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

В

2nd District

John M.W. Moorlach, Vice Chairman

oar



Internal Audit Department

t

**3rd District** 

Bill Campbell, Chairman

V

**5th District** 

Patricia C. Bates

4th District

Shawn Nelson

## AUDIT HIGHLIGHT NOVEMBER 23, 2011

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

## WHAT WE FOUND?

<u>Duplicate Vendor Payments</u>: Our review of **\$175 million** vendor disbursements processed during October 2011 found that **100% of invoices were paid only once.** Of the 13,679 invoices processed during October 2011, we identified **no** potential duplicate payments made to vendors.

<u>Employee-Vendor</u>: All potential employee-vendor matches identified to date have been researched and resolved to HRD's satisfaction. Our next analysis will be performed at December 31, 2011.

<u>Working Retirees</u>: As of 11/3/11, 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. The updated status of the <u>92</u> matches is: <u>21</u> were resolved in a prior analysis performed by SSA; <u>53</u> were determined to have no conflict with County employment by HRD; <u>14</u> are being referred to the DA's Fraud Unit for further review as more research is needed to determine any *potential* fraud; and the remaining <u>4</u> 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	63	18,436
District Attorney	12	3,694
Health Care Agency	11	3,228
Assessor	7	1,376
OC Public Works	2	747
County Counsel	1	373
Treasurer-Tax Collector	1	179
Human Resources	1	112
Total	98	28,145

Working Retirees: As of 11/3/11, 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>