



Deschutes County,
Oregon

FOLLOW-UP REPORT County Accounting System (MUNIS) purchasing topics: Part IV - Analyses

(Internal audit report #20/21-9 issued November 2021)

The Office of County Internal Audit

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1. Introduction

 "Audit objectives" define the goals of the audit.

1.1 BACKGROUND ON AUDIT

Audit Authority:

The Deschutes County Audit Committee has suggested that follow-ups occur within nine months of the report. The Audit Committee would like to make sure departments satisfactorily address recommendations.

1.2 OBJECTIVES and SCOPE

Objectives:

The objective was to follow-up on recommendations from the original audit.

Scope:

The follow-up included ten (10) recommendations from the internal audit report for County Accounting System (MUNIS) purchasing topics: Part IV - Analyses (#[2021-9](#)), issued in November 2021. The original internal audit report should be referenced for the full text of recommendations and associated discussion. The follow-up reflects the status as of November 2022.

1.3 METHODOLOGY

The follow-up report was developed from information provided by Robert Tintle, Chief Financial Officer. Comments were sought for the status of the outstanding recommendations. Follow-ups are, by nature, subjective. In determining the status of recommendations that were followed up, we relied on assertions provided by those involved and did not attempt to independently verify those assertions. The updates received are included in **Appendix I**.

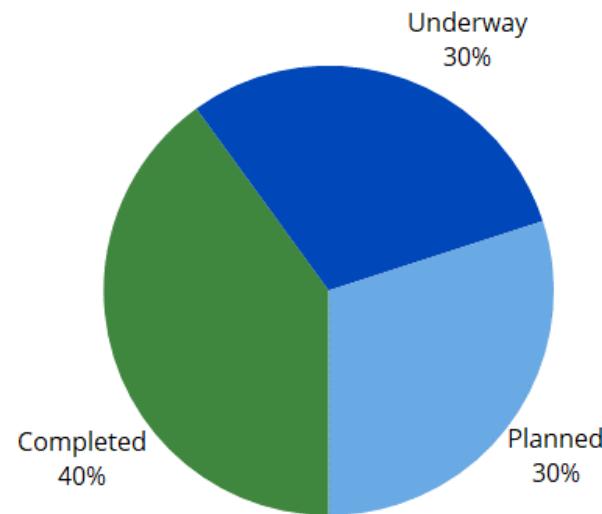
Since no substantive audit work was performed, Government Auditing Standards issued by the Comptroller General of the United States were not followed.

2. Follow-up Results

Figure I -

How were recommendations implemented?

The follow-up included ten (10) outstanding recommendations agreed to by Finance. **Figure I** provides an overview of the implementation status of the recommendations.



With this follow-up, twenty-nine percent (40%) of the outstanding recommendations have been addressed. As indicated in the provided responses, many of the recommendations have not been fully addressed because of Finance's need for a dedicated procurement position to ensure compliance with public purchasing laws.

The details of the follow-up is included at the end of the report in **Appendix I**. In interpreting the status, Internal Audit may sometimes raise or lower the status provided by the department based on the communication(s) received from the department.

APPENDIX**Appendix I – Updated workplan for recommendations for #20/21-9
(status as of November 2022)**

Items that are not completed are greyed out.

Rec #	Recommendations	Status	Estimated or Actual Date of Completion	Updated Follow-up comments
1	It is recommended, for those billed invoices that only include an account number (no invoice number), for staff (based on guidance from Finance) to include additional descriptors to make a unique invoice number (such as adding a month and year to the account number).	Completed	March 2022	Munis settings updated to require unique invoice numbers. Instructions sent to all users on proper invoice number convention to use. This is also documented in AP procedures provided with new Munis Helpdesk system.
2	It is recommended that Finance develop procedures to review for duplicate invoice payments and, at least annually, perform a duplicate invoice search/review.	Underway	Dec 2022	Finance staff is working on completing for FY22.
3	It is recommended for Finance to provide additional guidance to those using the Munis accounting system as to the use of requisitions (by service or goods) (by quantity or amount), receiving of goods and services, and how the system is intended to operate.	Completed	May 2022	Munis Helpdesk implemented providing resources on receipting. Employees can also reach out to Finance team via helpdesk for help. To adequately address purchasing recommendations and to ensure ongoing compliance with public purchasing law, Finance needs a dedicated public procurement professional position familiar with ORS 279A-C and other related public procurement standards.

Rec #	Recommendations	Status	Estimated or Actual Date of Completion	Updated Follow-up comments
4	It is recommended Finance provide greater guidance on the importance and impacts of receiving activities.	Completed	May 2022	Munis Helpdesk implemented providing resources on receipting. Employees can also reach out to Finance team via helpdesk for help. To adequately address purchasing recommendations and to ensure ongoing compliance with public purchasing law, Finance needs a dedicated public procurement professional position familiar with ORS 279A-C and other related public procurement standards.
5	It is recommended for Finance to consider additional training to approvers on batching approvals. This would include setting expectations at various levels in the approval process as well as communicating them in written procedures.	Underway	Dec 2022	Instructions sent out to p-card approvers on expectations for review. Finance to develop reminder email to all Munis users on invoice approval expectations.
6	It is recommended for Finance to assess, periodically, the usage of bulk approving and the impacts on the purchasing workflow.	Planned	Dec 2022	Finance requested process developed by County Internal Auditor and to implement quarterly review. To adequately address purchasing recommendations and to ensure ongoing compliance with public purchasing law, Finance needs a dedicated public procurement professional position familiar with ORS 279A-C and other related public procurement standards.

Rec #	Recommendations	Status	Estimated or Actual Date of Completion	Updated Follow-up comments
7	It is recommended for Finance to consider revisiting workflows periodically to see if they can be further streamlined.	Completed	May 2022	Finance reviews workflows for proper approvals on monthly basis. If approval issues arise, Finance does review workflow setup and suggest ways to streamline.
8	It is recommended, with the incidence of some invoices not being entered against a purchase order or contract, that Finance consider whether it would be beneficial to provide departments a tool to reference their purchase orders.	Planned	TBD	Not started. To adequately address purchasing recommendations and to ensure ongoing compliance with public purchasing law, Finance needs a dedicated public procurement professional position familiar with ORS 279A-C and other related public procurement standards.
9	It is recommended for Finance to work with departments to identify and consider setting up routine payments with a purchase order or contract.	Planned	TBD	Not started. To adequately address purchasing recommendations and to ensure ongoing compliance with public purchasing law, Finance needs a dedicated public procurement professional position familiar with ORS 279A-C and other related public procurement standards.

Rec #	Recommendations	Status	Estimated or Actual Date of Completion	Updated Follow-up comments
10	It is recommended the County limit usage of its accountable plan payments to employees/volunteers and that other departmental payments should not be paid through the County's accountable plan.	Underway	Jan 2023	Finance is working on reviewing the activity in vendor account 999992 for FY22 to confirm its being used properly. To clarify the recommendation so it isn't confused with IRS Publication 15 and 15B regarding 'accountable plan' reimbursements, the 'Accountable Plan' vendor is for nontaxable reimbursement payments to 'volunteers' or 'employees prior to being hired'. Once an employee is an active employee, each employee is set up with a unique vendor # to process reimbursements.

{End of Report}