

**BROOME COUNTY
DEPARTMENT OF AUDIT AND CONTROL**

ACCOUNTS PAYABLE DOCUMENTATION AUDIT

SECOND QUARTER 2013

Alex J. McLaughlin, Comptroller



Broome County Department of Audit and Control

Alex J. McLaughlin, Comptroller . Jerry F. Marinich, Chairman of the Legislature

September 30, 2013

Debra A. Preston, County Executive

The Department of Audit and Control has performed an audit of Accounts Payable documentation for the second quarter of 2013. The principal objective was to verify that amounts disbursed through the accounts payable process were proper in accordance with all applicable laws, regulations and policies and that they are supported by adequate, competent documentation.

The audit was conducted in accordance with generally accepted auditing standards. Such standards require that the Department of Audit and Control plan and perform the audit to adequately assess the accuracy of the financial records and adequacy of the internal controls and that we examine, on a test basis, sufficient, competent and relevant evidence to afford a reasonable basis for our conclusions.

Based on the results of our examination, except for the instances noted herein, amounts disbursed through the accounts payable process were proper in accordance with all applicable laws, regulations and policies and they are supported by adequate, competent documentation.

Sincerely,

Alex J. McLaughlin
Comptroller

Cc: Jerry F. Marinich, Chairman of the Legislature
Members of the Legislature
Aaron M. Martin, Clerk of the Legislature
John M. Bernardo, Deputy County Executive
Bijoy Datta, Deputy County Executive
Department Heads
Fiscal Contacts

BACKGROUND

Weekly, Broome County processes more than 1,000 vouchers, cuts more than 600 checks and disburses more than \$2 million through its accounts payable system.

The Department of Audit and Control is responsible for auditing all of these disbursements to ensure that they are an appropriate use of County funds, that they are proper in accordance with all applicable laws, regulations and policies and that they are supported by adequate, competent documentation.

We use a two-step process to fulfill our auditing obligations with regard to accounts payable. First, we examine an electronic version of every payment request to ensure that it is appropriate, properly classified and made in accordance with applicable laws, regulations and policies. If these criteria are satisfied, the disbursement is approved. Then, we select a sample from these disbursements for detail testing. We visit each department and verify that the backup maintained to support the selected disbursements is adequate, correct and complete.

Any instances of non-compliance that we identified are included in this report.

REPORTABLE CONDITIONS

Employment and Training – Did Not Obtain Proper Authorization For Travel

The Office of Employment Training did not obtain proper authorization for travel expenses totaling \$340.31. Although the travel was authorized by the Department Head, employee travel expenses in excess of \$100 require authorization from the Executive Office.

Law Department – Incorrect Rates Paid for Contract Legal Services

The Law Department paid for outside legal services that were not billed in accordance with the terms of the applicable contract.

The contract stipulates rates of \$240 per hour for Junior Associate; \$350 per hour for Senior Associate and \$470 per hour for Partner.

The bill from the firm did not specify whether Associate hours were Junior or Senior and charged for them at a rate of \$330 per hour. Partner hours were described as “Shareholder” and billed at a rate of \$510 per hour.

Total overpayments, assuming that the Associate hours were Senior, were \$120.

According to the Law Department, the issue has been resolved, with a discount provided to cover the overpayment and corrected rates moving forward.