

# OFFICE OF AUDITS & ADVISORY SERVICES



## ACCOUNTS PAYABLE INTERFACING CLAIMS

### *FINAL REPORT*

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# County of San Diego

**TRACY M. SANDOVAL**  
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**JUAN R. PEREZ**  
CHIEF OF AUDITS

September 30, 2016

TO: Tracy M. Sandoval  
Deputy Chief Administrative Officer/Auditor and Controller

FROM: Juan R. Perez  
Chief of Audits

FINAL REPORT: ACCOUNTS PAYABLE INTERFACING CLAIMS AUDIT

Enclosed is our report on the Accounts Payable Interfacing Claims Audit. As there are no findings and recommendations in the report, no audit response is required.

Thank you for the courteousness and cooperation extended to the Office of Audits & Advisory Services during the course of the audit.

If you have any questions, please contact me at (858) 495-5661.

JUAN R. PEREZ  
Chief of Audits

AUD:FL:aps

Enclosure

c: Tracy L. Drager, Assistant Auditor and Controller  
Damien Quinn, Group Finance Director, Finance and General Government Group

## INTRODUCTION

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<b>Audit Objective</b>	The Office of Audits & Advisory Services (OAAS) completed an audit of Accounts Payable Interfacing Claims. The objective of the audit was to evaluate the effectiveness of internal controls at departments that process interfacing claims.
<b>Background</b>	<p>Among its duties, the Auditor and Controller's Accounts Payable Division (AP) is responsible for reviewing, validating, and paying all claims negotiated by the County. This includes claims that are interfaced from departmental systems to Oracle E-Business Suite (EBS), the County's financial system.</p> <p>Interfacing claims are necessary when a department administers its claims in a system separate from Oracle EBS. In these cases, claims are periodically extracted from the department's system and imported into Oracle EBS. Due to the high volume of periodic interfacing claim submissions, departments are not required to attach the claim's supporting documentation as required by the general AP workflow process. However, interfacing claim submissions are generally accompanied by an invoice register and authorization from the submitting department.</p>
<b>Audit Scope &amp; Limitations</b>	<p>The scope of the audit focused on reviewing interfacing claims internal controls as conducted in the Office of Assigned Counsel and County Counsel during FY 2014-15.</p> <p>This audit was conducted in conformance with the International Standards for the Professional Practice of Internal Auditing prescribed by the Institute of Internal Auditors as required by California Government Code, Section 1236.</p>
<b>Methodology</b>	<p>OAAS performed the audit using the following methods:</p> <ul style="list-style-type: none"> <li>• Interviewed AP management to determine whether there is a policy on the types of claims that each department may submit via the interfacing claims.</li> <li>• Interviewed AP Interfacing Claims administrators for the Office of Assigned Counsel and County Counsel to determine whether there is an AP interfacing claims process in place to approve and submit payments at the department level.</li> <li>• For the sample of interfacing claims selected for testing, obtained support documents from the Office of Assigned Counsel and County Counsel to verify whether invoice amounts were properly supported and approved by the appropriate individuals.</li> </ul>

## AUDIT RESULTS

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<b>Summary</b>	Within the scope of the audit, the effectiveness of internal controls at the Office of Assigned Counsel and County Counsel for processing interfacing claims was appropriate.
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### Office of Audits & Advisory Services

C Compliance    R Reliability    E Effectiveness    A Accountability    T Transparency    E Efficiency

VALUE