OC Board of Supervisors'

Internal Audit Department

ORANGE COUNTY

CAPS+ AUDIT ALERT No. 5: Response To CAPS+ Steering Committee Request for Analysis of Purchasing Document Approvals

As of November 20, 2009

This CAPS+ **Audit Alert** No. 5 is in response to a request made by the CAPS Steering Committee (CSC) at its October 26, 2009 meeting.

The CSC requested feedback on the CAPS Program Management Office (PMO) proposal that all CAPS+ Purchasing documents have a separate creator and approver that is enforced by the CAPS+ system. The reason for having a separate person approve is to ensure the accuracy and validity of the transaction in CAPS+, which is the official system of record.

Based on our analysis, Internal Audit recommends that the CSC adopt the CAPS PMO proposal. We identified **five (5) recommendations** for consideration by the CSC and the County Procurement Office.

The CAPS+ Steering Committee and/or the County Procurement Office concurred with **all five (5)** of our recommendations.

Audit No: 2943-1
Date: January 14, 2010

Director: Dr. Peter Hughes, MBA, CPA, CITP
Deputy Director: Eli Littner, CPA, CIA, CISA
Senior Audit Manager: Autumn McKinney, CPA, CIA, CISA
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OC Fraud Hotline (714) 834-3608

Letter from Director Peter Hughes

Transmittal Letter

Audit No. 2943-1 **January 14, 2010**

TO: CAPS Steering Committee:
David Sundstrom, Auditor-Controller, Chair
Bob Franz, Chief Financial Officer, Vice-Chair
Satish Ajmani, Chief Information Officer
Carl Crown, Human Resources Director
Shaun Skelly, Auditor-Controller, Senior Director of Accounting & Technology

County Procurement Office:
Ronald C. Vienna, County Purchasing Agent

FROM: Dr. Peter Hughes, CPA, Director
Internal Audit Department

SUBJECT: CAPS+ **Audit Alert** No. 5

Attached is our CAPS+ **Audit Alert** No. 5 for the CAPS+ Implementation Project.

Each month I submit an **Audit Status Report** to the BOS. Accordingly, the results of this CAPS+ **Audit Alert** will be included in a future status report to the BOS.

Unlike our traditional audit reports, we will not perform a follow-up audit for this CAPS+ **Audit Alert** in six months. However, depending on the materiality, any recommendations not implemented could be included in a future CAPS+ **Audit Alert**.

We will request the CAPS Steering Committee to complete a **Customer Survey** of our services. You will receive the survey shortly after the distribution of our final CAPS+ **Audit Alert** No. 5.

As always, the Internal Audit Department is available to partner with your staff so that they can successfully address or mitigate difficult audit issues. Please feel free to call me should you wish to discuss any aspect of our CAPS+ **Audit Alert**.

ATTACHMENTS

Other recipients of this CAPS+ **Audit Alert** are listed on page 2.

The Internal Audit Department is an independent audit function reporting directly to the Orange County Board of Supervisors.

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OC Internal Auditor's Report

Audit No. 2943-1 **January 14, 2010**

TO: CAPS Steering Committee:
David Sundstrom, Auditor-Controller, Chair
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Shaun Skelly, Auditor-Controller Senior Director of Accounting and Technology
County Procurement Office:
Ronald C. Vienna, County Purchasing Agent

FROM: Dr. Peter Hughes, CPA, Director
Internal Audit Department

SUBJECT: CAPS+ Audit Alert No. 5

CAPS+ Audit Alert

The purpose of a CAPS+ **Audit Alert** is to quickly bring to the CAPS Steering Committee's attention important potential issues for their assessment and if necessary, corrective action.

Because of the CAPS+ Implementation Project's schedule, timely feedback is critical. As such, this CAPS+ **Audit Alert** is not subject to the same rigor and formality of a traditional report in that we have not fully developed the issues and have not verified the accuracy of all information.

The CAPS+ **Audit Alerts** have an accelerated management response timeline to ensure the timely dissemination of audit issues so as to not impede progress of the CAPS+ Implementation Project.

