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AUDIT HIGHLIGHT

JULY 28, 2011

RESULTS OF CONTINUOUS AUDITING USING CAATS:

Auditor-Controller, Human Resources, & County Procurement Office **Duplicate Vendor Payments and Other Routines** Audit No. 1139-A

WHAT WE FOUND?

<u>Duplicate Vendor Payments</u>: Our review of \$201 million vendor disbursements processed during June 2011 found that 99.99% of invoices were paid only once. Of the 19,376 invoices processed during June 2011, we identified 1 potential duplicate payment made to vendors for \$428 or .0002% of the \$201 million.

Employee-Vendor: For the quarter-end 6/30/11, no potential employee-vendor conflicts were identified in the employee-vendor matches we reviewed. Our next analysis will be performed at September 30, 2011.

Working Retirees: During FY 10-11, one OC working retiree exceeded the annual limits of 960 or 720 hours mandated by Government Code Sections 31680.6 & 31641.04. The excess was 9.5 hours, which is less than one pay period.

Payroll Direct Deposit: No findings resulted from the payroll direct deposit CAAT routine this month.

In Home Supportive Services (NEW): Our analysis is currently in process. This new analysis comparing active County employees to IHSS providers is being performed as a special request from the Board of Supervisors via the Human Resources Department and the Social Services Agency.

WHY IS THIS ANALYSIS IMPORTANT?

Vendor Payments: For FY 10-11, established vendor payments were about \$2.4 billion (this amount is a subset of the total payments and does not include miscellaneous vendor payments; see report for details). To date, we have identified \$980,232 in duplicate payments made to vendors of which the County has collected \$954,858 or 97%.

Working Retirees: For FY 10-11, OC working retiree/extra-help data is:

Department	No. of Working Retirees	Total FY Hours To Date
Sheriff-Coroner	70	39,374
District Attorney	27	13,255
Assessor	10	7,713
Health Care Agency	12	7,266
OC Public Works	2	1,671
County Counsel	1	895
Auditor-Controller	1	226
Treasurer-Tax Collector	1	120
Human Resources	1	114
Total	125	70,634

Payroll Direct Deposit: For FY 10-11, direct deposits for regular payroll were about \$1.3 billion.

In Home Supportive Services (NEW): Evaluate IHSS providers to identify matches with active county employees for potential conflicts of interest with County employment.

CAATS - Cited as a Best Practice by the Institute of Internal Auditors