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 Retirees	Total FY 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: www.ocgov.com/audit For more information, please contact Dr. Peter Hughes, CPA, Director of Internal Audit at (714) 834-5475 or peter.hughes@iad.ocgov.com