UPDATE ON INTERNAL CONTROL REVIEW

Accounts Payable and Collections (Utilities, Billing, and Collections and Business Tax and License)

OVERVIEW

➢ Update on Accounts Payable & Disbursements

➢ Update on Collections: Utilities, Billing, & Collections (UBC) and Business Tax & License (BTL)

Accounts Payable & Disbursements

General Reporting & Operations

➢ Item 1 - Policy and Procedures Recommendation – **Implemented**

- Standard Operating Procedures and other written documentation have been developed, defining policies and procedures for all functions within the Accounts Payable section.

➢ Item 2 - Additional Training Resources Recommendation – **Implemented**

- Internal staff receive on-going training on all new and existing processes/procedures.

➢ Item 3 - Whistleblower Hotline Recommendation – **Ongoing Exploration**

Accounts Payable & Disbursements

Control Activities

➤ Item 1 - In-Person Check Pick-ups Recommendation – **Implemented**

- All employees must now be pre-authorized (CF-100 Form) and this approval is granted by department directors. In addition, adequate reasoning must be provided as to why a pick-up is needed. An employee badge and signature is required upon pick-up.

➤ Item 2 - Vendor Creation Recommendation – **Implemented**

- Process of Vendor Management has been transitioned to Purchasing Department for vetting of new and existing vendors.

➤ Item 3 - User Access Controls and Workflow Roles In Tyler Munis Recommendation – **In Progress**

- Have developed formal process for establishing user system access. Continuing to analyze and assess user roles to ensure consistency across the system.

➤ Item 4 - Duplicate Payment Check Recommendation – **Implemented**

- Process implemented to ensure no duplicate payments are processed prior to each payable cycle.

➤ Item 5 - Timeliness and Communication Between Departments Recommendation – **Implemented (Ongoing)**
- Implemented continuous department communications related to important process timelines. Working to develop formal process documentation that reiterates the expectations for invoice submission.
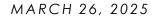
Accounts Payable & Disbursements

Other Comments

➢ Item 1 - Workflow Logic Recommendation - **Implemented**

- Workflow restricts an individual from directly approving their own inputs in the financial system.

➢ Item 2 - Workflow Approval Thresholds Recommendation – **In Progress**

- Analysis is on-going to determine the potential impact to any recommended changes.

➢ Item 3 - Control Monitoring Recommendation – **Implemented**

- Implemented key metrics that are assessed daily to monitor activities such as, invoice age, volume by department, and # of invoices outstanding by vendor. Controls implemented to review check register prior to each payable cycle and, auditing is conducted after each cycle by a staff member that is independent from the Accounts Payable section.

➢ Item 4 - Internal Training & Process Resources Recommendation – **Implemented (Ongoing)**

- Training videos have been published and are available for City-wide staff to provide training on essential Accounts Payable processes.

Collections: Utilities, Billing, & Collections (UBC) and Business Tax & License (BTL)

General Reporting & Operations

➢ Item 1 - Policy and Procedures Recommendation – **In Progress**

- Existing standard operating procedures and other written documentation have been evaluated and are being refined to ensure alignment with current processes.

➢ Item 2 - Enhancement of Staff Training for UBC Recommendation – **In Progress**

- Training and on-boarding materials are currently being updated to ensure continuity for staff processes.

➢ Item 3 - Central Square (Naviline) Software Recommendation – **Implemented (Ongoing)**

- Additional staff member has been hired and cross trained. The development of documentation and cross training to ensure purposeful redundancy so no key-person dependencies exist when troubleshooting the system.

➢ Item 4 - Identifying Customers who are Past Due on Billings Recommendation – **Implemented**

- Created new report that is more effective in identifying delinquent accounts.

Collections: Utilities, Billing, & Collections (UBC) and Business Tax & License (BTL)

Control Activities

➢ Item 1 - Internal Control Monitoring Recommendation- **Implemented (Ongoing)**

- Internal controls continue to be reviewed and evaluated for monitoring activity and key metrics

➢ Item 2 - Business Tax & License- Various Items Recommendation

- Continue to review, question, and investigate variances that may result in deposits not being fully reconciled – **Implemented**
- Have two employees involved in the mail-opening process and/or build control to mitigate potential for manipulation/misuse of payments received – **Implemented**
- Ensure information on shared drive is backed up as this folder can be manipulated by multiple employees – **Implemented**
- Create additional controls to ensure that changes to business accounts are appropriate – **Ongoing**

➢ Item 3 - Cash Handling and Collections Recommendation – **Implemented**

- Dual custody and dual count of cash and a formal policy for cash handling has been developed; in addition to additional monitoring controls.

Collections: Utilities, Billing, & Collections (UBC) and Business Tax & License (BTL)

Other Comments

➤ Item 1 - Online Applications (UBC) Recommendation – **Implemented**
- Utilizing an abbreviated form to expedite review of online applications.

➤ Item 2 - Promotion of Electronic Payments for UBC Recommendation – **Ongoing**
- Continuing to promote electronic options, including training where necessary.

➤ Item 3 - Automatic Meter Reading (AMR) Analysis Recommendation – **Implemented (Ongoing)**
- Working in collaboration with DPU to explore options for more accurate and timely meter readings.

➤ Item 4 - Call Tracking Review for Customer Service Clerks – **Implemented**
- System has been upgraded and now provides better detail in assessing service levels.

Update on existing audits

- ➢ Internal Control Review
  - • Accounts Receivable, Grants, Payroll, and Treasury

- ➢ PARCS Department

- ➢ Airport Department

FINANCE & AUDIT COMMITTEE MEETING

Questions

FINANCE & AUDIT COMMITTEE MEETING