AUDIT HIGHLIGHT

MARCH 18, 2013

RESULTS OF CONTINUOUS AUDITING USING CAATS – MARCH 2013: Auditor-Controller, Human Resource Services, & County Procurement Office Duplicate Vendor Payments and Other Routines Audit No. 1238-I

WHAT WE FOUND?

<u>Duplicate Vendor Payments</u>: Our review of \$169 million vendor disbursements processed during February 2013 found that 99.99% of invoices were paid only once. Of the 21,429 invoices processed during February 2013, we identified three (3) potential duplicate payment made to vendors totaling \$384.

<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 21, 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?

<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 **\$1,020,917** in duplicate payments made to vendors of which the County has collected **\$1,006,336** or **99%**.

Working Retirees: As of February 21, 2013, OC working retiree/extra-help data for FY 12-13:

| | No. of Working | FY 12-13 |
|-------------------------|----------------|----------|
| Department | Retirees | Hours |
| Sheriff-Coroner | 89 | 42,714 |
| District Attorney | 26 | 19,293 |
| Probation | 9 | 5,439 |
| Assessor | 13 | 4,205 |
| Health Care Agency | 10 | 3,658 |
| OC Public Works | 5 | 2,173 |
| Child Support Services | 3 | 819 |
| Social Services Agency | 3 | 627 |
| Treasurer-Tax Collector | 1 | 545 |
| CEO Data Center | 1 | 308 |
| Auditor-Controller | 1 | 255 |
| Clerk of the Board | 1 | 110 |
| Human Resource Services | 1 | 40 |
| County Counsel | 1 | 7 |
| Total | 164 | 80,193 |

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

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