Citywide Duplicate Payments
Scope Statement – March 18, 2020

Background

Duplicate payments occur when the same vendor is paid twice for the same invoice or different vendors are paid for the same invoice. Duplicate payments can be caused by data entry staff overriding system controls, not following procedures, manual data entry errors, or fraudulent activity.

Why audit duplicate payments?

In 2019, the city made over 100,000 payments to vendors totaling $1.7 billion. The payment process requires employees from every department to perform data entry and payment approval. This high-volume process involving a large number of employees at multiple locations increases the risk of payment errors.

Our previous audits identified duplicate payments from multiple departments and made recommendations to mitigate duplicate payments. It is easier to get money back from vendors if the city can detect duplicate payments earlier. Newly acquired automated technology will allow the City Auditor's Office to review duplicate payments more timely and frequently.

Audit objective

Our objective is to answer the following question:

- Do city processes prevent duplicate payments?

Audit methods

We will use a continuous auditing[1] process on PeopleSoft payment data (excluding payroll) to identify potential duplicate payments; work with departments to verify whether exceptions are duplicates; and survey departments to determine whether departments are following city and department policies and guidelines to prevent duplicate payments.

Anticipated release date

We plan to issue the audit report in September 2020.

---

[1] Continuous auditing is a method used to perform audits on a more frequent basis by using technology to automate the identification of exceptions, analyze patterns, review trends, and test controls.