



# OFFICE OF THE COUNTY AUDITOR

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To: Hon. Sean Noonan, Chairman  
DuPage County Emergency Telephone System Board (ETSB)  
  
ETSB Members

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

Subject: Internal Audit of Accounts Payable  
#19-12

Date: February 1, 2019

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 three invoices totaling \$24,585.93 with exceptions that required correction by the ETSB and 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 February 12, 2019 Board Meeting. The invoices listed on the Bank Account Payment History Report dated February 1, 2019 have been examined and are recommended for payment. The total amounts of the expenditures are:

- FY2018 Equalization Fund (4000-5820)                      \$ 39,746.30
- FY2019 Equalization Fund (4000-5820)                      \$ 990,523.37

Three exceptions were identified by the County Auditor. Two invoices were missing a second signature and one invoice was entered with an incorrect amount. All three invoices were corrected and approved for payment by the County Auditor.

**Audit 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.

**Audit Procedures**

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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**

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The County Auditor audited 40 invoices submitted for payment, three exceptions were identified.

A Deltawrx invoice for project management services in the amount of \$9,597.51 lacked a second authorizing signature on the label. The invoice was disapproved by the County Auditor. The ETSB obtained the second signature and the invoice was resubmitted to the Finance Department. The corrected invoice was audited and approved by the County Auditor.

A Motorola Solutions – Starcom21 Network invoice for T1 telephone lines in the amount of \$8,550.00 lacked a second authorizing signature on the label. The invoice was disapproved by the County Auditor. The ETSB obtained the second signature and the invoice was resubmitted to the Finance Department. The corrected invoice was audited and approved by the County Auditor.

A Motorola Solutions, Inc. invoice for DuComm maintenance services in the amount of \$6,438.42 had an incorrect amount on the label which was entered into the Accounts Payable system by the Finance Department. The invoice was

disapproved by the County Auditor. The ETSB corrected the invoice amount on the label and the invoice was resubmitted to the Finance Department. The corrected invoice was audited and approved by the County Auditor.

**Recommendations**

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The ETSB should verify that the labels affixed to invoices are properly authorized and contain accurate invoice and purchase order information prior to submitting the invoices to the Finance Department.

The Finance Department should verify the accuracy of the data entered into the ERP and MHC systems prior to forwarding to the County Auditor for review and payment recommendation.

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 duplicate or incorrect payments.

Thank you for your continued assistance.

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