



Clerk of the Circuit Court
Board of County Commissioners
Marion County

Internal Audit Division

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MEMORANDUM

TO: Andrew Race, Facilities Management Director

FROM: David R. Ellspermann, Clerk of the Circuit Court

DATE: March 22, 2000

RE: SPECIAL REVIEW OF DEPARTMENTAL PROCEDURES

Pursuant to your request to me, the Internal Auditor has completed a special review to determine the adequacy and level of compliance of certain Facilities Management Department internal financial procedures and practices. You particularly wanted our opinion of the condition resulting from a recent change in personnel within your department.

Wallace Watford met with you and your staff to ascertain the review requirements. He subsequently worked with Jan McNeal to review and observe the performance of her present duties as "department bookkeeper" responsible for accounts payable, purchase requisitioning, payroll and accounts receivable. This review included the examination of paperwork processed, observation of task activities, computer systems used in performing assigned duties and discussions with Diane Gault.

Based on the Internal Auditor's review, **we have concluded** that the internal financial procedures and practices related to the bookkeeper position are adequate and appropriate for your needs and have the required level of compliance. There were no noted exceptions to County-wide policy and procedures pertaining to accounts payable, purchase requisitioning, payroll and accounts receivable. Mrs. Gault and Ms. McNeal are to be commended.

We do suggest an enhancement to the accounts payable procedures. To further ensure that each invoice is recorded in the proper general ledger account and in the correct amount, Ms. McNeal could add a task to her monthly duties. Each month, Finance prepares and submits a financial transaction report entitled the "Period Expenditure Audit Trail" which gives considerably detailed information on amounts paid and encumbered. Ms. McNeal could review this report and confirm the amounts and account numbers are the same as she submitted for payment, as well as verify that all submitted invoices have been paid.

A County-wide change to the accounts payable and purchasing functions may significantly impact your department's operations and Ms. McNeal's routine duties. The County will convert to the Purchasing Card system from the open purchase order system for acquisitions not requiring a purchase order or contract agreement. Purchasing documentation types and paperwork flow, as well as supervisor approval, will be affected, resulting in changes to Ms. McNeal's present job activities. Both Mrs. Gault and Ms. McNeal will have to continue working closely together during this conversion to ensure a smooth transition.

We also have two suggestions for enhancements to the accounts receivable procedures. The first enhancement concerns inter-departmental invoicing that is presently performed by Ms. McNeal from work order information obtained from another employee, Peggy Kidd. Mrs. Gault reviews the invoice and supporting documentation as a control function. Since Ms. McNeal is providing only a clerical function, we believe consideration should be given to eliminating this step and having Ms. Kidd prepare the invoice for Mrs. Gault's review.

The second enhancement concerns the department's recently assigned duty of collecting rental charges for certain County facilities, such as Green Clover Hall. Presently the department gives a paper receipt to the payor, then Ms. McNeal prepares a Daily Cash Receipts Transmittal form and sends it and the money to the Building Department for subsequent processing and delivery to Finance. As part of this process, the Building Department prepares an Official Receipt form and sends a copy to Facilities Management. We believe it would be more efficient to remove the Building Department from this routine and suggest your department perform the appropriate actions to process the rental receipts. This should require only a revision to the current Daily Cash Receipts Transmittal form, which would be delivered to Finance along with money. We suggest that your staff contact Finance for further information and prompt implementation.

We trust the results of this special review meets your needs and expectations.

c: James L. Lowry, County Administrator
Edwin L. Smith, Assistant County Administrator