

OC Board of Supervisors' Internal Audit Department

ORANGE COUNTY

AUDIT HIGHLIGHT October 30, 2009

INTERNAL AUDITOR'S REPORT TO THE BOARD OF SUPERVISORS

MONTHLY PERFORMANCE REPORT OF CAATS: Auditor-Controller, Human Resources, & CEO/Purchasing – Duplicate Vendor Payments and Other Periodic Routines Audit No. 2941-D

WHAT WE FOUND?

<u>Duplicate Vendor Payments</u>: Our review of \$125 million vendor disbursements processed during September 2009 found that **99.95% of invoices were paid only once.** Of the 11,321 invoices processed during September 2009, we identified 6 potential duplicate payments made to vendors totaling \$7,771, or .006% of the \$125 million.

Working Retirees: As of October 1, 2009, no extra help/working retirees have exceeded annual limits of 960 or 720 hours for FY 09-10.

Other Routines: No findings resulted from the direct deposit payroll CAAT routine performed this month. Our analysis of employee vendors at 6/30/09 is in process.

WHY IS THIS ANALYSIS IMPORTANT?

<u>Vendor Payments</u>: For FY 08-09, established vendor payments were about \$1.1 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 **\$894,041** in duplicate payments made to vendors of which the Auditor-Controller has collected **\$833,658** or **94%**.

Payroll: For FY 08-09, direct deposits for payroll were about \$1.3 billion.

Working Retirees: For FY 09-10, extra help/working retiree data as of October 1, 2009 is:

	No. of Working	Total FY
Department	Retirees	Hours To Date
Sheriff-Coroner	72	8,720
Assessor	13	2,139
Health Care Agency	7	1,439
County Executive Office	2	443
County Counsel	1	258
District Attorney	1	157
OC Public Works	1	254
Total	97	13,410

BACKGROUND INFORMATION (SEE COMPLETE REPORT FOR DETAIL)

CAATS (Computer Assisted Audit Techniques) are automated queries using a proprietary industry recognized software product applied to large amounts of electronic data searching for specified characteristics. Resulting exceptions or findings are forwarded to the appropriate department for validation and/or resolution. Our objectives are to analyze the selected vendor payment and payroll data to identify inappropriate payment activity.

CAATS - Cited as a Best Practice by the Institute of Internal Auditors