

OC Board of Supervisors' Internal Audit Department

ORANGE COUNTY

AUDIT HIGHLIGHT OCTOBER 28, 2009

INTERNAL AUDITOR'S REPORT TO THE BOARD OF SUPERVISORS

INTERNAL CONTROL AUDIT: OC PUBLIC WORKS PAYROLL PROCESS Audit No. 2925

WHY IS THIS AUDIT IMPORTANT?

This audit is important because for the year ending June 30, 2009, OC Public Works processed and paid over **\$80 million** in payroll utilizing the Countywide Virtual Timecard Interface (VTI) timekeeping and reporting system. The audit was selected based on Internal Audit's annual Risk Assessment where we identified OC Public Works as one of the top five departments/agencies with the largest payroll expenditures. We evaluated internal controls and for efficiency/effectiveness of the payroll process.

WHAT WE FOUND?

Accomplishments and Successes

We found that controls are in place to ensure: (1) payroll is processed completely, accurately, timely, with appropriate supporting documentation and management approval; and (2) payroll is processed in an efficient and effective manner.

Audit Findings and Control Recommendations

We identified **2 Control Findings** and recommendations to enhance controls in the areas of supervisory reviews, document retention, and monitoring unauthorized payroll changes via VTI reports. OC Public Works concurred with the findings and recommendations and has either already implemented corrective action or is in process of doing so.

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