



OFFICE OF THE COUNTY AUDITOR

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To: Mary Keating, Director of Community Services
Paul Rafac, Chief Financial Officer

From: Bob Grogan, CPA, CFE *BTG*
County Auditor

Subject: Community Services Imprest Bank Account Reconciliation, August 2018
#18-87

Date: September 25, 2018

The Office of the County Auditor has completed an audit of the DuPage County Community Services Imprest Account bank account. Audit procedures were performed to review the internal controls and transactions as well as independently recreate the reconciliation performed by the Finance Department for the bank statement as of August 31, 2018.

Results

Audit procedures determined that the reconciliation was performed by a Finance Department staff member who does not have disbursement or deposit responsibilities with respect to this account. The reconciliation is acknowledged by initials and date of the staff member performing the reconciliation and the employee who reviewed the reconciliation.

It was noted that Imprest check number 1272 in the amount of \$1,400.00 was subsequently voided after it was already approved by the County Auditor and reimbursed to the Imprest account.

Objective

The County Auditor will perform a series of audit procedures designed to evaluate the internal controls over certain bank accounts outside the control of the County Treasurer. A review was performed to determine if the reconciliation of the Community Services imprest account was timely and accurately performed.

Background / Audit Scope

The DuPage Community Services Department maintains a non-interest bearing checking account with the DuPage County Employees Credit Union to provide emergency funds for the immediate needs of DuPage County Community Services clients. The account is intended for expenses which are eligible for payment through the DuPage County Finance Accounts Payable System. The account may be used when a check or a debit card is needed

for immediate purchases and when processing through the DuPage County Finance Accounts Payable Department is not feasible to meet the immediate payment timeline requirements. Possible uses for this account include client needs for the following: rent, gas, food, etc. and for household purchases for institutionalized clients that are being transitioned back into the community through the Money Follows the Person (MFP Program). These payments do not require County Board approval when initially paid. The County's reimbursement of the expenditures is subject to Accounts Payable procedures, County Auditor review, and County Board approval. The imprest balance of this account is \$20,000.00.

This limited scope internal audit was designed to test if the bank reconciliation was performed on a timely basis and reviewed by an individual independent of deposit and disbursement activities. Procedures included verifying that disbursements were reasonable, deposits were made on a timely manner, and that the imprest balance was accounted for.

The procedures performed by the County Auditor were not designed, nor are intended, to provide a thorough assessment of the internal control risks associated with the processing of transactions in the Community Services Imprest account nor compliance with the grant regulations.

Audit Findings and Recommendations

It was noted that one check (no. 1272) submitted to the accounts payable system in August and approved by the County Auditor for reimbursement to the Imprest account was voided sometime after its approval. The voided check was issued to Liberty Village and was replaced with a second check (no. 1287) on September 13, 2018, for the same dollar amount of \$1,400.00, but to a different payee, Carefree Management. Audit work found that both entities have a direct association; Liberty Village is an apartment building in Elmhurst, and is managed by Carefree Management. In this situation, it appears that the payee listed on the replacement check is legitimate however; henceforth, **it is recommended that the Finance Department notify the County Auditor of any check that is voided if the check has already been approved for reimbursement.** Further, any replacement checks should also be submitted to the County Auditor for review. And finally, in that the Imprest account has already been reimbursed the \$1,400.00 for the voided check, the replacement check should not be submitted through the County's accounts payable system or it will be a duplicate reimbursement.

No other exceptions were noted.

If you have any questions, please contact me.

cc: Tom Cuculich, County Administrator
Carmi Cyrus, Finance Department