

**City of Tampa
Internal Audit Department
Audit Program Guide
Accounts Payable
Audit 00 - 13**

Budget Hours	Audit Procedures	Done By	W/P Ref.
<i>Background</i>			
	Accounts Payable is a function of the City of Tampa's Accounting area and is Organizationally located in the Division of Revenue and Finance. It is responsible for the payment of the City of Tampa's lawful bills.		
<i>Statistics</i>			
	In FY 1999, the Accounts Payable section processed 52,128 checks for payment compared to 57,936 in FY 1998. The decrease is attributable to the system change to ADPICS which allows for substantially more vouchered payments to a vendor on one check than under the previous system.		
<i>Planning the Audit</i>			
	<ol style="list-style-type: none"> 1. Print Quality Control Package and process Auditor Assignment and Independence Statement page. 2. Prepare and send an entrance letter to applicable personnel in the area under review. 3. Prepare a planning program and include a time budget for the preliminary survey work. 4. Conduct an in-house review of the following: <ol style="list-style-type: none"> a) Financial Data b) Internal Policy & Procedures Manuals c) Applicable Rules, Laws and Regulations, and d) Prior internal audit reports and management comments 5. Schedule and hold an entrance conference with the Auditee. Obtain the name of the departmental contact person and secure a place from which to conduct the fieldwork portion of the audit. 6. Begin Preliminary Survey by interviewing the appropriate personnel in the Auditee Department. Document the interviews with narratives in the work file. 7. Review and document Internal Control System. (Include control points, such as the location within the system of approvals, authorizations, segregation of duties, supervision, reconciliations, computer-generated error and edit listings, exception reports, etc.) 8. After gaining an understanding of various functions, conduct several transaction walk-throughs. Revise documentation as necessary. 9. Prepare a survey memo listing the strengths and weaknesses of the system. Discuss the areas of greatest risk and exposure to the City. Also, include suggested audit objectives and test procedures. Discuss with Audit Supervisor and the Deputy Director. 10. Prepare the audit program and include a time budget and estimated completion date. Index the preliminary survey file and turn in for review. The Planning Checklist page of the Quality Control Package should be 		

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	<p>completed by the Audit Supervisor.</p> <p>11. Clear review notes and revise the audit program, if necessary.</p>		
Audit Scope			
	Based on the work performed during the preliminary survey and the assessment of risk, the audit period will cover the operations of Accounts Payable from November 1998 to September 1999.		
Audit Objectives			
	<ol style="list-style-type: none"> 1. Determine if adequate controls exist to provide reasonable assurance that payments can not be made to incorrect vendor. 2. Determine if adequate controls exist to provide reasonable assurance that payment of invoices are made in a timely manner to vendor. 3. Determine if adequate controls exist to provide reasonable assurance that correct payment is made to vendor. 4. Determine if adequate controls exist to provide reasonable assurance that duplicate payments can not be made to vendor. 5. Determine if adequate controls exist to provide reasonable assurance that access to vendor files is limited to authorized employees only. 		
Objective 1: Determine if adequate controls exist to provide reasonable assurance that payments can not be made to incorrect vendor.			
	<ol style="list-style-type: none"> 1. Select a random sample of 73 checks from Accounts Payable storage files. 2. Agree the vendor's invoice, P.O. number and receiving number (if applicable) to ADPICS invoice and voucher. 3. Discuss any audit findings with the Audit Supervisor, Deputy Director and Audit Director. After receiving their approval discuss audit findings with Auditee management. 4. Summarize and conclude. 		
Objective 2: Determine if adequate controls exist to provide reasonable assurance that payment of invoices are made in a timely manner to vendor.			
	<ol style="list-style-type: none"> 5. Utilizing the random sample selected in Objective 1, ascertain timeliness of payment to invoice terms and date goods/services were received. 6. Review ADPICS for open vouchers. Document exceptions with screen print in ADPICS 7. Discuss any audit findings with the Audit Supervisor, Deputy Director and Audit Director. After receiving their approval discuss audit findings with Auditee management. 8. Summarize and conclude. 		
Objective 3: Determine if adequate controls exist to provide reasonable assurance that correct payment is made to vendor.			
	<ol style="list-style-type: none"> 9. Utilizing the random sample selected in Objective 1, compare and agree supporting documents amount to that of check amount. 10. Review cancelled checks. Agree check number, date, payee and amount to FAMIS. Agree endorsement to payee. Agree dual check signers to approved check signer list. 11. Compare and agree P.O. and vendor price differences to approved Price Adjustment Request (PAR) if applicable. Agree approved PAR amount to check payment amount. 		

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	<p>12. Discuss any audit findings with the Audit Supervisor, Deputy Director and Audit Director. After receiving their approval discuss audit findings with Auditee management.</p> <p>13. Summarize and conclude.</p>		
<i>Objective 4: Determine if adequate controls exist to provide reasonable assurance that duplicate payments can not be made to vendor.</i>			
	<p>14. Utilizing the random sample selected in Objective 1, ascertain if duplicate payments exist. Ensure supporting documents have been cancelled.</p> <p>15. Review/scan vendor files for duplicate payments.</p> <p>16. Discuss any audit findings with the Audit Supervisor, Deputy Director and Audit Director. After receiving their approval discuss audit findings with Auditee management.</p> <p>17. Summarize and conclude.</p>		
<i>Objective 5: Determine if adequate controls exist to provide reasonable assurance that access to ADPICS and FAMIS is limited to authorized employees only.</i>			
	<p>18. Obtain from MIS, access list for Accounts Payable. Ascertain if former employees still have access and at what level.</p> <p>19. Obtain from MIS, access list for Departments, review for propriety.</p> <p>20. Discuss any audit findings with the Audit Supervisor, Deputy Director and Audit Director. After receiving their approval discuss audit findings with Auditee management.</p> <p>21. Summarize and conclude.</p>		
<i>Audit Wrap Up</i>			
	<p>22. Complete and index working papers.</p> <p>23. Prepare a preliminary draft of the audit report.</p> <p>24. Clear review notes.</p> <p>25. Forward draft to auditee and request responses within 10 working days.</p> <p>26. Incorporate auditee responses into the final audit report.</p> <p>27. If requested, schedule and hold exit conference.</p> <p>28. Quality Control Checklist of the Quality Control Package to be completed by the Deputy Director.</p> <p>29. Present the audit report to the Mayor.</p>		