



OFFICE OF THE COUNTY AUDITOR

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To: Margaret Ewing, Human Resources Director

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

Subject: Retention Benefit Payments Limited Scope Internal Audit
#15-98

Date: November 23, 2015

The Office of the County Auditor has completed a limited scope internal audit of the payment of retention benefits for the pay period ended November 20, 2015. The results of the audit identified no exceptions related to the payment of retention benefits for nine sample employees.

Results

Audit procedures determined that for the pay period ended November 20, 2015; all nine sample employees were eligible for retention benefits and received the appropriate amount of retention benefit payments as outlined in the County's personnel policy.

Objective

On a sample basis, the County Auditor will perform a series of audit procedures designed to evaluate the internal controls involved in the processing of various types of entries 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. A review was performed to determine if the payroll reports currently available to the County Auditor provide accurate data relative to the reporting of hours and amounts for County employees.

Background/Audit Scope

The implementation of the Enterprise Resource Planning (ERP) payroll system in January 2015 has resulted in significant changes to the processing and reporting of payroll transactions compared to the payroll systems formerly used by the County.

This limited-scope internal audit was designed to test payroll transactions to determine if the transactions have been entered correctly as well as reviewing the transactions for compliance with applicable policies. The audit procedures consisted of examining the payroll and employment verification reports available to the County Auditor for the pay period ended November 20, 2015. On a sample basis, the service period and age of employees receiving retention benefit payments was examined to determine eligibility for retention benefits as defined in the County's personnel policy. In addition, the total

number of hours of retention benefits paid to sample individuals in prior payroll periods in addition to the current pay period was calculated to verify that the employees did not exceed the maximum allowable retention benefit as outlined in the County's personnel policy. The sample represented 2,191.50 hours and \$58,666.00 of retention benefit payments.

The County Auditor's review of payroll and employment verification information identified no discrepancies related to the payments of retention benefits for the nine sample employees.

Recommendations

No recommendations are being made to the Human Resources Department for improvement of the process for payment of retention benefits at this time.

If you have any questions, please contact me or Chief Deputy Auditor Peter Balgemann.

cc: Thomas Cuculich, Chief of Staff