



**CITY OF READING**  
**ACCOUNT PAYABLES MONTHLY REPORT**  
**SEPTEMBER 1, 2023, THROUGH SEPTEMBER 30, 2023**  
**INTERNAL AUDITOR'S REPORT**

**OCTOBER 9, 2023**

**CITY OF READING**  
**ACCOUNTS PAYABLE MONTHLY REPORT**  
**For the Period of 09/01 – 09/30/2023**

**OBJECTIVE**

The objective of the Weekly Accounts Payable check review is to determine whether the checks issued, and their corresponding documentation, comply with the approving process for paying invoices and warrants.

**PROCEDURES**

A review of all the checks generated for the period includes a review of the invoices being paid and their corresponding documentation, approvals, compliance, and reasonableness of expenditures.

The Auditing Department verifies the accuracy of the transaction by adhering to internal norms and external regulations, plus detecting opportunities for improvement.

Considering no policy has been put in place since the implementation of Munis, regulatory reviews ensure that bills are getting paid timely, duplicate payments are prevented, imposed late fees are addressed, sale tax are not paid, and purchase orders are in place.

- ✓ Number of checks reviewed and posted for the period: 521.
- ✓ Number of attached documents reviewed: 990.
- ✓ Amount of the checks reviewed and posted for the period: \$5,111,547.43.

**1. Expenditure by Funds:**

<b>Funds</b>	<b>Expenditure</b>
General Fund	\$1,512,952.87
Shade Tree	\$35,252.49
Agency Fund	\$113,795.06
Community Development	\$833,344.84
Capital Projects Fund	\$455,102.23
Liquid Fuels	\$8,833.41
Building/Construction	\$9,641.91
ARP	\$245,067.63
Water	\$3,635.61
Self-Insurance	\$61,852.85
Sewer	\$826,123.87
Sewer Retail	\$48,557.05
Solid Waste	\$957,387.61
<b>Total:</b>	<b>\$5,111,547.43</b>

## **2. Possible Overpayment**

We identified the following:

- ✓ 1 (one) PUBLIC WORKS invoice where the City was paying a previous bill and paying that same amount as a past due amount on the current bill.
- ✓ 1 (one) HUMAN RESOURCE invoice where the City was paying a past due bill from February, in which the amount was already paid in March as a past due amount.
- ✓ 3 (three) HUMAN RESOURCE invoices where the City should have been credited for previous overpayments.
- ✓ The possible overpayment for all four invoices totaled \$89,179.55.

**The following steps were taken:**

- Public Works Department, the previous bill was removed and the current bill with the past due amount was paid.
- Human Resources Department was informed of the issue. A meeting was held with the department and all payments were placed on hold pending a meeting with the vendor.

## **3. Late Fees Paid**

The following were identified:

- ✓ 14 (fourteen) PUBLIC WORKS invoices included a late payment fee totaling \$153.21.
- ✓ 1 (one) FINANCE invoice included a late payment fee totaling \$2.12.
- ✓ 2 (two) COMMUNITY DEVELOPMENT invoices included a late payment fee totaling \$1.12
- A PUBLIC WORKS vendor was reviewed from 10/2022 – 09/2023, and the findings identified that the City has paid a total of \$9,108.52 in late fees within the last year. A follow-up meeting with Public Works will be scheduled to discuss this issue.

## **4. Untimely Payment of Invoices**

Although not all vendors have the same payment terms, most vendors' payment terms are between twenty-five (25) and thirty (30) days.

Currently, the City does not have a standard timeframe to pay invoices. However, in order to pay invoices, they must be entered in Munis with all the attached documentation required and go through the Munis approval queue. A PO is also created before the process is completed. Although there is no City standard for the payment of invoices, the Auditing Department uses a 90-day measure to flag any potential untimely payment of invoices.

Untimely payments of invoices may result in:

- ✓ Missed discounts,
- ✓ Vendor imposed late fees,
- ✓ Additional workload for City employees

**The following twenty-six (26) invoices were paid after the 90-day period:**

- ✓ 1 (one) check for FIRE invoices dated 05/2023,
- ✓ 1 (one) check for PUBLIC WORKS dated 04/2023
- ✓ 1 (one) check for PUBLIC WORKS dated 11/2022
- ✓ 1 (one) check for PUBLIC WORKS dated 01/2023
- ✓ 1 (one) check for PUBLIC WORKS dated 12/2022
- ✓ 1 (one) check for PUBLIC WORKS dated 07/2022
- ✓ 1 (one) check for PUBLIC WORKS dated 05/2023
- ✓ 1 (one) check for Human Resources dated 01/2023
- ✓ 1 (one) check for COMMUNITY DEVELOPMENT dated 05/2023
- ✓ 1 (one) check for PUBLIC WORKS dated 05/2023
- ✓ 1 (one) check for COMMUNITY DEVELOPMENT dated 05/2023
- ✓ 1 (one) check for NON-DEPARTMENTAL dated 05/2023
- ✓ 1 (one) check for COMMUNITY DEVELOPMENT dated 04/2023
- ✓ 1 (one) check for COMMUNITY DEVELOPMENT dated 12/2022
- ✓ 1 (one) check for COMMUNITY DEVELOPMENT dated 02/2023
- ✓ 2 (two) checks for COMMUNITY DEVELOPMENT dated 03/2023
- ✓ 1 (one) check for FIRE dated 03/2023
- ✓ 1 (one) check for PUBLIC WORKS dated 02/2023
- ✓ 2 (two) check for LAW dated 05/2023
- ✓ 1 (one) check for PUBLIC WORKS dated 04/2023
- ✓ 1 (one) check for PUBLIC WORKS dated 12/2022
- ✓ 1 (one) check for LAW dated 10/2022.
- ✓ 2 (two) check for COMMUNITY DEVELOPMENT dated 04/2023