OBJECTIVE

This CAPS+ Audit Alert No. 5 is in response to a request made by the CAPS Steering Committee (CSC) at its October 26, 2009 meeting.

The CSC requested feedback on the CAPS Program Management Office (PMO) proposal that all CAPS+ Purchasing documents have a separate creator and approver enforced by the CAPS+ system.

BACKGROUND

As described in our MOU dated August 29, 2007, the Internal Audit Department's role on the CAPS+ Implementation Project is reviewing and providing feedback on the internal controls contained in the internal control documents (ICDs) and written procedures developed by the CAPS+ Project Implementation Team for the new system. We also provide "just in time" internal controls feedback as requested.

SCOPE

Our review consisted of inquiry and a review of provided documentation to identify internal controls as related to the creation and approval of CAPS+ Purchasing documents.

SCOPE EXCLUSIONS

Our review was not subject to the same rigor and formality of a traditional audit in that we have not fully developed the issues and have not verified the accuracy of all information. The CAPS PMO provided us with two data files of CAPS+ purchasing documents that did and did not have a separate person approving and creating the CAPS+ document. We relied upon those files and reviewed them for reasonableness; however, we did not audit or reconcile the queries with other CAPS+ data or reports.

RESULTS/CONCLUSION

Based on our analysis, it is reasonable to implement a CAPS+ system enforced rule requiring a separate person create (enter) and approve purchasing documents. CAPS+ is now the official system of record for all purchasing contracts. Uniform processing and system enforced rules for all CAPS+ documents is desirable.

In addition, accuracy of the CAPS+ purchasing documents is important as they are relied upon later in the process when the Auditor-Controller makes the contract payments/disbursements.

Currently, about **62%** of the CAPS+ purchasing documents representing **89%** of the dollar amounts are being created and approved by a **separate person** (Deputy Purchasing Agent).

Internal Audit recommends the CSC adopt the CAPS PMO proposal that all CAPS+ Purchasing documents have a separate creator and approver enforced by the CAPS+ system.

We also identified four (4) recommendations for consideration by the CSC and County Procurement Office, for a total of **five (5) recommendations,** which are noted in the Detailed Observations, Recommendations and Management Responses section of this report.

ACKNOWLEDGMENT

We appreciate the courtesy and cooperation extended to us by the personnel of the CAPS PMO, County Procurement Office, and other County personnel interviewed. If you have any questions regarding our CAPS+ **Audit Alert** No. 5, please call me directly at 834-5475 or Eli Littner, Deputy Director at 834-5899, or Autumn McKinney, Senior Audit Manager at (714) 834-6106.

Distribution Pursuant to Audit Oversight Committee Procedure No. 1:

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Detailed Observations, Recommendations and Management Responses

1. Analysis of Creating and Approving CAPS+ Purchasing Documents

Background:
Prior to CAPS+, not all purchasing contracts were entered into the CAPS system. A strategic objective for the CAPS+ implementation is ensuring that all contracts are recorded into CAPS+ thereby making CAPS+ the official system of record for all contracts.

In CAPS+, a "document" is a method by which transactions are created and upon approval, update the system. Below are the five (5) CAPS+ documents related to purchasing:

1. Requisition (RQS, RQL): This document is currently used only by three departments (Auditor-Controller, CEO, and HCA). There is already a system rule requiring a separate person create and approve these documents; therefore, we will exclude these requisition documents from our review. The remaining County departments use manual requisitions outside of CAPS+.

CAPS+ currently allows "self-approval" (same person can create and approve) for the following purchasing documents:

2. Master Agreement (MA).
3. Delivery Order (DO) creates the order from master agreement.
4. Purchase Order (PO) used for one time/single payments.
5. Contract (CT) used for renewable/multiple payments.

