

Internal Audit Department

ORANGE COUNTY

AUDIT HIGHLIGHT

MAY 27, 2010

RESULTS OF CONTINUOUS AUDITING USING CAATS:

Auditor-Controller, Treasurer-Tax Collector, Human Resources, & CEO/Purchasing **Duplicate Vendor Payments and Other Routines** Audit No. 2941-K

WHAT WE FOUND?

Duplicate Vendor Payments: Our review of \$165 million vendor disbursements processed during April 2010 found that 99.94% of invoices were paid only once. Of the 15,740 invoices processed during April 2010, we identified 9 potential duplicate payments made to vendors for \$2,665 or .001% of the \$165 million.

Employee-Vendor: For the period 6/30/09 - 3/31/10, we identified 13 potential employee-vendor matches. As of 5/17/10, HRD determined 11 were not a conflict. Their review is in process for the remaining 2 matches.

Working Retirees: As of 4/29/10, 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.

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

Employee Delinquent Receivables: As of 4/21/10, we identified 17 invoices potentially owed by employees totaling \$4,104 and an additional 22 invoices totaling \$4,749 potentially related to employees (e.g. spouse, business, etc.).

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 \$943,128 in duplicate payments made to vendors of which the County has collected **\$893.962** or **95%**.

Working Retirees: For FY 09-10, extra help/working retirees with hours as of 4/29/10 is:

	No. of Working	Total FY
Department	Retirees	Hours To Date
Sheriff-Coroner	77	25,406
Assessor	18	10,364
Health Care Agency	7	4,265
County Executive Office	2	1,416
OC Public Works	1	922
County Counsel	1	728
District Attorney	1	175
Treasurer-Tax Collector	1	294
Human Resources	1	352
Auditor-Controller	1	24
Total	110	43,946

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

Employee Delinquent Receivables: As of 4/21/10, there were 17,303 invoices totaling \$36.5 million recorded in the CUBS system. Due to immateriality of results (only \$4,104 identified as potentially owed by employees), we do not plan to continue this routine on an on-going basis; therefore, this category will be removed from future reports.

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