



## Office of the City Auditor (OCA)

*Richmond City Council*

**DATE:** May 11, 2026

**TO:** Mr. Odie Donald II  
Chief Administrative Officer

**FROM:** Riad Ali  
City Auditor

**SUBJECT:** Continuous Monitoring – Duplicate Payments

As part of OCA's developing continuous monitoring efforts, we periodically perform targeted reviews of selected City data to identify unusual transactions, potential non-compliance, data abnormalities, and other indicators of risk. These reviews are narrower and more targeted than a full performance audit and are intended to provide a high-level assessment of specific risk areas. Depending on the subject matter, this work may focus on identifying anomalies, testing compliance with selected requirements, or both. The results help the OCA communicate concerns sooner and make informed decisions about whether additional audit work is needed.

### **Scope of This Review**

As part of this review, the OCA analyzed selected FY 2024 and FY 2025 City payment transactions using targeted criteria designed to identify duplicate payments. This review does not constitute an audit conducted in accordance with Generally Accepted Government Auditing Standards (GAGAS).

### **Key Results**

Overall, the OCA identified 50 duplicate payments totaling \$5,759,563.64. Approximately 98% of that amount has already been recovered, largely before this review began. The largest duplicate payment identified was a single wire transfer in the amount of \$5,092,722.08 that was processed twice.

Of those 50 duplicate payments, the OCA identified 27 duplicate payments through this review totaling \$151,730.22 that had not previously been identified or corrected. Departments have since reported recovering \$10,142.11 of that amount, leaving \$141,588.11 outstanding and potentially recoverable by the City.

The duplicate payments identified through this review indicate potential weaknesses in internal controls over invoice processing and payment activities. The OCA issued two recommendations and will follow up on them through its periodic follow-up process. In addition, the OCA has

recently begun a performance audit of the City’s accounts payable process and may issue additional recommendations related to duplicate payments through that audit.

## **Background**

Duplicate payments occur when more than one payment is issued for the same goods or services. Common factors that contribute to duplicate payments include:

- Multiple submissions of the same invoice,
- Slight variations or alterations in invoice numbers,
- Duplicate vendor records in the supplier database,
- Payments issued to the wrong vendor and then reissued to the correct vendor, and
- Inconsistent assignment of invoice numbers for payment requests that do not include an invoice number.

Duplicate payments are an inherent risk in any payment process. This risk increases in organizations that process high volumes of transactions or lack adequate controls to prevent and detect these errors. Strong monitoring and control activities are therefore essential. Published literature estimates that between 0.08% and 2% of an organization’s annual disbursements may be duplicate or erroneous.<sup>1</sup> For an organization such as the City of Richmond, which processed 237,261 invoices totaling approximately \$5.4 billion in FY 2024 and FY 2025,<sup>2</sup> even a small percentage of duplicate payments could result in significant financial loss and substantial administrative effort to identify and recover funds.

Duplicate payments result in inefficient use of public resources, increased administrative costs to research and recover funds, and may indicate weaknesses in internal controls within the procure-to-pay process. They may also negatively affect the reputation of local governments.

## **Results**

The OCA analyzed FY 2024 and FY 2025 payment transactions to identify potential duplicate payments, focusing on:

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<sup>1</sup> See the following sources (all accessed March 30, 2026):

- American Productivity and Quality Center, [Percentage of total annual number of disbursements processed which are duplicate or erroneous payments | APOC](#).
- CFO.com, [Metric of the Month: Detect and Prevent Duplicate or Erroneous Payments | CFO.com](#)
- e-Consulting Global Solutions, [The Hidden Costs of Duplicate Payments: Why Finance Operations must face the facts](#).
- Office of the Washington State Auditor, [Paying vendors twice is a problem. SAO offers tips to prevent duplicate payments | Office of the Washington State Auditor](#).

<sup>2</sup> Invoice count and dollar amount are based on data as of the September 25, 2025, report run date and exclude Social Services payments uploaded into RAPIDS from its client system and voided invoices. It should be noted that 107,026 of the invoices were for the one-time real estate tax rebate that were issued in 2025. Changes or record modifications made after the report run dates are not reflected in this data.

- invoices greater than \$500 with different invoice numbers but identical invoice amounts, invoice dates, and vendor names; and
- invoices with the same invoice number and invoice amount, within the same department, that were paid to different vendors.