The DO, PO, and CT additionally function as encumbrance documents to reserve the monies against the departmental budgets. This budgetary enforcement is a new and improved feature of CAPS+. As the DO, PO, and CT documents result in a financial transaction (encumbrance), these documents undergo additional review by the departmental Financial Managers to ensure the account coding is correct and the budgetary funds are available. The Financial Manager review does not include a determination of the validity or compliance of the purchasing document.

The DO, PO, and CT documents are typically entered into CAPS+ by the departmental Deputy Purchasing Agents (DPAs). An exception is certain "non-DPA" contracts (such as real property leases and certain human services, architect and engineering, and public work contracts) that are entered into CAPS+ by the Auditor-Controller (General Ledger and JWA Accounting Units) on behalf of the contract administrators ("non-DPAs").

The CAPS Program Management Office (PMO) identified the "self-approval" of CAPS+ purchasing documents as a concern and suggested to the CAPS Steering Committee (CSC) that it adopt a system requirement so that a separate person is required to enter and approve purchasing documents.

At its October 26, 2009 meeting, the CSC requested Internal Audit's analysis and feedback on this issue.

Purchasing Document Approval Objectives:
The first thing we considered was: What is the approval objective for the CAPS+ purchasing document? We identified four (4) possible high level approval objectives:

1. To ensure that the procurement contracts are made in accordance with the County Procurement Manual (CPM).
2. To ensure that the procurement contracts are free from purchasing fraud (such as bribes, disclosure of confidential information to potential bidders, substitution of inferior goods, inflated prices, goods or services not received, etc.).
3. To ensure that only valid purchasing contracts are recorded in CAPS+.
4. To ensure that purchasing contracts are accurately recorded in CAPS+.

After discussions with the CAPS PMO and County Procurement Office (CPO), it was determined that the approval objectives number 1. and 2. above are generally controlled outside of the CAPS+ system. By the time the purchasing documents are entered into CAPS+, the contracts have already been awarded.

Key Controls Outside of CAPS+: There are several key controls generally performed outside of CAPS+ including:

- Segregation of duties related to purchasing (requisition approval, contract creation/approval, receipt of goods/services, and invoice approval). The CAPS+ system roles and manual duties are evaluated when user access to CAPS+ is established (via the CAPS+ Access Request Form, also known as the UDOC).
- The selection, training, and deputization of deputy purchasing agents (DPAs).
- Board of Supervisor approval of contracts over established thresholds.
- CPO review of all sole source justifications over $50,000.
- CPO compliance audit of a sample of the manual procurement folders maintained by the departmental DPAs.
- Departmental review of invoices including comparison to receiving documents.

Key Controls Within CAPS+: There are several key controls within CAPS+ for the purchasing documents including:

- Four different approval thresholds (based on dollar amounts) have been established to allow for different approval capabilities depending on the experience level of the DPA.
- The purchasing documents have been configured to allow only “single approval” of the document. This means that a single user cannot approve the document more than once and assures that the DPA approver is a different person from the Financial Manager approver.
- The purchasing documents have been configured so that a user can not bypass the approval requirements or re-route the document to unauthorized approvers.
- The system has the capability to require a separate person create and approve a purchasing document, if configured as such. Currently, this configuration has not been made.

Based on our discussions, it appears the primary approval objectives related to CAPS+ and this analysis is to ensure that purchasing documents entered into CAPS+ are valid and accurate (approval objective numbers 3. and 4. above).

Importance of Valid and Accurate CAPS+ Purchasing Documents:

CAPS+ is the official system of record for all purchasing contracts and is relied upon accordingly. Additionally, the Auditor-Controller's Claims and Disbursing Unit and certain Auditor-Controller Satellite Accounting Units rely upon the purchasing documents when creating the CAPS+ payment request document (PRC) to pay vendor invoices. The DO, CT, and PO are "copied forward" within CAPS+ and certain information is "inferred" to the CAPS+ payment request document (PRC). Therefore, certain purchasing document data (such as commodity codes and descriptions) need to be entered accurately into CAPS+ for the downstream payment processing performed by the Auditor-Controller.

