

MEMORANDUM

TO: Mary Ann Borgeson, Chair, Douglas County Commissioner
Clare Duda, Vice-Chair, Douglas County Commissioner
Mike Boyle, Douglas County commissioner
Marc Kraft, Douglas County commissioner
PJ Morgan, Douglas County Commissioner
Chris Rodgers, Douglas County Commissioner
Pam Tusa, Douglas County Commissioner
Thomas Cavanaugh, Douglas County Clerk/Comptroller

CC: Kathleen Hall, Chief Deputy Douglas County Clerk/Comptroller
Jerry Prazan, Finance Administrator Douglas County Clerk/Comptroller
T. Paul Tomoser, Audit Committee Chair
Jack Armitage
Ron Bucher
Joni J. Davis
Kathleen Kelley, Chief Administrative Officer
Joe Lorenz, Director of Budget and Finance
Patrick Bloomingdale, Deputy County Administrator
Eric Carlson, Purchasing Agent
Fred Weber

FROM: Mike Dwornicki, Internal Audit Director

DATE: June 14, 2011

SUBJECT: Expense/Disbursement Audit

Background

As part of the fiscal year audit plan, Douglas County Internal Audit performs internal control testing for the Douglas County external audit firm, Hayes and Associates, LLC. The external auditor uses the test data provided by Internal Audit to formulate a professional opinion about the County's year-end financial statements. Below are the details related to tests of the controls for processing the County's accounts payable.

Objectives

The objectives of the audit were to determine that

- Requisitions, purchase orders, and invoices are properly approved and supported and recorded completely and accurately.

- Payments are made to the appropriate vendors for all and only the goods and services received.
- Disbursements are properly calculated and recorded in the proper periods and accounts.

Scope and Methodology

The audit included a review of forty randomly chosen invoices paid from July 1, 2010 through May 19, 2011. The sample was chosen from Oracle Payments Register and included tests to verify that:

- Purchase orders are placed only for approved requisitions.
- Purchase orders are entered accurately.
- Purchases are recorded to the appropriate accounts.
- Disbursements are made only for goods and services received.
- Disbursements are made to the appropriate vendor.
- Disbursements are recorded completely and accurately.
- Disbursements are recorded in correct period.
- Travel expenses policies are followed.
- The County takes advantage of all discounts and sales tax exemptions.

Findings

There were no issues identified.

Audit Standards

Internal Audit conducted this audit in accordance with generally accepted government auditing standards. Those standards require that the audit is planned and performed to obtain sufficient, appropriate evidence to provide a reasonable basis for the findings and conclusions based on the audit objectives. Internal Audit believes that the evidence obtained provides a reasonable basis for its findings and conclusions based on the audit objectives.

Internal Audit has reviewed this information with the Chief Deputy Douglas County Clerk. Internal Audit appreciates the excellent cooperation provided by management and staff. If you have any questions or wish to discuss the information presented in this report, please contact Mike Dwornicki at (402) 444-4327.