Using these criteria, the OCA identified 5,249 invoices totaling \$45,199,275.30 for review. From this population, the OCA selected 204 invoices totaling \$12,508,374.28 for follow-up with City departments to determine whether the payments were duplicates or whether there was a valid explanation supported by documentation. The OCA notes that additional duplicate payments may exist that were not identified through the criteria above.

Of the 204 invoices referred to departments for review, the OCA determined that 50 invoices totaling \$5,759,563.64 were duplicate payments. In addition, the auditors could not conclude if 17 invoices totaling \$12,896.82 were duplicates or not based upon the documentation provided and department explanations.

Of those 50 duplicate payments, 23 invoices totaling \$5,607,833.42<sup>3</sup> had already been recovered prior to this review. The remaining 27 duplicate payments, totaling \$151,730.22, had not previously been identified or corrected. Departments have since reported recovering \$10,142.11 of that amount, leaving \$141,588.11 outstanding and potentially recoverable by the City.

**Table 1** below displays, by department, the \$151,730.22 in duplicate payments that had not previously been identified or corrected, along with the amount recovered to date.

**Table 1**  
**Duplicate Payments and Recovery Status**  
**FY 2024 and 2025**

Department	Duplicate Amounts	Amount Recovered	Amount Outstanding
Human Resources	\$71, 275.77	-	\$71, 275.77
Public Utilities	\$19,729.53	\$62	\$19,667.53
General Services	\$19,579.76	-	\$19,579.76
Planning and Development Review	\$11,413.75	-	\$11,413.75

<sup>3</sup> A vendor that serves multiple City departments identified a duplicate payment of \$22,841.28 issued by Public Utilities. The vendor had incorrectly applied the duplicate amount as an offset against an invoice for the Department of Information Technology. Public Utilities was not aware of the duplicate payment until it was identified during this review. Upon OCA’s inquiry, DPU contacted the vendor to discuss the issue and confirmed that the duplicate payment had been misapplied. DPU subsequently processed a correction to credit the appropriate Public Utilities account and debit the appropriate Information Technology account.

Department	Duplicate Amounts	Amount Recovered	Amount Outstanding
Finance	\$9,680.11	\$9,680.11	-
Human Services	\$7,140.85	-	\$7,140.85
Parking Administration	\$5,399.88	-	\$5,399.88
Public Works	\$5,323.79	-	\$5,323.79
Social Services	\$1,283.60	\$400.00	\$883.60
Parks & Recreation	\$851.18		\$851.18
Fire	\$52	-	\$52
<b>Total</b>	<b>\$151,730.22</b>	<b>\$10,142.11</b>	<b>\$141,588.11</b>

The common factors described in the Background section of this report help explain how the duplicate payments identified in this review were processed. In general, the OCA also observed that approximately 26% of the duplicate payments involved transactions processed without purchase orders. Payments made without purchase orders increase the risk of duplicate payments because they bypass key preventive controls, such as invoice matching and preauthorization. According to the *Accounts Payable Guide* issued by the Washington State Auditor’s Office, the use of purchase orders is an important control for preventing duplicate payments.

In addition, the OCA identified a system limitation that created a risk that duplicate or erroneous payments could be reissued even after being voided. Upon the OCA’s inquiry, three duplicate payments totaling \$9,680.11 were voided because they had not yet cleared the bank. However, OCA noted that the payments were reissued the same day. Finance staff researched the issue and explained that the system automatically reissued them because invoices cannot be voided and cancelled when the associated purchase orders have been finally closed. Staff stated they were unaware of this limitation until reviewing the duplicate payments identified during this engagement. The payments were later voided again, and a manual hold was placed on the invoices to prevent further automatic reissuance. This limitation required additional manual intervention and increased the risk of repeated overpayments.

A deeper analysis is needed to identify the underlying causes of the duplicate payments identified through this review. Accordingly, a full root cause analysis, including an assessment of internal controls and any control breakdowns that allowed these duplicate payments to occur, will be completed as part of the ongoing Accounts Payable audit. Recommendations to address any identified control gaps will be issued in that audit.