Feasibility of Requiring a Separate Person to Create and Approve CAPS+ Purchasing Documents:

We contacted the Purchasing Managers at four of the largest purchasing user departments (Health Care Agency, Social Services Agency, OC Public Works, and Sheriff-Coroner). Two of the departments indicated it is their policy to review every manual purchasing file/contract and the CAPS+ purchasing document. The other two departments review selected manual purchasing files/contracts and CAPS+ purchasing documents depending on dollar threshold and/or complexity.

Two of the Purchasing Managers supported CAPS+ requiring a separate person create and approve the CAPS+ purchasing documents. One Purchasing Manager was open to the proposed requirement, but was concerned about potential delays in processing documents and possibly the requirement being applied to lower dollar amount contracts. One department did not feel the proposed requirement was necessary because a review was being performed of the manual purchasing file/documents, but could comply.

We did not contact any of the smaller departments. However, a concern for the smaller departments could be whether they have sufficient DPAs to perform the review. As the review is to determine validity and accuracy of the CAPS+ document, an exception could be made for the smaller departments to allow a non-DPA supervisor perform the approval in CAPS+.

Analysis of Actual Purchasing Documents Recorded in CAPS+:
The CAPS PMO provided two data files of the purchasing documents (CT, PO, MA, and DO) processed in CAPS+ for the period 7/1/09 to 10/20/09:

1. Query of all CAPS+ purchasing documents that had the same person create (enter) and approve the transaction (i.e. self-approved).
2. Query of all CAPS+ purchasing documents that had a different person create (enter) and approve the transaction.

For a more accurate analysis, we removed the "non-DPA" contracts entered and approved by the Auditor-Controller (including JWA) and twenty-seven (27) anomaly contracts each amounting to $999,999,999 that could skew the analysis. We found that **62%** of the purchasing documents representing **89%** of the dollar amounts are being created and reviewed by a **separate person** (DPA). See chart below on the next page.
For the period July 1, 2009 through October 20, 2009, below are the number and amount of purchasing documents (including modification documents) recorded in CAPS+:

Detailed Observations, Recommendations and Management Responses

Description	Type	Total Different Approver No.	Total Different Approver Amounts	Less: A-C G/L & JWA Input of "Non-DPA" Contracts No.	Less: A-C G/L & JWA Input of "Non-DPA" Contracts Amounts	Net Different Approver No.	Net Different Approver Amounts
Equals zero	CT	5	0	5	0	0	0
	PO	46	0	N/A	0	46	0
	MA	1,117	0	271	0	846	0
	DO	50	0	6	0	44	0
		1,218	0	282	0	**936**	**0**
Less than $10K	CT	40	157,427.19	12	68,516.34	28	88,910.85
	PO	1,298	2,778,414.17	N/A	0	1,298	2,778,414.17
	MA	155	684,794.20	0	0	155	684,794.20
	DO	1,253	3,338,323.85	109	417,615.12	1,144	2,920,708.73
		2,746	6,958,959.41	121	486,131.46	**2,625**	**6,472,827.95**
More than $10K	CT	205	318,450,588.09	171	317,180,146.35	34	1,270,441.74
	PO	156	7,972,021.94	N/A	0.00	156	7,972,021.94
	MA	341	1,071,264,715.57	5	1,225,592.08	336	1,070,039,123.49
	DO	1,213	338,305,168.01	482	252,844,080.77	731	85,461,087.24
		1,915	1,735,992,493.61	658	571,249,819.20	**1,257**	**1,164,742,674.41**
Total		**5,879**	**1,742,951,453.02**	**1,061**	**571,735,950.66**	**4,818**	**1,171,215,502.36**

