

Analyzing Accounts payable information on IFMS

Michael Rivas (CISA)
SAI Namibia

History of IFMS in Namibia



- IFMS implemented in 2006
- Oracle E-business Suite + Oracle 10G Database
- with Custom build Applications Payroll, DSA
- System migrated 2012 to 11G Database including all All previous vendors
- prior to 2016 All Departments were allowed to create suppliers on the IFMS system before it was centrally controlled by Ministry of Finance

This led to duplicated suppliers (Standing data) created on the system

VENDOR NO	VENDOR NAME	BANK ACCOUNT
179682	NICE VILLE MUNICIPALITY	XXX8953
490	MUNICIPALITY NICE VILLE	XXX8953

SO WHAT IS THE RISK?

IFMS has control to detect if **Same invoice** are paid to **same Supplier** but not between different suppliers
Increased risk of Double Payments may occur

Possible Duplicate Payments to suppliers having the same Bank account



Found cases where same Supplier invoice has been paid By the Same Ministry but to duplicated suppliers

	INVOICE_REFNO	AMOUNT	INVOICE ID	INVOICE DATE
ABD Stationery	INV0433	455,927.32	3642337	24/06/2021
Stationery ABD (PTY)LTD	INV0433	455,927.32	3644267	24/06/2021

IDEA DUPLICATE KEY EXCLUSION FUNCTION

- **SAME INVOICE REF**
- **SAME AMOUNT**
- **DIFFERENT INVOICE ID** (System gives an invoice a unique ID number when an invoice get captured When it is the same it would mean that it could be a duplicate line item when invoice was captured)

4 Central Bank

Fraudster Bank Account

BANK

BANK

Commercial

179682	NICE VILLE MUNICIPALITY	200822	Closed
490	MUNICIPALITY NICE VILLA	300452	OPEN, Act
004788	NICEVILLE: MUNICIPALITY	200822	Closed

