

**BROOME COUNTY
DEPARTMENT OF AUDIT AND CONTROL**

ACCOUNTS PAYABLE DOCUMENTATION AUDIT

FOURTH QUARTER 2012

Alex J. McLaughlin, Comptroller



Broome County Department of Audit and Control

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

March 6, 2013

Debra A. Preston, County Executive

The Department of Audit and Control has performed an audit of Accounts Payable documentation for the fourth quarter of 2012. 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 instance 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

Highway Division – Bill Paid Without Original Supporting Documentation

The Highway Division was not able to produce an original invoice and delivery documentation to support at \$3,355.81 payment for 58.58 tons of asphalt.

All accounts payable disbursements are supposed to be supported by complete, original documentation. This helps to ensure that things are not paid for more than once.

In this particular instance, the original documentation was lost during the process of determining where, exactly, the bill would be paid from (capital funds or operating funds).

We were able to determine, through further investigation, that, in fact, the bill was not paid twice. The Highway Division has been reminded to pay only from originals and to contact our office immediately if they are not able to do so.