Janet Nguyen

1st District

Internal Audit Department

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3rd District

Todd Spitzer

ORANGE COUNTY

AUDIT HIGHLIGHT

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2nd District

John M.W. Moorlach

FEBRUARY 28, 2013

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4th District

Shawn Nelson, Chairman

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

WHAT WE FOUND?

<u>Duplicate Vendor Payments</u>: Our review of \$316 million vendor disbursements processed during January 2013 found that 99.99% of invoices were paid only once. Of the 17,952 invoices processed during January 2013, we identified one (1) potential duplicate payment made to vendors totaling \$120.

<u>Employee-Vendor</u>: This routine is performed on a quarterly basis. All employee-vendor matches identified to date have been resolved to Human Resource Services (HRS) satisfaction.

Working Retirees: As of February 7, 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.

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

WHY IS THIS ANALYSIS IMPORTANT?

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<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 **\$1,020,533** in duplicate payments made to vendors of which the County has collected **\$1,006,336** or **99%**.

Working Retirees: As of February 7, 2013, OC working retiree/extra-help data for FY 12-13:

	No. of Working	FY 12-13
Department	Retirees	Hours
Sheriff-Coroner	89	40,548
District Attorney	26	18,722
Probation	9	5,264
Assessor	13	3,920
Health Care Agency	10	3,429
OC Public Works	5	2,007
Child Support Services	2	788
Treasurer-Tax Collector	1	521
Social Services Agency	2	500
CEO Data Center	1	308
Auditor-Controller	1	255
Clerk of the Board	1	106
County Counsel	1	7
Total	161	76,375

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