



**Mecklenburg County  
Department of Internal Audit**

Criminal Justice Services Department  
Accounts Payable Follow-Up Audit  
Report 1828

October 10, 2018

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**Internal Audit's  
Mission**

To support key stakeholders in cultivating an environment of accountability, transparency and good governance.

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**Internal Audit Contacts**

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**Staff  
Acknowledgements**

Frank Crutchfield, CIA, CISA, CRMA, Auditor-in-Charge

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**Obtaining Copies of  
Internal Audit Reports**

This report can be found in electronic format at  
<https://www.mecknc.gov/audit/reports/pages/default.aspx>



**MECKLENBURG COUNTY**  
**Department of Internal Audit**

**To:** Dena Diorio, County Manager

**From:** Joanne Prakapas, Director, Department of Internal Audit

**Date:** October 10, 2018

**Subject:** Criminal Justice Services Department Accounts Payable Follow-Up Audit Report 1828

The Department of Internal Audit completed a follow-up audit on reported issues from the Criminal Justice Services Department Accounts Payable Report 1665 issued July 10, 2017. The follow-up audit objective was to determine with reasonable but not absolute assurance whether management took effective corrective action on the issues presented in the audit report.

Internal Audit staff interviewed key personnel; observed operations; reviewed written policies, procedures, and other documents; and tested specific transactions where applicable. Internal Audit conducted this audit in conformance with The Institute of Internal Auditor's International Standards for the Professional Practice of Internal Auditing.

**FOLLOW-UP SUMMARY**

There were eight recommendations in Criminal Justice Services Department Accounts Payable Report 1665. The following table provides the original number of recommendations and summarizes the follow-up audit results performed to date.

<b>Fiscal Year</b>	<b>Audit Report</b>	<b>Implemented</b>	<b>Open</b>	<b>Not Implemented<sup>1</sup></b>	<b>Withdrawn</b>	<b>Total Carryforward</b>
2018	1665 <sup>2</sup>	N/A				8
2018	1828	6	2			2

The attached **Follow-Up Results** matrix provides details for the most recent follow-up audit. Internal Audit will review any carryforward issues later to verify recommendations are fully implemented and working as intended.

<sup>1</sup> Management assuming risk for not taking corrective action

<sup>2</sup> Initial report

The cooperation and assistance of the Criminal Justice Services staff are recognized and appreciated.

- c: Deputy County Manager
- Assistant County Managers
- Deputy County Attorney
- Senior County Attorney
- Board of County Commissioners
- Audit Review Committee
- Director, Criminal Justice Services Department

**Follow-Up Results**  
**Criminal Justice Services Department Accounts Payable Report 1665**

- **Implemented** – Audit issue has been adequately addressed by implementing the original or alternative corrective action plan (**I**)
- **Open** – Corrective action for audit issue initiated but not completed (**P**); Implemented but not operating as intended (**IO**); Not been addressed but management fully intends to address issue (**O**)
- **Not Implemented** – Audit issue not addressed and management has assumed the risk of not taking corrective action (**NI**)
- **Withdrawn** – Audit issue no longer exist due to operational changes (**W**)

				Implementation Status	
Issue No.	Recommendation	Management's Risk Mitigation Strategy	Original Implementation Date	Current Status	Comments
1.1	<p>Internal Audit recommends management develop and implement formal accounts payable procedures and train staff accordingly. The procedures should be comprehensive, consistent with applicable County requirements, and include at a minimum:</p> <ul style="list-style-type: none"> <li>• Essential operating activities required to process payments, e.g., invoice verification and processing; recordation; supporting documentation maintenance; and monitoring</li> <li>• Staff roles and responsibilities</li> <li>• Staff training requirements</li> <li>• Periodic procedure reviews and updates</li> <li>• Internal and external communication requirements</li> </ul>	Agree – The department formally documented and implemented accounts payable procedures in April 2017. The department will update the procedures to include training and procedures review schedule, and communication requirements.	07/2017	I (3)	
2.1	Internal Audit recommends management reemphasize to staff the County's account payables document retention requirements	Agree – As part of training, the department will reemphasize accounts payables document retention requirements. In addition, to help ensure staff retains documents accordingly, refresher trainings will be given on a quarterly basis.	07/2017	I	
	and ensure they retain documents accordingly.			IO	Internal Audit determined adequate supporting documentation was not maintained for all account payable documents.

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**Criminal Justice Services Department Accounts Payable Report 1665**

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				Implementation Status	
Issue No.	Recommendation	Management's Risk Mitigation Strategy	Original Implementation Date	Current Status	Comments
3.1	Internal Audit recommends management reemphasize to staff the importance of executing payment responsibilities in a timely manner.	Agree – The department will continue to monitor, evaluate, and communicate invoice processing stats and requirements. Department procedures and training materials will be updated to emphasize the importance of timeliness in processing payments. When necessary, action plans will be developed and executed.	07/2017	I	
	In addition, management should formally assess the Department's accounts payable process, identifying and documenting root causes for processing delays, and developing improvement action plans.			P	Management indicated the recommendation is partially implemented due to additional time needed to evaluate and implement a new plan.
4.1	Internal Audit recommends management segregate the responsibilities of ordering goods and services, receiving goods, and authorizing payments. If adequate segregation of duties cannot be achieved, management should implement appropriate compensating controls.	Agree –The department segregated responsibilities for ordering goods and services, receiving goods, and authorizing payments in April 2017 for some business units. The department will fully implement segregation of duties in the remaining business units in the new fiscal year.	07/2017	I	