

MIDWEST REGIONAL OFFICE

Limited Audit of Financial and Administrative Controls

INTRODUCTION

The Office of Inspector General conducted a limited audit of the financial and administrative controls of the Midwest Regional Office (MRO). The audit procedures were limited to interviewing MRO staff, reviewing supporting documentation, and conducting limited tests of transactions. The purpose of the audit was to provide the Commission with negative assurance that the internal controls were adequate, implemented economically and efficiently, and in compliance with Commission policies and procedures.¹ The audit was performed in accordance with generally accepted government auditing standards during September 1999.

BACKGROUND

The Midwest Regional Office (MRO) in Chicago, Illinois, administers Commission programs in the midwestern portion of the United States. In carrying out its responsibilities, the MRO exercises a broad range of financial and administrative functions, including maintaining time and attendance records; procuring supplies and services; arranging for staff travel; maintaining an inventory of property; and recording budgeted and actual expenditures of the office.

AUDIT RESULTS

During our limited audit, we identified one material issue. The Office of Administrative and Personnel Management (OAPM) has not issued a contracting officer's warrant to MRO's Associate Regional Director, as discussed below. Otherwise, our review indicated that the MRO's controls were generally adequate, implemented economically and efficiently, and in compliance with Commission policies and procedures.

We discussed some non-material findings and informal recommendations with MRO management. The MRO generally concurred with the findings and recommendations.

¹ Negative assurance means that no material internal control weaknesses came to our attention during our limited audit.

CONTRACTING AUTHORITY

The MRO's Associate Regional Director signs purchase orders when the Regional Director is not available. He has not been issued a warrant (SF 1402) or received training as a contracting officer. In a memorandum dated February 12, 1998, the Regional Director asked OAPM to issue a warrant, but OAPM has not yet acted on the request.

Recommendation A

OAPM should issue a contracting officer's warrant to the MRO's Associate Regional Director, as requested. It should ratify any MRO purchase orders signed without proper contracting authority (to prevent possible legal questions from arising). The MRO should provide training on contracting to its Associate Regional Director, in consultation with OAPM.