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MEMORANDUM

TO: All State Agencies
Attn: Chief Financial Officers and Accounting Managers

FROM: D. Clark Partridge *D.C.P.*
State Comptroller

DATE: December 6, 2010

SUBJECT: Recovery Audit

During the Forty-Ninth Legislature, Second Regular Session, House Bill 2240 was passed by the Legislature. If signed by the Governor, this legislation would have mandated the Office of the Auditor General to contract with one or more consultants to conduct a statewide recovery audit of payments made for the previous three fiscal years. House Bill 2240 was subsequently vetoed by Governor Brewer. However, in a letter from Governor Brewer dated May 11, 2010 to Secretary of State Ken Bennett, she directed the Department of Administration (ADOA) to issue a Request for Proposal (RFP) to have a recovery audit contract in place by October 1, 2010.

ADOA has completed the RFP process and a vendor has been selected, Recovery Audit Specialists, LLC (RAS), to complete the statewide recovery audit. RAS has begun working with the General Accounting Office (GAO) to obtain the necessary electronic data files that contain AFIS accounts payable (claims) information for fiscal years 2008-2010. RAS will review these electronic data files for potential duplicate and overpayments. As potential duplicate and overpayments are identified, it will be necessary for RAS to work with the individual State agencies to determine if recoveries may be made from the vendors through the examination of hard copy files.

The GAO is requesting that the accounting staff from all agencies cooperate with the RAS auditors if they are contacted for hard copies of claims information or other information related to the recovery audit. While we realize that agencies may be short staffed and understand that there may be competing, higher priority issues, the cooperation of all agencies will be essential to the success of the audit. If an agency is unable to respond to RAS auditors' requests in a timely manner, please contact the GAO so that we can coordinate and develop an appropriate plan to address the needs of the audit. You may contact Paul Ruwald at (602) 542-2352 or Angela Dillard at (602) 542-2122 with any questions or concerns.