



OFFICE OF THE COUNTY AUDITOR

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To: Margaret Ewing, Director of Human Resources
Paul Rafac, Chief Financial Officer

From: Bob Grogan, CPA, CFE
County Auditor

Subject: Workforce Investment and Innovation Bank Account Reconciliation
#16-109

Date: November 29, 2016

The Office of the County Auditor has completed an audit of the Workforce Innovation and Opportunity Act (WIOA) bank account (Chase Bank account number [REDACTED]). Audit procedures were performed to review the internal controls and transactions as well as independently reconcile the bank statement as of September 30, 2016.

Results

Audit procedures determined that the reconciliation was performed by a Finance Department staff member who does not have disbursement or deposit responsibilities with respect to this account. The reconciliation is acknowledged by initials and date of the staff member performing the reconciliation. There were no exceptions noted in the internal controls examined nor were there any audit findings in the transactions occurring within the Account.

Objective

The County Auditor will perform a series of audit procedures designed to evaluate the internal controls over certain bank accounts outside the control of the County Treasurer. A review was performed to determine if the reconciliation of the WIOA account was timely and accurately performed.

Background / Audit Scope

A non-interest bearing checking account is maintained at Chase Bank to administer the Workforce Investment and Opportunity Act Grant. The Account is used to expedite incentive and bonus payments to participants in training programs overseen by the Workforce Development Division (WDD). Students receive payments determined by WDD based on attendance, completion of training programs and 90-Day job retention. The checks are prepared by the Finance Department and distributed by WDD at the training locations. The account is reimbursed with checks issued by DuPage County, requested

periodically. These payments do not require County Board approval when initially paid. The County's reimbursement of the expenditures is subject to Accounts Payable procedures and County Board approval. The account has an imprest balance of \$15,000.

This limited scope internal audit was designed to test if the bank reconciliation was performed on a timely basis and reviewed by an individual independent of deposit and disbursement activities. Procedures included verifying that disbursements were reasonable, and that deposits were made in a timely manner.

The procedures performed by the County Auditor were not designed, nor are intended, to provide a thorough assessment of the internal control risks associated with the processing of transactions in the WIOA account.

Recommendations

The bank account has been reconciled as of the date the reconciliation is performed. It is recommended that the reconciliation be performed as of the date of the bank statement.

The April bank statement included a service charge of \$154.66, which has not been reversed by the bank in any subsequent bank statement. It is recommended that the bank be contacted to reverse these charges.

If you have any questions, please contact me.

cc: Tom Cuculich, Chief of Staff
Carmi Cyrus, Finance Department