Description	Type	Total Self-Approved No.	Total Self-Approved Amounts	Less: $999,999,999 Transactions No.	Less: $999,999,999 Transactions Amounts	Net Self-Approved No.	Net Self-Approved Amounts
Equals zero	CT	1	0	0	0	1	0
	PO	19	0	0	0	19	0
	MA	440	0	0	0	440	0
	DO	16	0	0	0	16	0
		476	0	0	0	**476**	**0**
Less than $10K	CT	42	224,089.18	0	0	42	224,089.18
	PO	670	1,499,523.40	0	0	670	1,499,523.40
	MA	111	440,592.44	0	0	111	440,592.44
	DO	1,123	2,202,603.50	0	0	1,123	2,202,603.50
		1,946	4,366,808.52	0	0	**1,946**	**4,366,808.52**
$10K & More	CT	20	446,062.80	0	0	20	446,062.80
	PO	82	6,919,904.22	0	0	82	6,919,904.22
	MA	146	27,018,624,455.34	27	26,999,999,973.00	119	18,624,482.34
	DO	348	113,039,449.96	0	0	348	113,039,449.96
		596	27,139,029,872.32	27	26,999,999,973.00	**569**	**139,029,899.32**
Total		**3,018**	**27,143,396,680.84**	**27**	**26,999,999,973.00**	**2,991**	**143,396,707.84**

Net Different Approver as Total of Total Net Contracts

Description	Net Different Approver No.	Net Different Approver Amounts	Total Net Contracts (Net Different Approver + Net Self-Approved) No.	Total Net Contracts Amounts	Percentage of Net Different Approvers No.	Percentage of Net Different Approvers Amounts
Equals zero	936	-	1,412	-	66%	N/A
Less than $10K	2,625	6,472,828	4,571	10,839,636	57%	60%
More than $10K	1,257	1,164,742,674	1,826	1,303,772,574	69%	89%
Total	**4,818**	**1,171,215,502**	**7,809**	**1,314,612,210**	**62%**	**89%**

Note: The above chart includes a greater amount of transactions and dollars than the actual manual awarded contracts. This is because the queries included multiple CAPS+ purchasing modification documents that also require input and review.

For example, the zero dollar documents could be a contract initially entered with zero dollars and then corrected with a modification document. Another example is a modification document with a zero value because the commodity code was changed or contract term (life) was extended, but the dollar amount of the contract did not change.

We considered whether the proposed system rule to have a separate person create and approve CAPS+ purchasing documents be implemented only for documents over a certain dollar threshold. However, because the procurement documents can result in contract changes with no change in dollar value (i.e. zero dollar documents), establishing a dollar threshold for the CAPS+ enforced approval is not recommended.

Additionally, we shared the results of the above analysis with the CPO. After seeing the above analysis they indicated that for uniformity and ease of implementation, applying the approval rule to all purchasing documents would be supported by them.

Observation No. 1: We concur with the CAPS PMO proposal to require the CAPS+ purchasing documents (MA, DO, PO, and CT) be approved by another person. When possible, the approver should be a DPA as they have likely already reviewed the purchasing file and are best suited to determine validity of the contract. If needed, the approver does not need to be a supervisory level position as long as they are a DPA.

Recommendation No. 1: We recommend that the CAPS Steering Committee adopt the CAPS PMO proposal that all CAPS+ purchasing documents have a separate creator and approver that is enforced by the CAPS+ system.

CAPS Steering Committee's Response: Concur. The CAPS+ Procurement Team will work collaboratively with the CAPS+ Security and Workflow Team and the County Procurement Office to redesign all CAPS+ purchasing document (MA, DO, PO, CT) workflows and supporting documentation (i.e., procedures and job aids) to ensure that a creator cannot approve their own documents. The CAPS+ team will also work with department by holding workshops to roll out the new workflow rules, workflow workgroup, and coordinate the completion of any revised CAPS+ Access Request Forms required by the new workflows. The estimated completion date for the implementation of the new workflow rules is March 31, 2010.

Other Observations Noted During the Review:

During our review we noted other areas for possible improvement:

2. Periodic Verification of CAPS+ DPA Users:

Observation No. 2: The CPO has not established a procedure to perform a periodic review of CAPS+ purchasing users to verify that they are active DPAs. There may be some exceptions to the DPA user requirement (such as Auditor-Controller staff); however, the exceptions should be known and monitored as well. Because DPA certifications can expire after two years, this review could be performed every six months. Also, a review should be performed now of the initially established users to make sure only DPAs and authorized exceptions were established when CAPS+ was implemented.

