



ERATH  
COUNTY

# Audit Report

## Treasurer - Accounts Payable

**Audit Period:** June 2018

**Erath County:** Erath County

**Offices:** County Treasurer

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Date: 6/18/2018

Created by: Janet S. Martin, CPA, CFE

A handwritten signature in black ink, appearing to read "j.s.m.", is written over the printed name "Janet S. Martin, CPA, CFE".

## Audit Program Details

Examine a sample of vendor invoices from June 2017 through May 2018

<b>Risk 1: The amount paid to a vendor was incorrect</b>	<b>100.0%</b>
<i>Control 1: Payments should match the accompanying invoices plus or minus a reconciling amount.</i>	<b>100.0%</b>

### Tests, Text Fields & Linked Files

<b>Test 1: Examine the sample of 20 invoices selected for the first test. Match the amounts paid with the amount invoiced.</b>	<b>91-100%</b> <b>(100.0%)</b>
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**Work performed:**

20 invoices amounts were compared to the invoice amounts

**Conclusions:**

All invoice amounts agreed with the amounts paid.

<b>Risk 2: Erath County paid twice for the same product or service.</b>	<b>100.0%</b>
<i>Control 1: Invoices should be paid from originals and based on a unique identifier, i.e. invoice number.</i>	<b>100.0%</b>

### Tests, Text Fields & Linked Files

<b>Test 1: Document the process used to enter AP invoices.</b>	<b>Effective</b> <b>(100.0%)</b>
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**Work performed:**

Reviewed the checks paid per vendor list ensure there were no duplicate payments

**Conclusions:**

No duplicate payments were found

**Audit Report**

**Audit Name: Treasurer - Accounts Payable**

**Audit Program Details**

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<b>Test 2: Select a sample of vendors with a large amount of activity - 3</b>	<b>91-100%</b>
<b>Select a sample of vendors with very limited activity - 3</b>	<b>(100.0%)</b>
<b>Review the samples to see if any invoices were paid twice.</b>	

<b>Risk 3: Sales tax was paid.</b>	<b>100.0%</b>
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<b><i>Control 1: Sales tax should not be paid except on meal reimbursement tickets from employee travel.</i></b>	<b>100.0%</b>
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**Tests, Text Fields & Linked Files**

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<b>Test 1: Review the invoices and verify no sales tax was paid other on meal reimbursements from employees travel.</b>	<b>91-100%</b>
	<b>(100.0%)</b>

**Work performed:**

The 20 invoices were reviewed to see if sales tax had been paid.

**Conclusions:**

No sales tax was paid to any vendor.

<b>Risk 4: Erath County did not pay the vendor based on the 30 day prompt pay statute.</b>	<b>90.0%</b>
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<b><i>Control 1: Payments should be paid 30 days or less from the date of signed purchase order.</i></b>	<b>90.0%</b>
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**Tests, Text Fields & Linked Files**

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<b>Test 1: Calculate the number of days it took to issue a check to the vendor. Note the date on the invoice, date received, date PO was complete, and the check date.</b>	<b>81-90% (90.0%)</b>
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**Work performed:**

20 invoices were reviewed using the invoice date compared to the check date to see if the check date was greater than 30 days.

**Conclusions:**

PO 155680 Truck Ag & Auto was greater than 30 days.

**Audit Report**

Audit Name: Treasurer - Accounts Payable

Audit Program Details

<b>Risk 5: The payment did not have proper signatures.</b>	<b>100.0%</b>
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<i>Control 1: Payments should not be made from any budget without the signature of the person responsible for the budget.</i>	<i>100.0%</i>
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**Tests, Text Fields & Linked Files**

<b>Test 1: Review the payment packages for the signatures of the person in charge of the budget charged with the expenditure.</b>	<b>91-100% (100.0%)</b>
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**Work performed:**

Visually reviewed 20 invoices for Office Holder signature and Auditor's Office signature.

**Conclusions:**

All 20 invoice packets were properly signed.

<b>Risk 6: Payment was made to the wrong vendor</b>	<b>100.0%</b>
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<i>Control 1: Payments should be made only to the vendor listed on the invoice.</i>	<i>100.0%</i>
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**Tests, Text Fields & Linked Files**

<b>Test 1: Compare the payee on the checks to the payee, including the address, on the invoices being paid.</b>	<b>91-100% (100.0%)</b>
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**Work performed:**

Selected a random sample of 20 invoices from the invoices from April 1, 2017 through March 31, 2018 2018.

**Conclusions:**

All checks were written to the vendors on the invoices.



## Findings details

### Treasurer - Accounts Payable

Priority: < Unassigned >

Unique Reference	Finding & Recommendation	Status	Type / Finding Type / Theme	People	Dates
2	<p>Limited vendors are not paid in 30 days. Approximately six vendors are paid within 45 days because the vendor payments are made when the statements have been reconciled.</p> <p>No recommendation to change the process. The Treasurer's Office has communicated with the vendors being paid when their statements have been reconciled and they agree the current method of payment works well. No late fees or service charges are being assessed.</p>	Open Item	<p>Type: Default</p> <p>Finding Type:</p> <p>Theme:</p>	<p>Auditor:</p> <p>Office Holder:</p> <p>Assigned to:</p> <p>Staff:</p>	<p>Created Date: 6/18/2018</p> <p>Start date:</p> <p>Implementation Date:</p> <p>End Date:</p> <p>Revised End Date:</p> <p>Date Referred:</p>