



Internal Audit Department

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

AUDIT HIGHLIGHT FEBRUARY 27, 2012

RESULTS OF CONTINUOUS AUDITING USING CAATS: Auditor-Controller, Human Resources, & County Procurement Office Duplicate Vendor Payments and Other Routines Audit No. 1139-H

WHAT WE FOUND?

Duplicate Vendor Payments: Our review of \$217 million vendor disbursements processed during January 2012 found that **99.98% of invoices were paid only once**. Of the 17,047 invoices processed during January 2012, we identified **four (4)** potential duplicate payments made to vendors totaling **\$165** or .0001% of the \$217 million.

Employee-Vendor: For the quarter-end December 31, 2011, **two (2) potential employee-vendor conflicts** were identified in the employee-vendor matches we reviewed and were submitted to the Human Resources Department (HRD) for further evaluation. As of February 3, 2012, department HR staff determined that one (1) was not a conflict and **one (1) was a conflict and in violation of department policy**. Corrective action will be taken by the department. Our next analysis will be performed at March 31, 2012.

Working Retirees: As of January 26, 2012, **no OC working retirees exceeded the annual limits** of 960 or 720 hours mandated by Government Code Sections 31680.6 & 31641.04.

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

WHY IS THIS ANALYSIS IMPORTANT?

Vendor Payments: For FY 10-11, established vendor payments were about **\$2.4 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 **\$982,935** in duplicate payments made to vendors of which the County has collected **\$970,101** or **99%**.

Working Retirees: As of January 26, 2012, OC working retiree/extra-help data is:

Department	No. of Working Retirees	Total FY Hours To Date
Sheriff-Coroner	65	28,473
District Attorney	16	6,441
Health Care Agency	11	5,169
Assessor	9	2,983
OC Public Works	2	1,277
County Counsel	1	616
Treasurer-Tax Collector	1	431
Probation	7	350
Human Resources	1	149
Social Services Agency	1	50
Clerk of the Board	1	46
Auditor-Controller	1	7
Total	116	45,992

Payroll Direct Deposit: For FY 10-11, direct deposits for regular payroll were about \$1.3 billion.

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