

# Internal Auditor Follow-Up Report

## Summary of Audit Corrective Actions

| Audit Report / Subject | Management<br>Comments | Auditor<br>Status<br>Up-Date | Report<br>Issue Date | Corrective Actions |      |        |
|------------------------|------------------------|------------------------------|----------------------|--------------------|------|--------|
|                        |                        |                              |                      | Total              | Open | Closed |
| Individual Functions   |                        |                              |                      |                    |      |        |
| Accounts Payable       | July 2024              | July 2024                    | May 10, 2023         | 3                  | 0    | 3      |
|                        |                        |                              |                      |                    |      |        |
|                        |                        |                              |                      |                    |      |        |
|                        |                        |                              |                      |                    |      |        |
| Total                  |                        |                              |                      | 3                  | 0    | 3      |

NOTES:

Follow-up Not Required as no ECD's or testing was applicable this reporting cycle.

## Internal Auditor Follow-Up Report of Corrective Actions

BREVARD COUNTY INTERNAL AUDIT  
FUNCTION: INTERNAL AUDIT OF ACCOUNTS PAYABLE

Report Issue Date: May 10th, 2023

| Risk     | Observation #1: Invoice Processing – Date of Delivery/Service                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Management Comments<br>as of July 2024                                                                                                                                                                                                                      | Auditor Comments<br>as of July 2024                                                                                                                                                                                                                                                                                                                                                                                                                | Status |
|----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|
| Moderate | <p>We selected a random sample of 50 invoices from the period of January 1, 2022 through December 31, 2022. All 50 invoices selected included approvals from the respective agencies (County departments /offices) without exception.</p> <p>However, we noted the following with respect to compliance with AO-33 (relevant section indicated below) as it relates to certain items to be indicated on the invoice:</p> <p>a. For 7 of 50 invoices, the delivery date or date of service, as applicable, was not indicated on the invoice (V.A.7.).</p> | <p>County Finance will work with County Management on a communication to remind County agencies of the date of delivery/date of service requirements of AO-33 as recommended.</p> <p>Responsible party:<br/>Kathleen Prothman, County Finance Director.</p> | <p>We obtained a copy of the email communication circulated by County Finance to the County agencies (dated July 31, 2023) reminding them to include the delivery date or date of service, as applicable, in accordance with AO-33. No exceptions noted. Additionally, we selected a sample of ten invoices to determine whether the date/service date was included on the invoice. No exceptions noted. This audit item is considered closed.</p> | Closed |
|          | <b>Auditor Recommendation</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <b>ECD:</b>                                                                                                                                                                                                                                                 | <b>Testing Date:</b>                                                                                                                                                                                                                                                                                                                                                                                                                               |        |
|          | <p>We recommend that County Finance request that County management circulate a memorandum reminding the County agencies of the following pursuant to AO-33:</p> <p>a. Invoices are to indicate the date of service or date of delivery as applicable.</p> <p>This will facilitate proper compliance with this AO-33 requirement and provide clarity as to what period the service date or delivery date pertains to for recording in the proper accounting period.</p>                                                                                   | Closed.                                                                                                                                                                                                                                                     | Closed.                                                                                                                                                                                                                                                                                                                                                                                                                                            |        |

