


Director of Finance Response

Case # 20-0015-I

FROM	NAME & TITLE	Henry Raymond, Director of Finance <i>HR</i>	CITY of BALTIMORE MEMO	
	AGENCY NAME & ADDRESS	Baltimore City Department of Finance 454 City Hall		
	SUBJECT	OIG Case # 20-0015-1		

TO Isabel Cumming, Inspector General
Office of the Inspector General

DATE: December 3, 2020

Thank you for your report involving this matter. After review, we concur with the findings in your report and have taken immediate action to strengthen controls over our electronic vendor payment process. The BAPS staff person noted in this report is no longer employed with the City.

- 1) BAPS has assigned a senior staff person to perform all changes, including updates and attachments to a vendor file within GP/Dynamics. This person will be responsible to ensure the accuracy and timeliness of any changes to the vendor record.
- 2) This BAPS staff person further validates any changes requested by the vendor by requiring, in addition to completed and signed EFT/ACH forms, a completed W-9 form, a copy of a voided check (if available) or Bank notification/relationship letter (on bank letterhead) or written consent to initiate/change EFT/ACH information from an individual (requestor's management representative) independent of the one signing the EFT form. BAPS will not accept faxed forms requesting a change.
- 3) The BAPS Accounts Payables manager will review, sign-off and approve every vendor EFT/ACH initiation, change form before the senior staff person uploads these supporting attachments and completes the system change. Each change to a vendor record will be noted in the comment section of the vendor file.

The report comments that BAPS moved to a new tool (Apex) and turned the payment system audit feature back on only to find that it too severely hampered the system performance and had to be disabled. Upon review with our consultants RSM, we determined that turning on the audit feature could again lead to a system crash which had to be averted. We are keenly aware of the system limitations to date and acknowledge we won't be able to provide complete assurance until the new Workday Day (ERP) system is in place next year.

Until the new system implementation occurs, BAPs will employ a manual, periodic audit/review process by running a monthly report of any system changes to vendor account data including name, address, banking changes, etc. and compare this against documentation received and attached to the vendor file in GP/Dynamics along with the staff's initials and date/time recorded in the system. The Accounts Payable manager will be responsible for this task with oversight from the Deputy Bureau Chief. The monthly report of system changes will be filed monthly for verification purposes.