



OFFICE OF THE COUNTY AUDITOR

Bob Grogan, CPA, CFE
DuPage County Auditor

421 N. County Farm Road
Wheaton, Illinois 60187
(630) 407-6075
FAX: (630) 407-6076
www.dupageco.org/auditor

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

ETSB Members

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

Subject: Internal Audit of Accounts Payable
#19-60

Date: July 5, 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 nine exceptions that required correction by ETSB and 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 July 16, 2019 Board Meeting. The invoices listed on the Bank Account Payment History Report dated July 5, 2019 have been examined and are recommended for payment. The total amounts of the expenditures are:

- FY2019 Equalization Fund (4000-5820) \$2,381,099.98

Nine exceptions were identified by the County Auditor. A Motorola Solutions, Inc. invoice for \$962.69 was entered with the incorrect amount in the detailed purchase order line information. The correct purchase order line amount was entered into the accounts payable system by the Finance Department.

A travel reimbursement invoice payable to DuPage Public Safety Communications (Du-Comm) for \$3,626.12 was submitted with a travel authorization for the wrong individual. The ETSB provided the correct

supporting documentation to the Finance Department and it was attached to the invoice.

Seven invoices from 2017 payable to Motorola Solutions, Inc. for a total of \$2,441.00 were submitted to Finance and entered with an expired vendor agreement number. The County Auditor recommended that the invoices be paid non-encumbered since the total of the 7 invoices was less than \$5,000. The ETSB removed the expired vendor agreement information and submitted the invoices to the Finance Department to be re-entered and paid non-encumbered.

Objective

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 53 invoices submitted for payment, nine exceptions were identified.

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 ETSB 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 that the information written on the invoices match the data entered into the accounts payable system prior to forwarding invoices to the County Auditor for review and payment recommendation.

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
Paul Rafac, Chief Financial and Administrative Officer