1st District Janet Nguyen  $\mathbf{O}$ 

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2nd District

John M.W. Moorlach, Vice Chairman

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Internal Audit Department

**3rd District** 

Bill Campbell, Chairman

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4th District

Shawn Nelson

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**5th District** 

Patricia C. Bates

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# AUDIT HIGHLIGHT OCTOBER 28, 2011

## RESULTS OF CONTINUOUS AUDITING USING CAATS: Auditor-Controller, Human Resources, & County Procurement Office Duplicate Vendor Payments and Other Routines Audit No. 1139-D

#### WHAT WE FOUND?

<u>Duplicate Vendor Payments</u>: Our review of **\$163 million** vendor disbursements processed during September 2011 found that **100% of invoices were paid only once.** Of the 12,802 invoices processed during September 2011, we identified **no** potential duplicate payments made to vendors.

<u>Employee-Vendor</u>: : For the quarter-end 9/30/11, no potential employee-vendor conflicts were identified in the employee-vendor matches we reviewed. Our next analysis will be performed at December 31, 2011.

<u>Working Retirees</u>: As of 10/6/11, no OC working retirees exceeded the annual limits of 960 or 720 hours mandated by Government Code Sections 31680.6 & 31641.04.

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

<u>In Home Supportive Services</u>: As reported in our August 2011 CAAT report (1139-B), we identified 92 active County employees who are also IHSS providers. Of the 92 matches, 21 were resolved in a prior analysis performed by SSA and 44 were determined to have no conflict with County employment by HRD. The remaining 27 are undergoing review by SSA.

#### WHY IS THIS ANALYSIS IMPORTANT?

<u>Vendor Payments</u>: 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 **\$980,675** in duplicate payments made to vendors of which the County has collected **\$966,160** or **99%**.

| Department              | No. of Working<br>Retirees | Total FY<br>Hours To Date |
|-------------------------|----------------------------|---------------------------|
| Sheriff-Coroner         | 61                         | 14,275                    |
| Health Care Agency      | 11                         | 2,420                     |
| District Attorney       | 12                         | 2,719                     |
| Assessor                | 6                          | 950                       |
| OC Public Works         | 2                          | 541                       |
| County Counsel          | 1                          | 269                       |
| Human Resources         | 1                          | 112                       |
| Treasurer-Tax Collector | 1                          | 111                       |
| Total                   | 95                         | 21,397                    |

Working Retirees: As of 10/6/11, OC working retiree/extra-help data is:

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

<u>In Home Supportive Services</u>: Evaluate IHSS providers (15,850 at 5/31/11) 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

To access and view audit reports or obtain additional information about the OC Internal Audit Department, visit our website: <a href="http://www.ocgov.com/audit">www.ocgov.com/audit</a> For more information, please contact Dr. Peter Hughes, CPA, Director of Internal Audit at (714) 834-5475 or <a href="http://www.ocgov.com">peter.hughes@iad.ocgov.com</a>