The CPO will need assistance from the CAPS PMO to provide a periodic listing of the active CAPS+ purchasing users that can be used in the comparison.

Recommendation No. 2: We recommend that the CPO review current CAPS+ procurement users and verify they are active DPAs, and then periodically thereafter.

County Procurement Office Response: Concur. The CPO has a unit devoted to purchasing compliance and administration of the Deputy Purchasing Agent (DPA) program. With the assistance of the CAPS Program Office, this unit will review system data to ensure that only DPAs and authorized exceptions have been granted access to the system.

3. Periodic Analysis of CAPS+ Procurement Data:

Observation No. 3: Because all procurement contracts are now entered into the CAPS+ system, we are recommending the CPO consider performing periodic analysis of selected procurement data for anomalies and other indications of problems or problem areas. For example, the CPO could obtain a query of all CAPS+ purchasing documents processed and perform the following analysis such as:

- Small and large dollar anomaly transactions.
- High numbers of modifications to the same document, which could indicate training needs.
- Multiple contracts within a department to the same vendor, which could indicate splitting of contracts to avoid County Purchasing Manual thresholds.
- Multiple items purchased countywide where CPO master agreements could be developed if not already existing.
- Sample selection for contracts audited by the CPO's Compliance Unit.

Such data analysis could be performed using features available in Excel.

Recommendation No. 3: We recommend that the CPO evaluate implementing data analysis techniques for the CAPS+ purchasing documents and related data.

County Procurement Office Response: Concur. As part of the Purchasing Compliance review process, the CPO will perform periodic analysis of selected procurement data for anomalies. It was also recommended that the CPO use system data to determine where multiple purchases for similar items across the County could be identified for a Master Agreement. It was the intent of the CPO to use detailed system information to identify opportunities where additional Regional Cooperative Agreements (RCAs) could be generated. The ability to accomplish this objective is dependent on detailed information residing in the CAPS+ system.

4. Standard Contract Clause Referral to OC Fraud Hotline:

Observation No. 4: The CAPS+ purchasing documents (and manual purchasing contracts) do not include a mandatory clause for all contracts referring to the OC Fraud Hotline maintained by Internal Audit. Referral to a fraud hotline is considered a best practice. Procurement fraud is commonly identified by a related party or another vendor.

The CPO will need assistance from the CAPS+ Team to modify the CAPS+ documents.

Recommendation No. 4: We recommend that the CPO consider adding a standard clause referring to the OC Fraud Hotline on all CAPS+ purchasing documents and the manual purchasing documents received and/or signed by the vendor.

County Procurement Office Response: Concur. The CPO will work with CAPS+ Team to add the language to the purchasing system documents.

5. Analysis of Linking CAPS+ Requisition and Purchasing Documents:

Observation No. 5: During our review, we were informed that the CAPS+ requisition documents (RQS/RQL) are not consistently being linked (copied forward) with the CAPS+ purchasing documents (MA, DO, CT, and PO). We were informed the reason is that when the requisition document is copied forward into the purchasing document, the account coding is inferred and can't be changed.

Currently, the CAPS+ requisition documents are used only by three departments (Auditor-Controller, CEO, and HCA). The other County departments continue to use manual requisition documents. We were informed that the long term goal is for all departments to utilize CAPS+ requisition documents.

Once all requisitions are entered into CAPS+, linking requisition documents with the purchasing documents could potentially further improve segregation of duties (ensure requisition approver is not also the purchasing document creator/approver). This could be implemented by 1) a user role creation or possibly a system rule or 2) by a detective (after the fact) review of CAPS+ document activity reports.

Recommendation No. 5: We recommend that the CSC ensure further analysis is performed as to whether the CAPS+ requisition documents can be linked (copied forward) to the CAPS+ purchasing documents.

