O C Board 0 f e V 2nd District 1st District **3rd District** 4th District 5th District John M.W. Moorlach Bill Campbell Patricia C. Bates Vacant Janet Nouven Internal Audit Department COUNTY ORANGE

AUDIT HIGHLIGHT MARCH 30, 2010 MONTHLY PERFORMANCE REPORT OF CAATS: Auditor-Controller, Treasurer-Tax Collector, Human Resources, & CEO/Purchasing – Duplicate Vendor Payments and Other Periodic Routines Audit No. 2941-I

WHAT WE FOUND?

<u>Duplicate Vendor Payments</u>: Our review of **\$164 million** vendor disbursements processed during February 2010 found that **100% of invoices were paid only once.** Of the 10,143 invoices processed during February 2010, we identified **no** potential duplicate payments made to vendors.

<u>Working Retirees</u>: As of March 4, 2010 no working retirees have exceeded annual limits of 960 or 720 hours for FY 09-10, mandated by Government Code Sections 31680.6 & 31641.04.

<u>Employee-Vendor</u>: In November 2009, we identified 7 potential employee-vendor matches at 6/30/09 and 9/30/09, and in January 2010, we identified 5 potential employee-vendor matches at 12/31/09. As of March 22, 2010, HR determined that 6 were not a conflict. Their review is in process for the remaining 6 matches.

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

<u>Employee Delinquent Receivables</u>: We are awaiting receivables data from Auditor-Controller/CUBS in order to perform our analysis.

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 \$939,653 in duplicate payments made to vendors of which the County has collected \$845,560 or 90%.

Working Retirees: For FY 09-10, extra help/working retiree data as of March 4, 2010 is:

Department	No. of Working Retirees	Total FY Hours To Date
Sheriff-Coroner	77	20,226
Assessor	17	8,381
Health Care Agency	7	3,538
County Executive Office	2	1,166
OC Public Works	1	772
County Counsel	1	597
District Attorney	1	175
Treasurer-Tax Collector	1	174
Human Resources	1	64
Total	108	35,093

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

<u>Employee Delinquent Receivables</u>: This new analysis is in process and the merits of continuing the analysis in the future will be evaluated upon completion of the current analysis.

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: <u>www.ocgov.com/audit</u> For more information, please contact Dr. Peter Hughes, CPA, Director of Internal Audit at (714) 834-5475 or <u>peter.hughes@iad.ocgov.com</u>