



OC Board of Supervisors' Internal Audit Department

O R A N G E C O U N T Y

AUDIT HIGHLIGHT DECEMBER 28, 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-F

WHAT WE FOUND?

Duplicate Vendor Payments: Our review of \$154 million vendor disbursements processed during November 2009 found that **99.95% of invoices were paid only once**. Of the 11,589 invoices processed during November 2009, we identified 6 potential duplicate payments made to vendors totaling \$7,693, or .005% of the \$154 million.

Working Retirees: As of November 30, 2009, no extra help/working retirees have exceeded annual mandated limits of 960 or 720 hours for FY 09-10.

Employee-Vendor: In November 2009, we identified 7 potential employee-vendor matches at 6/30/09 and 9/30/09 that are referred to Human Resources for further evaluation. Their review is in process.

Payroll Direct Deposit: No findings resulted from the payroll direct deposit CAAT routine this month.

WHY IS THIS ANALYSIS IMPORTANT?

Vendor Payments: 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 **\$896,826** in duplicate payments made to vendors of which the Auditor-Controller has collected **\$845,560** or **95%**.

Working Retirees: For FY 09-10, extra help/working retiree data as of November 30, 2009 is:

Department	No. of Working Retirees	Total FY Hours To Date
Sheriff-Coroner	74	12,722
Assessor	17	4,245
Health Care Agency	7	2,256
County Executive Office	2	680
County Counsel	1	440
District Attorney	1	396
OC Public Works	1	175
Total	103	20,914

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

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

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 the OC Internal Audit Department at (714) 834-5475 or peter.hughes@iad.ocgov.com