



# 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 *BTG*  
County Auditor

Subject: Internal Audit of Accounts Payable  
#19-69

Date: August 6, 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 four 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 August 13, 2019 Board Meeting. The invoices listed on the Bank Account Payment History Report dated August 2, 2019 have been examined and are recommended for payment. The total amounts of the expenditures are:

- FY2019 Equalization Fund (4000-5820) \$362,684.86

Four exceptions were identified by the County Auditor. A Midian Electronics invoice for \$492.00 was submitted to the Finance Department with an incorrect account code on the authorization label. The ETSB corrected the account code which was entered into the accounts payable system by the Finance Department.

An AT&T invoice for \$7,025.35 was submitted as one invoice allocated between two vendor agreements, 2031-0001 SERV and 2710-0001 SERV. The invoice actually was comprised of \$1,753.18 in current charges and three past due invoices totally \$5,272.17. The invoices were past due because of a pricing error

that was being corrected by the vendor. The ETSB resubmitted as four separate invoices to the Finance Department and they were entered into the accounts payable system. Each invoice was allocated between the two vendor agreements.

Two of the resubmitted AT&T invoices were found to have the incorrect amount allocated to vendor agreement 2710-0001 SERV. The ETSB corrected the amount and resubmitted to the Finance Department. The Finance Department reversed the invoices with the incorrect amount and reentered the invoices in the accounts payable system.

### **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**

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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 and Recommendations**

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The County Auditor audited 36 invoices submitted for payment, four 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 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