CAPS Steering Commitee Response: Concur. The CAPS+ Team will do further analysis of the process of linking on-line Requisitions to purchasing documents and explore if the process can be streamlined or redesigned to best fit the County business processes and segregation of duties.

ATTACHMENT A: CAPS Steering Committee and County Procurement Office Responses

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January 12, 2010

TO: Dr. Peter Hughes
Director, Internal Audit Department

SUBJECT: Internal Audit Alert No. 5 – Response to CSC Request for Analysis of CAPS+ Purchasing Document Approval

On November 25, 2009, your department issued Audit No. 2943-1, Audit Alert #5, Response to CSC Request for Analysis of CAPS+ Purchasing Document Approvals. The attached response has been reviewed and approved by the CAPS Steering Committee.

If you have any questions, please contact Steve Rodermund, CAPS PMO, at 834-2636 or Steve.Rodermund@ac.ocgov.com.

David E. Sundstrom
Auditor-Controller

DES:dms
Attachment

ATTACHMENT A: CAPS Steering Committee and County Procurement Office Responses (continued)

CAPS+ Audit Alert No. 5 Response
January 12, 2010
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A/C IT/ CAPS+ Team	Denise Steckler, A/C IT – CAPS+ Bill Malohn, A/C IT – CAPS+

ATTACHMENT A: CAPS Steering Committee and County Procurement Office Responses (continued)

CAPS+ Audit Alert #5

Response to CSC Request for Analysis of CAPS+ Purchasing Document Approvals

Recommendation	Response
Recommendation No. 1: We recommend that the CAPS Steering Committee (CSC) adopt the CAPS Program Management Office proposal that all CAPS+ Purchasing documents have a separate creator and approver that is enforced by the CAPS+ System.	**CSC Response: Concur.** The CAPS+ Procurement Team will work collaboratively with the CAPS+ Security and Workflow Team and the County Procurement Office to redesign all CAPS+ purchasing document (MA, DO, PO, CT) workflows and supporting documentation (i.e., procedures and job aids) to ensure that a creator cannot approve their own documents. The CAPS+ team will also work with departments by holding workshops to roll out the new workflow rules, workflow workgroup, and coordinate the completion of any revised CAPS+ Access Request Forms required by the new workflows. The estimated completion date for the implementation of the new workflow rules is March 31, 2010.
Recommendation No. 2: We recommend that the County Procurement Office (CPO) review current CAPS+ procurement users and verify they are active DPAs, and then periodically thereafter.	**CPO Response: Concur.** The CPO has a unit devoted to purchasing compliance and administration of the Deputy Purchasing Agent (DPA) program. With the assistance of the CAPS Program Office, this unit will review system data to ensure that only DPAs and authorized exceptions have been granted access to the system.
Recommendation No. 3: We recommend that the County Procurement Office evaluate implementing data analysis techniques for the CAPS+ purchasing documents and related data.	**CPO Response: Concur.** As a part of the Purchasing Compliance review process, the CPO will perform periodic analysis of selected procurement data for anomalies. It was also recommended that the CPO use system data to determine where multiple purchases for similar items across the County could be identified for a Master Agreement. It was the intent of the CPO to use detailed system information to identify opportunities where additional Regional Cooperative Agreements (RCAs) could be generated. The ability to accomplish this objective is dependent on detailed information residing in the CAPS+ system.
Recommendation No. 4: We recommend that the County Procurement Office consider adding a standard clause referring to the OC Fraud Hotline on all CAPS+ purchasing documents and the manual purchasing documents received and/or signed by the vendor.	**CPO Response: Concur.** The CPO will work with the CAPS+ Team to add the language to the purchasing system documents.
Recommendation No. 5: We recommend that the CSC ensure further analysis is performed as to whether the CAPS+ requisition documents can be linked (copied forward) to the CAPS+ purchasing documents.	**CSC Response: Concur:** The CAPS+ Team will do further analysis of the process of linking on-line Requisitions to purchasing documents and explore if the process can be streamlined or redesigned to best fit the County business processes and segregation of duties.

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