OLD ACCOUNT	NEW ACCOUNT
200822	400322

How we determine Government Employees that have done business with Government

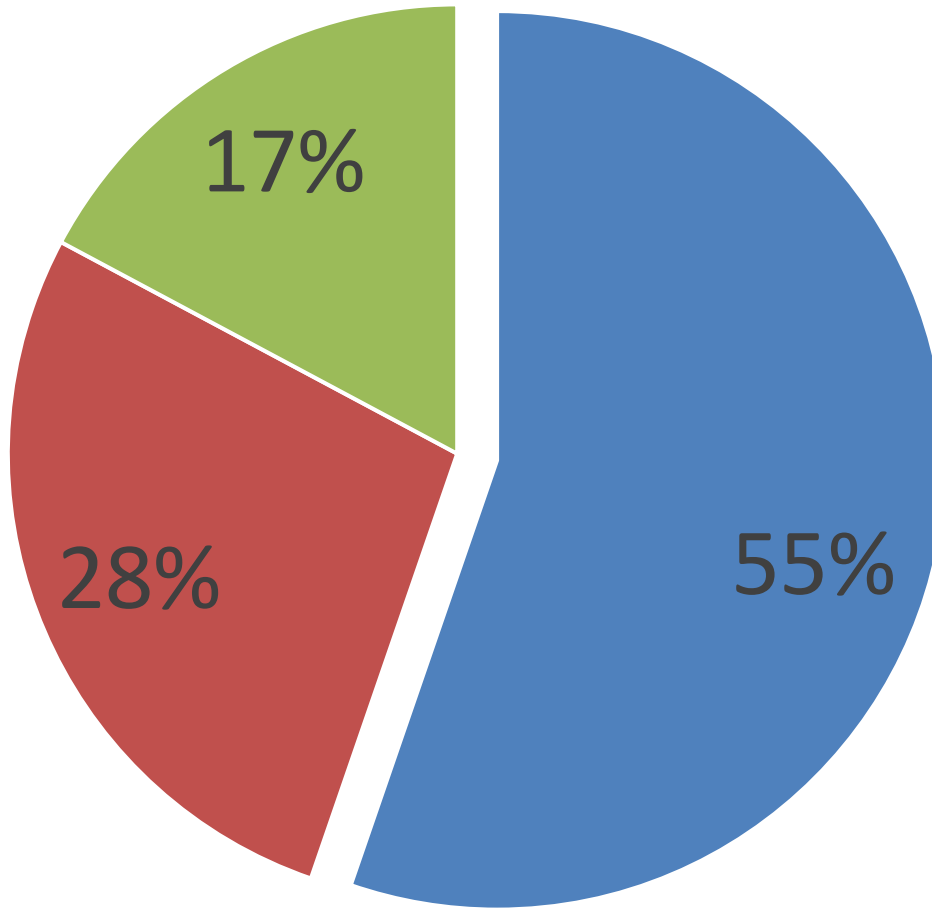


IFMS ACCOUNTS PAYABLE		
SUPPLIER NAME	INVOICE DETAILS	AMOUNT
Dodgy Investments CC	Maize meal supplied	200 000.00

PAYROLL		
EMPLOYEE CODE	EMPLOYEE NAME	NAM ID
K2005198XXX45	Kulu R	2005198XX24

COMPANY REGISTRATION INFORMATION				
COMPANY NO	COMPANY NAME	SHAREHOLDER NAME	NAM ID PASSPORT	NATIONALITY
CC 2005/2019	Dodgy Investments CC	Reimond Kulu	2005198XX24	NAM

Namibian Company Registration Stats



■ Namibian with ID ■ Namibian with No ID ■ Others Countries

Employees with Business interest that has transacted on IFMS



	2021-2022
No of Active Employees with Shareholding or members interest	(12.5%) of active employees Employees linked with 20 711 Businesses
No of Employees that has traded With GRN during Financial Year	133/14340
A) Value of transactions <u>where Employee has done business with Another Ministry</u> than He/she Works	51,061,668.79
B) Value of transactions <u>where Employees have tendered for the Same OMA</u> that he/she works	11,596,152.30
C) Value of Transactions paid to Companies with GRN Employees having Business interest	N\$ 62,657,821.09

Example of how we could link information together



From Accounts payable

CR

From Payroll

SUPPLIER	VENDOR NAME	# INV	TOTAL	% SHARES	EMPLOYEE NO	EMPLOYEE NAME	MIN	POSITION
457220	LARA INVESTMENTS CC	29	7,991,713	60	A1708198XX	MR A	MOD	Staff Sergeant
452383	NAMIBIA CHICKENS	4	1,668,432	100	H300819X48	MS B	MOE	TEACHER

"HONEY SUPPLIERS"

Getting Money into Personal Bank account



My Definition of **Honey Supplier**.

When **same** Bank account can be found when comparing **Accounts payable** to **Payroll** but **do not have similar** names.

Also may include false positives

From Accounts payable

SUPPLIER	VENDOR NAME	# INV	TOTAL
457220	MS CLOETE	5	20 000
	MUNICIPALITY		
452223	NICE VILLE	2	50 000

MATCHING BANK ACC

700400

900050

From Payroll

EMPLOYEE NO	EMPLOYEE NAME	MIN
A1708198	MR JO BLOG	FIN
H3008194	MS BEAUTY	MOE

Data Analysis Steps (IDEA)

- Join to Match Bank accounts **Payroll Standing Data** to **AP transaction data**
- Create a new virtual field the **@similarPhrase** function in IDEA to determine % of similarity
- Extract Names **less than 30** percent similar

Contributing Success factors



- IS Auditors ability to Ask for the information
- The Ability to obtain Information digitally
- IS Auditors ability to understand and Analyse the information
- Having Specialised Tools to Analyse information
- According to Gartner Structured Data only contributes to 20% of all information therefore there is a need to get tools to analyse unstructured information also called Big data



Did You know:

Dune 7 is the highest in Namibia.

The dune has been measured at (383 meters)

One of the Top 10 highest in the World