



Angelina “Angel” Colonnese

CLERK OF THE CIRCUIT COURT AND COMPTROLLER OF MANATEE COUNTY

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MEMORANDUM

To: Angelina “Angel” Colonnese, Clerk of the Circuit Court and Comptroller
From: Lori Stephens, Internal Audit Director *Lori Stephens*
Date: July 13, 2016
Subject: ACL - Duplicate Vendor Payment Audit

The Internal Audit Department has completed an audit to detect possible duplicate payments to Manatee County vendors. The audit used Computer Assisted Audit Techniques (CAATs) to test for duplicate payments using ACL audit software. This audit was performed in accordance with generally accepted government auditing standards (GAGAS), issued by the Comptroller General of the United States, and the *International Standards for the Professional Practice of Internal Auditing*, issued by the Institute of Internal Auditors.

Background

The County uses IFAS (Integrated Financial Accounting System) to record and process payments for goods and services to the County's vendors. The data from IFAS can be downloaded in electronic format for CAAT analysis. The Internal Audit Department utilizes the propriety software ACL for CAAT testing. ACL is a data extraction and analysis tool that can query 100% of the data, whereas traditional audits typically test only a sample of the data. The IFAS data files are loaded into ACL and the program generates lists of possible duplicate payment exceptions for further review or validation.

Objective

The objective of this audit was to determine whether any duplicate payments were issued to vendors during the test period.

Scope

The scope of the audit included all paid vendor transactions recorded in IFAS from 10/1/12 through 12/31/15.

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Clerk of the Circuit Court – Clerk of Board of County Commissioners – County Comptroller – Auditor and Recorder

Methodology

The methodology used was a systematic approach of matching logic to the key elements of paid invoices; vendor number, invoice number, invoice amount, and invoice date. If multiple key elements match from one vendor payment to another, this could be an indication of a duplicate payment. The following five matching tests were performed on the IFAS data using ACL on the possible combinations of the key elements:

- Same amount, same invoice date, same invoice number, same vendor number.
- Same amount, same invoice date, same invoice number, different vendor number.
- Same amount, same invoice date, same vendor, different invoice number.
- Same amount, same vendor, same invoice number, different invoice date.
- Same invoice date, same vendor, same invoice number, different amount.

Results

Using ACL, we examined 187,578 IFAS data records in order to identify possible circumstances in which a duplicate payment may have been processed. Our testing initially identified 18,915 records with matching key elements, as noted above. These transactions were further investigated using analytical and sampling techniques, and it was determined that none appeared to represent a true duplicate payment to a vendor. Most of the matches appear to have been caused by the way certain recurring payments are recorded in IFAS. For example, some vendors create and assign invoice numbers based on the date of service. This results in multiple IFAS transactions with the same invoice number. Also, we found blanket purchases orders used by several different departments, with the same transaction amount, vendor number, and date, but with different invoice numbers.

Based upon our analysis, it appears that no duplicate payments were made to Manatee County vendors during the audit period 10/01/12 through 12/31/15.

cc: Board of County Commissioners
Ed Hunzeker, County Administrator
Dan Schlandt, Deputy County Administrator
Karen Windon, Deputy County Administrator
Mitchell Palmer, County Attorney
Jan Brewer, Financial Management Director
Dan Wolfson, Finance Director, Clerk of the Circuit Court