



Advisory Services Memo

To: Joyce Ingram, Chief of Staff for Finance and Administration, Associate VP for Human Resources

From: Joseph Maleszewski, Vice President of Audit

Deidre Melton, Director of Audit

CC: Alan Robertson, CFO/Vice President of Finance and Administration

Mattie Hood, Director of Procurement Services

Date: September 30, 2020

Re: Duplicate Purchase Orders

At your request the Division of Audit evaluated a duplicate purchasing order incident that occurred on December 18, 2019. The Division of Audit met with staff within Procurement Services and Information Technology Services to understand the breadth of the event, impact to the University, and remediation steps taken as a result of the event to determine if any further recommended actions were needed to resolve issues related to the incident.

Our review determined that staff within Procurement Services and Information Technology Services (ITS) had taken the appropriate steps to negate the impact of the incident on University resources and established remediation steps to prevent a similar occurrence from happening again in the future. Specifically, our review noted the following:

Incident

- On December 18, 2019, at approximately 2:55 pm, a member of the Procurement team initiated a process in iRattler that inadvertently generated over 4,000 duplicate purchase orders that were batched to be emailed to vendors.
- There were 3,006 purchase orders, valued at \$28,667,941.07, still queued to be emailed to vendors when the issue was identified.

Initial Remediation Steps

The Procurement Services team:

- Worked with ITS to cancel the iRattler process before the remaining emails within the que were sent to vendors.
- Worked to immediately notify suppliers, via email and by phone, instructing them to disregard the duplicate purchase orders.
- Contacted the original purchase order requestors advising them of the duplicate purchase orders and instructing them to return any duplicate orders, should they be received. Requestors were also given the option to retain any received items, and pay for them through the normal procurement process if this was appropriate and advantageous for their business processes.
- Worked with ITS to develop a “run control” that will allow team members to dispatch a single purchase order, and train team members on its use.



Result of Initial Remediation Steps

- The Procurement Services team identified 92 invoices that were believed to be received by vendors, which were valued at \$868,371.92.
- As a result of the quick identification and proactive communications with vendors and requestors, there was no significant fiscal impact to the University.
- The procurement team member was provided access to and training for the newly developed run control which processes a single purchase. This process and training will allow the team member to have distinct run controls for batch and single purchase order runs. Collectively, these efforts significantly reduce the risk of the incident reoccurring in the future.

Additional Remediation Steps Taken

- Procurement Service team initiated a project request with ITS for an automated purchase order batch process to be developed. This will eliminate the need for procurement services to utilize the batch process function in the future. Staff would then utilize the single purchase order run control for purchase orders that failed to process due to information errors, such as incorrect email addresses.

If you have any additional questions or concerns related to this matter, please feel free to reach out to Deidre Melton via phone (850- 766-3687) or email (deidre.melton@fam.u.edu).