Shawn Nelson, Chairman



Internal Audit Department

ORANGE COUNTY

AUDIT HIGHLIGHT MAY 22, 2013

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

WHAT WE FOUND?

<u>Duplicate Vendor Payments</u>: Our review of \$188 million vendor disbursements processed during March 2013 found that 100% **of invoices were paid only once.** Of the 36,913 invoices processed during March 2013, we identified no (0) potential duplicate payments made to vendors.

<u>Employee-Vendor</u>: This routine is performed on a quarterly basis. The analysis for the quarter ended March 31, 2013 is currently in progress. The results of our analysis will be included in next month's report.

Working Retirees: As of April 4, 2013, one (1) OC working retiree exceeded the annual fiscal year limits of 960 or 720 hours mandated by Government Code Sections 31680.6 & 31641.04. The annual limit was exceeded by 22.5 hours as of April 4, 2013.

Payroll Direct Deposits: 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 \$1,011,706 or 99%.

Working Retirees: As of April 4, 2013, OC working retiree/extra-help data for FY 12-13:

	No. of Working	FY 12-13
Department	Retirees	Hours
Sheriff-Coroner	89	50,146
District Attorney	28	21,559
Probation	9	5,921
Assessor	13	5,427
Health Care Agency	10	4,413
OC Public Works	5	2,685
Social Services Agency	3	1,032
Child Support Services	3	887
Treasurer-Tax Collector	1	640
CEO Data Center	1	309
Auditor-Controller	1	255
Human Resource Services	1	246
Clerk of the Board	1	118
County Counsel	1	7
Total	166	93,645

Payroll Direct Deposits: 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