



Maricopa County

Internal Audit Department

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To: Maricopa County Board of Supervisors
From: Ross L. Tate, County Auditor
Subject: Audit Report: Temporary Staffing Contract
Date: May 21, 2015

Conclusion: We reviewed a temporary staffing contract used by several County agencies and found that vendor rates exceeded contracted rates, resulting in overcharges of \$121, 686. In addition, invoices lacked some contractually-required information.

Observation: For one County agency (largest contract user), we reviewed 266 invoices totaling \$515,019 for compliance with contracted billing rates. We found overcharges of \$121,686. We were not able to confirm an additional \$8,802 in potential overcharges because the agency could not provide supporting documentation. Most of the overcharges occurred because some temporary employees, who worked for the agency before this contract was in place, continued to be paid at higher, pre-contract rates.

We also reviewed a sample of 185 invoices totaling \$324,552 from 18 agencies for compliance with contract administrative requirements. All invoices were mathematically correct. However, multiple invoices lacked contractually-required information; 185 invoices did not include a description of service provided, 145 invoices did not include the contract number and/or payment terms, 42 invoices did not include County agency contact information, and 10 invoices did not reference the purchase order number.

Agency management concurred with our recommendations and will be strengthening controls in these areas. Regarding the overcharges, however, County counsel advised that they are not recoverable.

Objective: Our audit objective was to determine that pricing complied with contract rates, that invoices included all contractually-required information, and that invoices were adequately supported. Our scope of work included expenditures totaling \$7.5 million for the period FY 2012 through FY 2014.

This report is intended primarily for the information and use of the County Board of Supervisors, County leadership, and other County stakeholders. However, this report is a matter of public record and its distribution is not limited. This audit was approved by the Board of Supervisors and was conducted in conformance with International Standards for the Professional Practice of Internal Auditing. We issued detailed reports with recommendations to two agencies. If you have any questions about this report, please contact Ross Tate, County Auditor, at 506-1585.