## Internal Auditor Follow-Up Report of Corrective Actions

BREVARD COUNTY INTERNAL AUDIT

Report Issue Date: May 10th, 2023

FUNCTION: INTERNAL AUDIT OF ACCOUNTS PAYABLE

| Risk     | Observation #2: Invoice Submission - Timeliness                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Management Comments<br>as of July 2024                                                                                                                                                                                                      | Auditor Comments<br>as of July 2024                                                                                                                                                                                                                                                                                                                                                                                                                                        | Status |
|----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|
| Moderate | <p>We selected a random sample of 50 invoices from the period of January 1, 2022 through December 31, 2022. All 50 invoices selected included approvals from the respective agencies (County departments /offices) without exception.</p> <p>We noted the following with respect to compliance with AO-33 (relevant sections indicated below):</p> <p>a. 7 of 50 invoices were not submitted to County Finance within ten days (IV. B).*</p> <p>b. 1 of 50 the invoices were not paid within the 45 day requirement (IX.A).**</p> <p>*Pursuant to AO-33, IV., B.: "All Board agencies are required to submit undisputed invoices for payment to County Finance within ten (10) days after receipt of invoice." Based on review of the explanations provided by the respective county agencies for the processing delay, none were noted as disputed invoices.</p> <p>**The invoice that was not paid by County Finance within the 45 day requirement was due to fact that County Finance did not receive the invoice from the County agency until after 45 days.</p> | <p>County Finance will work with County Management on a communication to remind County agencies of the invoice submission requirement of AO-33 as recommended.</p> <p>Responsible party:<br/>Kathleen Prothman, County Finance Director</p> | <p>We obtained a copy of the email communication circulated by County Finance to the County agencies reminding them of the AO-33 time submission requirements noted in Observation 2. No exceptions noted.</p> <p>As part of our cash disbursements sample testing in Observation 1 above, we selected ten invoices noting that the invoices were paid within the time requirements noted in Observation 2. No exceptions noted. This audit item is considered closed.</p> | Closed |
|          | <b>Auditor Recommendation</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <b>ECD:</b>                                                                                                                                                                                                                                 | <b>Testing Date:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                       |        |
|          | <p>We recommend that County Finance request that County management circulate a memorandum reminding the County agencies of the following pursuant to AO-33:</p> <p>a. Invoices are required to be submitted to County Finance with 10 days of receiving a proper invoice.</p> <p>This will facilitate proper compliance with the requirement to pay proper invoices within 45 days (non-construction; 30 days for construction related invoices).</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Closed.                                                                                                                                                                                                                                     | Closed.                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |        |

# **Internal Auditor Follow-Up Report of Corrective Actions**

BREVARD COUNTY INTERNAL AUDIT  
FUNCTION: INTERNAL AUDIT OF ACCOUNTS PAYABLE

Report Issue Date: May 10th, 2023

| Risk | Observation #3:Authorized Signatures - Verification                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Management Comments<br>as of July 2024                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Auditor Comments<br>as of July 2024                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Status |
|------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|
| Low  | <p>We selected a random sample of 50 invoices from the period of January 1, 2022 through December 31, 2022. All 50 invoices selected included signature approvals from the respective agencies (County departments /offices) without exception. However, we noted that for 1 of 50 invoices, the signature on the invoice did not match the signature per the authorized signature form.</p> <p>"County Finance is responsible for verifying that the signature on the invoices is of a designated authorized individual. Invoices not containing the signature of an authorized individual will be returned to the appropriate department for signature prior to payment" (AO-39, III.C.)</p> <p>County Finance stated that prior to payment, they contacted the department and verified that the signature on the invoice was an authorized signer; however, County Finance was not able to provide written evidence of this verification. As a follow-up, we contacted the department director and verified that the signature on this invoice was an authorized signer.</p> <p>Additionally, "County Finance is required to provide a listing of individuals authorized to approve expenditures to the County Manager, Assistant County Managers and Department /Office Directors on a quarterly basis" (AO-39, III.E.). County Finance indicated that they have not been doing this on quarterly basis.</p> | <p>a. County Finance will remind staff that manual signatures for invoice approval must match the authorized signature form.</p> <p>b. County Finance will circulate a memo to County management to remind them of the need for signatures on invoices to match the one on the authorized signature form.</p> <p>c. County Finance will provide the listing of individuals authorized to approve expenditures to County management as required by AO-39.</p> <p>Responsible party:<br/>Kathleen Prothman, County Finance Director</p> | <p>a. We obtained agenda that County Finance provided to accounts payable staff reminding them that manual signatures for invoice approval must match the authorized signature form.</p> <p>b. We obtained and reviewed a copy of an email circulated to County management (dated July 31, 2023) reminding them of the need for signatures on invoices to match the one on the authorized signature form.</p> <p>c. We obtained and reviewed a copy of the listing of individuals authorized to approve expenditures County Finance provided to County management as required by AO-39.</p> <p>No exceptions were noted. This audit items is considered closed.</p> | Closed |
|      | <b>Auditor Recommendation</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>ECD:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>Testing Date:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |        |
|      | <p>We recommend the following:</p> <p>a. County Finance should remind their staff that manual signatures for invoice approval must match the authorized signature form.*</p> <p>b. County Finance should circulate a memorandum to the County Manager, Assistant County Managers and Department/Office Directors to remind them that manual signatures for approving invoices must match the signatures on the authorized signature forms.*</p> <p>c. County Finance should circulate a listing of individuals authorized to approve expenditures to the County Manager, Assistant County Managers and Department/Office Directors on a quarterly basis.</p> <p>"We noted during our testing that some departments/offices in lieu of manual signatures approved invoices via a digital signature in proper compliance with AO-74.</p> <p>This will ensure clarity in the matching of an authorized signature to the authorized signature form for manual signatures.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                        | Closed.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Closed.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |        |

Open/Closed

= On schedule to complete ECDs

= Missed ECD (1st time), planned to complete in next 3 month review

= Missed ECD (2nd time or over 3 months for revised ECD)