identify data entry errors prior to forwarding the invoices to the County Auditor for payment approval.

Departments should regularly review available ERP reports and real-time transaction information to monitor the progress of invoices submitted for payment to preclude the potential for improper or duplicate payments.

Please notify Chief Deputy Auditor Balgemann when the correction of the invoice amount has been processed.

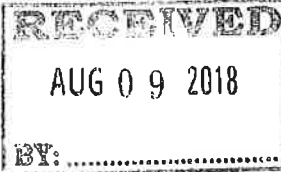
cc: Thomas Cuculich, County Administrator

Enclosure



DuPage County, IL  
421 N. County farm Road  
Wheaton, IL 60187

REMIT TO:  
Mansfield Power and Gas  
Receivables Account  
P.O. Box 733714  
Dallas, TX 75373-3714



Service Location:  
Utility:  
Rate Plan Expiration:  
Rate:

DuPage County, IL  
Nicor  
September 30, 2021  
FIXED: \$2.818 | NGI Chicago CG +/- 0.01

**Charges:**  
Previous Amount Due: \$ -  
Payment Received: \$ -  
Current Amount Due: \$ 31,499.29  
Total Amount Due: \$ 31,499.29

Account Number	Statement Date	Total Due Now	Due Date
[REDACTED]	8/9/2018	\$ 31,499.29	9/8/2018

Category	Total Volume	Amount
Energy Delivery Summary:	11,024.7	\$ 31,089.20
Charges and Fees:		410.09

**Energy Delivery Charges Details:**

Month	Meter	Total Volume	Price	Amount
Jul-18	DuPage County, IL-Contracted Volume	11,800.0	2.8180 \$	33,252.40
Jul-18	Decremental Volume Adjustment	(775.3)	2.7900 \$	(2,163.20)

**Charges and Fees:**

Jul-18	Charge Nicor Unaccounted for Gas	145.5	2.8180 \$	410.09
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**Late Payment Notice**  
If payment is not made by the due date, balances on gas accounts will incur the greater of a 1.5% or \$10.00 service charge

Contract Volume (DT)	11,800.00	Utility Account Number	[REDACTED]
Billed Usage (DT)	11,024.66	Meter/Station ID Number	[REDACTED]
Balancing Band (DT)		Service From	July 1, 2018
Imbalance Volume (DT)		Service To	July 31, 2018
BTU Factor		Billing Period (Days)	31
		Statement Period	July-18

**KEEP THIS STATEMENT FOR YOUR RECORDS**

PLEASE SEND ELECTRONIC PAYMENTS ONLY, DO NOT REMIT CASH, CHECKS, OR MONEY ORDERS



Remit to:  
ABA  
Acct. No.

Mansfield Power and Gas
Receivables Account
[REDACTED]
[REDACTED]

Account Number  
Due Date  
Total Due  
Past Due Date  
After Due Date

[REDACTED]
9/8/2018
\$31,499.29
9/9/2018
\$31,971.78

**Customer Service**  
Monday - Friday, 8:00 am - 5:00 pm EST  
www.mansfieldpowergas.com

**Questions? Call us**  
678-207-3350

**Energy Delivery Consumption Details By Meter:**

Month	Meter End Date	Days	Consumption (DT)
<b>Account Number:</b>	[REDACTED]	<b>Address:</b> 7900 S. Rt. 53, Woodridge, IL	
Jul-18	7/31/2018	31	6.22
<b>Account Number</b>	[REDACTED]	<b>Address:</b> 7900 S. Rt. 53, Woodridge, IL	
Jul-18	7/31/2018	31	1171.08
<b>Account Number</b>	[REDACTED]	<b>Address:</b> 140 N. County Farm Rd, Wheaton, IL	
Jul-18	7/31/2018	31	12.31
<b>Account Number</b>	[REDACTED]	<b>Address:</b> 11 S 175 Madison St, Hinsdale, IL	
Jul-18	7/31/2018	31	3.52
<b>Account Number</b>	[REDACTED]	<b>Address:</b> 421 N. County Farm Rd, Wheaton, IL	
Jul-18	7/31/2018	31	9831.53
<b>TOTAL CONSUMPTION</b>			<b>11,024.66</b>

Facilities Management - \$28,090.32 ✓  
 Public Works - \$3,373.80  
 DOT - \$35.17

[REDACTED] →  
 8.9.2018

Contract Volume (DT)	11,800.00	Utility Account Number	[REDACTED] 0
Billed Usage (DT)	11,024.66	Meter/Station ID Number	
Balancing Band (DT)	-	Service From	July 1, 2018
Imbalance Volume (DT)	-	Service To	July 31, 2018
BTU Factor	-	Billing Period (Days)	31
		Statement Period	July-18

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Remit to:

Mansfield Power and Gas
Receivables Account
[REDACTED]
[REDACTED]

ABA

Acct. No.

Account Number

[REDACTED]	
Due Date	9/8/2018
Total Due	\$31,499.29
Past Due Date	9/9/2018
After Due Date	\$31,971.78

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