## **Methodology**

- The OCA analyzed the FY 2024 and FY 2025 payments<sup>4</sup> to identify potential duplicate payments focusing on:
  - invoices greater than \$500 with different invoice numbers but identical invoice amounts, invoice dates, and vendor names; and
  - invoices with the same invoice number and invoice amount, within the same department, that were paid to different vendors.
- Reviewed invoices and documentation to determine whether disbursements were duplicate payments.
- Distributed listings of potential duplicate payments to respective departments to confirm if duplicate payments and requested supporting documentation, including vendor credits, refunds, or justification demonstrating why payments were not duplicates.

## **Recommendations**

### **Recommendation 1 – In Progress During This Review**

**High Priority**

We recommend that the Chief Administrative Officer ensure the following departments take appropriate and timely action to recover the identified duplicate payments from vendors, including through refunds or credits on future invoices:

- Human Resources
- Public Utilities
- General Services
- Planning and Development Review
- Human Services
- Parking Administration
- Public Works
- Social Services
- Parks and Recreation
- Fire

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<sup>4</sup> Social Services' client-specific payments uploaded to RAPIDS were excluded from this analysis because the transaction details and supporting documentation required for the review are maintained in the department's internal client system rather than in RAPIDS. Voided invoices were also excluded.

Human Services and Public Works should further research the payments for which the OCA could not determine if duplicates or not and pursue recoupment where applicable.

**Recommendation 2** **Medium Priority**

We recommend that the Director of Finance work with the Department of Information Technology to evaluate options to resolve or mitigate the system limitation that automatically reissues voided payments.



## MANAGEMENT RESPONSES

OCA 2026-09

### Continuous Monitoring – Duplicate Payments

RECOMMENDATION #1 – In Progress During This Review	High Priority
<p>We recommend that the Chief Administrative Officer ensure the following departments take appropriate and timely action to recover the identified duplicate payments from vendors, including through refunds or credits on future invoices:</p> <ul style="list-style-type: none"> <li>• Human Resources</li> <li>• Public Utilities</li> <li>• General Services</li> <li>• Planning and Development Review</li> <li>• Human Services</li> <li>• Parking Administration</li> <li>• Public Works</li> <li>• Social Services</li> <li>• Parks and Recreation</li> <li>• Fire</li> </ul> <p>Human Services and Public Works should further research the payments for which the OCA could not determine if duplicates or not and pursue recoupment where applicable.</p>	
<b>Concur (Yes/No)</b>	<b>Yes</b>
ACTION STEPS	
<i>(Please describe the steps you will take or have taken to address the recommendation)</i>	
<p>The Administration agrees with this recommendation and has already initiated coordinated recovery efforts with impacted departments.</p> <p>The Department of Finance, in partnership with OCAO, will require each affected department to review the duplicate payments identified by OCA and submit a written recovery status report detailing amounts recovered, amounts outstanding, vendor communication status, anticipated recovery timelines, and any legal or operational barriers to collection.</p> <p>Departments with outstanding balances will be expected to pursue all appropriate remedies, including direct refund requests and escalation to Procurement or Legal as necessary. The CAO’s Office will centrally monitor recovery progress until all feasible collections are resolved.</p> <p>Additionally, impacted departments will be directed to further review transactions for which OCA could not determine whether duplicate payments occurred and provide documented conclusions, including any warranted recoupment actions.</p>	
<b>Target Date or Date Implemented</b>	June 30, 2026
<b>Title of Responsible Employee</b>	Senior Policy Advisor, CAO



**MANAGEMENT RESPONSES**

OCA 2026-09

**Continuous Monitoring – Duplicate Payments**

<b>RECOMMENDATION #2</b>		<b>Medium Priority</b>
<p>We recommend that the Director of Finance work with the Department of Information Technology to evaluate options to resolve or mitigate the system limitation that automatically reissues voided payments.</p>		
<b>Concur (Yes/No)</b>	<b>YES</b>	
<b>ACTION STEPS</b>		
<i>(Please describe the steps you will take or have taken to address the recommendation)</i>		
<p>The Administration agrees with this recommendation.</p> <p>The Department of Finance and the Department of Information Technology are currently assessing the root cause of the system limitation identified in the findings. Resolution of the issue may require additional technical planning, system modifications, and implementation time. We have initiated Service Request SR16848684 for the Oracle Developer Team to assist with this task.</p> <p>A written update outlining the root cause analysis, proposed corrective action, and anticipated implementation timeline will be provided by June 30, 2026.</p>		
<b>Target Date or Date Implemented</b>	June 30, 2026	
<b>Title of Responsible Employee</b>	Assistant Controller	