



OFFICE OF THE COUNTY AUDITOR

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To: Margaret Ewing, Director of Human Resources
Paul Rafac, Chief Financial Officer

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

Subject: Workforce Innovation and Opportunity Bank Account Reconciliation, January 2019
#19-28

Date: March 26, 2019

The Office of the County Auditor has completed an internal audit of the Workforce Innovation and Opportunity Act (WIOA) bank account. Audit procedures were performed to review the internal controls and transactions as well as independently reconcile the bank statement as of January 31, 2019.

Results

Internal 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 was acknowledged by initials and date of the staff member performing the reconciliation.

Objective

The County Auditor will perform a series of internal 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 WIOA account was timely and accurately performed.

Background / Internal Audit Scope

A non-interest bearing checking account is maintained at Chase Bank to administer the Workforce Innovation and Opportunity Act Grant. The Account is used to expedite incentive and bonus payments to participants in training programs overseen by the Workforce Development Division (WDD). Students receive payments determined by WDD based on attendance, completion of training programs, and 90-day job retention. The checks are prepared by the Finance Department and distributed by WDD at the training locations. The account is reimbursed with checks issued by DuPage County, requested periodically. These payments do not require County Board approval when

initially paid. The County's reimbursement of the expenditures is subject to Accounts Payable procedures and County Board approval. The account has an imprest balance of \$15,000.

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, and that deposits were made in a timely manner.

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 WIOA account.

Internal Audit Findings and Recommendations

The internal audit procedures indicated that the bank account is being reconciled in a timely manner by individuals without disbursement or deposit responsibilities.

It was noted that a check submitted in the amount of \$500 issued in June 2018, had not been cashed and remained outstanding. An affidavit was submitted by the payee/client indicating that he lost the check. The original check was voided and replaced with another check on January 23, 2019. As of January 31, 2019, the replacement check had not yet cleared the bank account.

If you have any questions, please contact me.

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