



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, Inspector General *Lori Stephens*

Date: August 21, 2020

Subject: ACL - Duplicate Vendor Payment Audit

The Division of Inspector General 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. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

Payments for goods or services to the County’s vendors are processed through an integrated financial accounting software system known as ONESolution. The data from this system can be downloaded in electronic format for CAAT analysis. The Division of Inspector General 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 ONESolution data files are loaded into ACL and the program generates lists of possible duplicate payment exceptions for further review or validation. The Division of Inspector General performs ongoing evaluations of this data, which was last tested through 12/31/18.

Objective

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

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

Scope

The scope of the audit included all paid vendor transactions recorded in ONESolution, as well as purchasing card transactions from the Bank of America WORKS system, for the period 1/1/19 through 3/31/20.

Methodology

The methodology used was a systematic approach of matching logic to the key elements of the 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. Using ACL, the following five matching tests were performed on the ONESolution data for 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.

In addition, the purchasing card data from WORKS was compared to the ONESolution data to identify any payments that were the same amount to a similar vendor name, as this could be an indication of a duplicate payment.

Results

Using ACL, we examined 83,422 ONESolution data records in order to identify possible circumstances in which a duplicate payment may have been processed. Our testing initially identified 6,858 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. While there were two duplicate payments noted, they were identified and corrected by management prior to the audit. Most matches are caused by the way certain recurring payments are recorded in ONESolution. For example, some vendors that provide standard contractual services or rents are assigned invoice numbers based on the date of service, which results in multiple transactions with the same invoice number and amounts. Blanket purchases orders are also used by several different departments with the same transaction amount, vendor number, and date, but different invoice numbers. The same also applies to the many utility payments made by the County each month.

Using ACL, we also compared 33,943 purchasing card transactions with the ONESolution data in order to identify possible circumstances in which a purchasing card and a check were used to pay for the same item or service. Our testing initially identified 1,576 records with matching key elements of payment amount and vendor name. These transactions were further investigated using analytical and sampling techniques, and one duplicate payment was found. The duplicate payment was identified by management prior to the audit, but only partially corrected leaving an outstanding overpayment. The vendor subsequently issued a credit to the County for the remaining overpayment on July 20, 2020.

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Based upon our analysis, it appears that no additional duplicate payments were made to Manatee County vendors during the audit period 1/1/19 through 3/31/20.

MEG/BJW/LJS

cc: Board of County Commissioners
Cheri Coryea, County Administrator
John Osborne, Deputy County Administrator
Karen Stewart, Deputy County Administrator
Mitchell Palmer, County Attorney
Jan Brewer, Financial Management Director
Kathy Cremaschi, Finance Director, Clerk of the Circuit Court