Shawn Nelson, Chairman







AUDIT HIGHLIGHT

AUGUST 21, 2013

RESULTS OF CONTINUOUS AUDITING USING CAATS – JULY 2013:
Auditor-Controller, Human Resource Services, & County Procurement Office
Audit for Duplicate Vendor Payments and Other Periodic Routines
Audit No. 1349-A

WHAT WE FOUND?

<u>Duplicate Vendor Payments</u>: Our review of \$290 million vendor disbursements processed during June 2013 found that 99.99% of invoices were paid only once. Of the 26,675 invoices processed during June 2013, we identified two (2) potential duplicate payments made to vendors for \$4,548.

<u>Employee-Vendor</u>: For the quarter-ended June 30, 2013, our analysis is still in progress and the results will be provided in a future report. In addition, <u>one (1) employee-vendor match</u> identified in our analysis at March 31, 2013 and submitted to Human Resource Services (HRS) for further evaluation is still being reviewed for potential conflict and the results will be included in a future report.

Working Retirees: For FY 12-13, 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 42.5 hours.

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 12-13, established vendor payments were about \$2.6 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 \$1,025,731 in duplicate payments made to vendors of which the County has collected \$1,011,706 or 99%.

Working Retirees: For FY 12-13, OC working retiree/extra-help hours were:

	No. of Working	FY 12-13
Department	Retirees	Hours
Sheriff-Coroner	92	61,738
District Attorney	30	24,735
Assessor	13	7,310
Probation	11	6,731
Health Care Agency	12	5,511
OC Public Works	5	3,538
Social Services Agency	4	1,938
Child Support Services	3	963
Treasurer-Tax Collector	1	848
Human Resource Services	3	802
CEO Data Center	1	309
Auditor-Controller	1	250
Clerk of the Board	1	124
Total	177	114,797

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