Shawn Nelson, Chairman

Patricia C. Bates, Vice Chair



Internal Audit Department

ORANGE COUNTY

AUDIT HIGHLIGHT

FEBRUARY 19, 2013

RESULTS OF CONTINUOUS AUDITING USING CAATS:

Auditor-Controller, Human Resource Services, & County Procurement Office

Duplicate Vendor Payments and Other Routines

Audit No. 1238-G

WHAT WE FOUND?

<u>Duplicate Vendor Payments</u>: Our review of \$138 million vendor disbursements processed during December 2012 found that 99% of invoices were paid only once. Of the 16,462 invoices processed during December 2012, we identified one (1) potential duplicate payment made to vendors totaling \$65.

<u>Employee-Vendor</u>: For the quarter-ended December 31, 2012, no (0) potential employee-vendor conflicts were identified in the employee-vendor matches we reviewed.

<u>Working Retirees</u>: As of January 10, 2013, no OC working retirees exceeded the annual fiscal year limits of 960 or 720 hours mandated by Government Code Sections 31680.6 & 31641.04.

<u>Payroll Direct Deposit</u>: 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 \$1,020,478 in duplicate payments made to vendors of which the County has collected \$995,084 or 98%.

Working Retirees: As of January 10, 2013, OC working retiree/extra-help data for FY 12-13:

	No. of Working	FY 12-13
Department	Retirees	Hours
Sheriff-Coroner	89	35,740
District Attorney	26	17,149
Probation	9	4,778
Assessor	13	3,120
Health Care Agency	10	2,961
OC Public Works	5	1,645
Child Support Services	2	788
Treasurer-Tax Collector	1	456
Social Services Agency	2	450
CEO Data Center	1	309
Auditor-Controller	1	255
Clerk of the Board	1	100
County Counsel	1	7
Total	161	67,758

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