OC Board of Supervisors'
Internal Audit Department
ORANGE COUNTY

AUDIT HIGHLIGHT JANUARY 19, 2010

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-G

WHAT WE FOUND?

Duplicate Vendor Payments: Our review of $180 million vendor disbursements processed during December 2009 found that **100% of invoices were paid only once.** Of the 17,502 invoices processed during December 2009, we identified no potential duplicate payments made to vendors.

Working Retirees: As of January 6, 2010, no extra help/working retirees have exceeded annual limits of 960 or 720 hours for FY 09-10 as required by Government Code Sections 31680.6 and 31641.04.

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 **94%**.

Working Retirees: For FY 09-10, extra help/working retiree data as of January 6, 2010 is:

Department	No. of Working Retirees	Total FY Hours To Date
Sheriff-Coroner	76	16,096
Assessor	17	5,931
Health Care Agency	7	2,717
County Executive Office	2	874
OC Public Works	1	587
County Counsel	1	485
District Attorney	1	175
Treasurer-Tax Collector	1	174
Total	106	27,039

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

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