



CITY OF READING, PENNSYLVANIA

OFFICE OF THE CITY AUDITOR
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ACCOUNTS PAYABLE MONTHLY REPORT FOR DECEMBER 2024

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 is not paid, and purchase orders are in place.

- ✓ Number of checks reviewed and posted for December: 362
- ✓ Number of attached documents reviewed for December: 792
- ✓ Amount of the checks reviewed and posted for December: \$4,796,068.26

1. Expenditure by Funds:

Funds	Expenditure
General Fund	\$1,569,169.12
Shade Tree	\$11,614.44
Agency Fund	\$68,435.70
Community Development	\$185,295.49
Capital Projects Fund	\$667,735.04
Liquid Fuels	\$94,365.39
Street Paving Fund	\$256,687.25
ARP	\$396,869.48
Water	\$3,068.66
Self-Insurance	\$92,649.31
Sewer	\$512,216.04
Sewer Retail	\$13,931.31
Solid Waste	\$924,031.03
Total:	\$4,796,068.26



2. 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, 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 fifty-five (55) invoices were paid after the ninety-day period:

Department	Invoice Date	Invoice Amount	Invoice Number
Public Works	5/30/2024	\$1,353.41	RRE33-2
Public Works	7/31/2024	\$371.00	437280C
Police	8/6/2024	\$50.00	INV1473382
Finance	7/9/2024	\$2,962.12	INV1461147
Community Development	3/6/2024	\$3,697.92	1355 PMI
Police	6/11/2024	\$46.19	5855641515
Police	7/2/2024	\$58.06	5855642649
Police	7/10/2024	\$647.95	5855643022
Police	7/9/2024	\$193.74	5855642943
Police	7/8/2024	\$15.37	5855642866
Police	7/26/2024	\$41.03	5855643918
Police	7/12/2024	\$84.96	5855643102
Police	8/7/2024	\$107.99	5855644419
Police	8/14/2024	\$647.95	5855644822
Police	8/14/2024	\$115.58	5855644823
Police	8/12/2024	\$38.46	5855644628
Police	8/21/2024	\$137.33	5855645162
Police	8/31/2024	\$735.15	1074420-20240831
Public Works	8/28/2024	\$239.49	25326
Office of the Mayor	6/30/2024	\$307.32	2400053569
Public Works	5/31/2024	\$12,980.00	S102224267-001
Public Works	7/17/2024	\$2,858.20	06159.003-34
Public Works	8/21/2024	\$1,321.28	06159.003-35
Public Works	7/26/2024	\$5,675.58	06159.005-18
Public Works	8/21/2024	\$3,933.21	06159.005-19
Public Works	4/17/2024	\$1,777.76	06159.015-06

Public Works	5/29/2024	\$32.26	45966
Public Works	6/25/2024	\$354.58	49013
Public Works	6/26/2024	\$373.82	49027
Public Works	8/16/2024	\$1.66	54320
Public Works	5/15/2024	\$309.72	44559
Public Works	5/20/2024	\$457.58	045069
Public Works	5/6/2024	\$55.85	043686
Public Works	7/3/2024	\$130.08	049860
Public Works	7/3/2024	\$101.30	049812
Public Works	5/6/2024	\$115.70	043687
Public Works	7/17/2024	\$18.20	051184
Public Works	5/21/2024	\$23.29	045293
Public Works	6/3/2024	\$18.44	046447
Finance	8/15/2024	\$208.12	INV1477527
Finance	7/22/2024	\$208.12	INV1466455
Finance	7/17/2024	\$243.91	INV1465337
Finance	8/7/2024	\$263.83	INV1474159
Public Works	6/10/2024	\$165.29	4536416264614
Office of the Mayor	5/20/2024	\$1,456.25	3470
Finance	8/14/2024	\$4,958.00	FA008785A
Fire	8/16/2024	\$600.00	7/24 Training
Fire	8/19/2024	\$1,421.68	S0432667
Fire	8/19/2024	\$822.60	S0433687
Public Works	8/20/2024	\$64.30	5326264552
Public Works	8/21/2024	\$1,815.36	17712
Public Works	8/21/2024	\$5,481.43	17711
Public Works	5/24/2024	\$894.37	38
Public Works	6/20/2024	\$186.87	39
Community Development	4/22/2024	\$9,897.50	1381

3. **Possible Overpayment**

We identified the following:

- ✓ 1 (one) invoice from the Managing Director's office totaling \$591.33 were deleted in the system twice since the same invoice was submitted for payment three times.
- ✓ 1 (one) Managing Director invoices totaling \$482.30, where the City would have made a double payment for the same invoice.
- ✓ 1 (one) Public Works invoice totaling \$16.91, where the City would have made a double payment for the same invoice.

Recommendation

- ✓ In order, to avoid double and triple payments, these invoices were removed from the accounting system per the recommendation of the City Auditor's office.

4. Update

- ✓ A check paid out of the General Agency was voided in the amount of \$466.29, due to a double payment.
- ✓ A check paid out of the General Fund was voided in the amount of \$136.00, and reissued for the same amount as the vendor stated that they never received payment.
- ✓ A check paid out of the General Fund was voided in the amount of \$5,436.56, as the company requested the payment be made to the company's new name.
- ✓ A check paid out of the General Fund was voided in the amount of \$373.92, due to a double payment.
- ✓ A check was voided in the amount of \$10,284.40, as the company requested the Payment be separated because there were two invoices for two different projects.
- ✓ A check paid out of the Community Development fund was voided in the amount of \$22,437.45 and reissued for the same amount as the vendor stated that the payment was never received.
- ✓ A check paid out of the General Fund was voided in the amount of \$400.00 and reissued for the same amount as the vendor stated that they never received payment.