



October 19, 2021

Accounts Payable Compliance Review For the Three -Month Period Ending June 30, 2021



Source: Google

Project# 22-APR-01

A Report to:

Commissioners:

Chair, Keith E. Bell
Vice Chair, Howard A. Denis
Fausto R. Bayonet
T. Eloise Foster
Chris Lawson

General Manager/CEO:

Carla A. Reid

Corporate Secretary

Julianne Montes De Oca, Esq.

Office of the Inspector General

14405 Laurel Place, Suite #300

Laurel, MD 20707

(301) 206-8300



Interoffice Memorandum

TO: PATRICIA COLIHAN, CHIEF FINANCIAL OFFICER
FINANCE DEPARTMENT

THRU: ARTHUR A. ELKINS, JR., INSPECTOR GENERAL ^{DS} *aa*
OFFICE OF THE INSPECTOR GENERAL

THRU: MAXENE M. BARDWELL, ASSISTANT INSPECTOR GENERAL FOR AUDIT ^{DS} *MB*
OFFICE OF THE INSPECTOR GENERAL

FROM: DAISY QIAN, AUDITOR ^{DS} *DQ*
OFFICE OF THE INSPECTOR GENERAL

DATE: OCTOBER 19, 2021

SUBJECT: ACCOUNTS PAYABLE COMPLIANCE REVIEW
FOR THE THREE-MONTH PERIOD ENDING JUNE 30, 2021

EXECUTIVE SUMMARY

Background

In accordance with the Fiscal Year 2022 Risk-Based Office of the Inspector General (OIG) Work Plan, the Washington Suburban Sanitary Commission's (WSSC Water) OIG reviewed disbursement transactions and vendor related activity for the three-month period ending, June 30, 2021. The OIG conducted the audit in accordance with Generally Accepted Government Auditing Standards (GAGAS) except for the peer review requirement.

During the identified three-month period of review, there were 17,253 remittances totaling over \$179 million.

Objective

The objective of the review was to determine compliance with WSSC Water's policies as set forth in its regulations, standards, and procedures. In addition to identifying instances of inefficiencies and noncompliance with internal controls, the OIG also developed audit procedures and tests to identify instances of fraud, waste, and abuse.

PATRICIA COLIHAN, CHIEF FINANCIAL OFFICER

OCTOBER 19, 2021

PAGE 2

Scope

The scope of this review focused on vendor and employee data files from the Oracle Business Intelligence and One Source systems, respectfully. The data files included approximately 550 different vendors and approximately 1,700 WSSC employees. The OIG obtained all known remittances initiated by WSSC's Disbursements Division contained in Oracle EBS (P2P). These files include all checks and electronic transfers processed during the period under review.

The OIG performed review procedures on a random sample of sixty (60) remittances from the entire population using data analysis software. The sampled transactions totaled \$3,049,187. During this review, we performed duplicate testing procedures to determine if there were duplicate checks and vendors. We reviewed vendor addresses to determine validity and tested whether WSSC employees and vendors had the same address. Other substantive testing procedures included reviewing high dollar volume payments to vendors and determining whether these transactions were recorded in the proper recording period. Lastly, the OIG reviewed supporting documentation for payments, timeliness of processing checks, and checks identified as suspicious by the data analysis software.

Conclusion

The transactions tested for the identified period are in compliance with WSSC Water's policies as set forth in its regulations, standards, and procedures. Further, the OIG did not detect any instances of fraud, waste, or abuse. The OIG determined that the controls established by management were sufficient to identify risks to WSSC Water's accounts payable area.

cc: General Manager/CEO, (C. Reid)
DGM for Administration, (J. Beach)
Chief Strategy and Innovation Officer, (T. Allen)
Disbursements Division Manager, (J.D. Noell)
Accounts Payable Section Manager, (P. Edwards)