1st District Janet Nguyen Ο



Internal Audit Department

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3rd District

Bill Campbell

ORANGE COUNTY

AUDIT HIGHLIGHT

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2nd District

John M.W. Moorlach, Chairman

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SEPTEMBER 25, 2012

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5th District

Patricia C. Bates

4th District

Shawn Nelson, Vice Chairman

RESULTS OF CONTINUOUS AUDITING USING CAATS: Auditor-Controller, Human Resources, & County Procurement Office Duplicate Vendor Payments and Other Routines Audit No. 1238-C

WHAT WE FOUND?

<u>Duplicate Vendor Payments</u>: Our review of \$229 million vendor disbursements processed during August 2012 found that 99.98% of invoices were paid only once. Of the 18,121 invoices processed during August 2012, we identified four (4) potential duplicate payments made to vendors totaling \$8,528 or .004% of the \$229 million.

<u>Employee-Vendor</u>: This routine is performed on a quarterly basis. All employee-vendor matches identified to date have been researched and resolved to Human Resources Department (HRD) satisfaction. Our next analysis will be performed at September 30, 2012.

Working Retirees: As of September 6, 2012, no OC working retirees exceeded the annual fiscal year 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.

WHY IS THIS ANALYSIS IMPORTANT?

<u>Duplicate Vendor Payments</u>: For FY 11-12, established vendor payments were about \$2.7 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 **\$992,438** in duplicate payments made to vendors of which the County has collected **\$973,068** or **98%**.

Working Retirees: As of September 6, 2012, OC working retiree/extra-help data for FY 12-13:

Department	No. of Working Retirees	FY 12-13 Hours
Sheriff-Coroner	82	13,207
District Attorney	26	6,297
Probation	9	1,877
Health Care Agency	8	1,115
Assessor	7	563
OC Public Works	3	451
Child Support Services	1	311
Auditor-Controller	1	255
Treasurer-Tax Collector	1	180
Social Services Agency	2	104
Clerk of the Board	1	31
CEO Data Center	1	30
County Counsel	1	7
Total	143	24,428

Payroll Direct Deposit: For FY 11-12, direct deposits for regular payroll were about \$1.3 billion.

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