

MichiganTech

**Michigan Technological University
Internal Audit Department**

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Audit Report Accounts Payable Fiscal Year 2002

Report Date: January 23, 2004

Audit Objectives

The objectives of this audit were to determine if Accounts Payable activities were in compliance with Michigan Tech policies and procedures, to verify that payments made during the audit period were correct and timely, and to evaluate the internal controls of the Accounts Payable process.

Testing was performed to evaluate Accounts Payable processes and internal controls for

- manual checks,
- voiding checks,
- access to the BANNER system,
- segregation of duties,
- wire transfers, and
- overall compliance with University policies.

Testing was performed to identify duplicate payments and fictitious invoices. We reviewed the security of check stock, and the adequacy of passwords used by Accounts Payable personnel.

Overall Conclusion

Our testing showed that Accounts Payable activities were in compliance with Michigan Tech policies and procedures, and payments made during the audit period were correct and timely. We found that Accounts Payable processes and internal controls for manual checks, voiding checks, and wire transfers were working well.

We did not identify any duplicate payments or fictitious invoices. The security of check stock was strong. Accounts Payable personnel passwords could not be casually determined.

Our report has no additional observations.