

**BROOME COUNTY
DEPARTMENT OF AUDIT AND CONTROL**

ACCOUNTS PAYABLE DOCUMENTATION AUDIT

THIRD QUARTER 2014

Alex J. McLaughlin, Comptroller



Broome County Department of Audit and Control

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

November 24, 2014

Debra A. Preston, County Executive

The Department of Audit and Control has performed an audit of Accounts Payable documentation for the third quarter of 2014. 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, it is our opinion that, except for the instances described herein, 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.

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
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

1. DEPARTMENT OF PLANNING AND ECONOMIC DEVELOPMENT

- a. Retainage not withheld from payments in accordance with terms of contract.

The Department of Planning and Economic Development processed two payments, totaling \$312,496.63, without holding back retainage of 5% as required by the terms of the applicable contract.

The payments were related to the Conklin Multi-Use Trail Project.

2. HIGHWAY DEPARTMENT

- a. Retainage not withheld from payments in accordance with terms of contract.

The Highway Department processed two payments, totaling \$141,811.10 without holding back retainage of 5% as required by the terms of the applicable contract.

The payments were related to bridge construction projects.