



# OC Board of Supervisors' Internal Audit Department

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

## AUDIT HIGHLIGHT July 28, 2009

INTERNAL AUDITOR'S REPORT TO THE BOARD OF SUPERVISORS

### **MONTHLY PERFORMANCE REPORT OF CAATS: A-C, Human Resources, & CEO/Purchasing – Duplicate Vendor Payments and Other Periodic Routines Audit No. 2941-A**

#### **WHAT WE FOUND?**

Our review of \$122 million vendor disbursements processed during June 2009 found that 99.9% of invoices were paid only once. Of the 20,242 invoices processed during June 2009, we identified 28 potential duplicate payments made to vendors totaling \$29,660.

We have completed our review of working retiree/extra help hours for FY 08-09. As of June 30, 2009, **twelve (12)** working retirees exceeded annual limits. The excess hours ranged from 9 hours to 61.5 hours, which is less than 1 pay period.

Our review of similar employee and vendor addresses is in process. In March 2009, we identified **23** potential employee/vendor address matches and submitted them to Human Resources for further evaluation. As of July 22, 2009, Human Resources determined that 1 was not a valid match and 12 were not a conflict. Their review is in process for the remaining 10 matches.

No findings resulted from the other CAAT routines performed this month.

#### **WHY IS THIS ANALYSIS IMPORTANT?**

Each month, the Internal Audit Department conducts a variety of performance reviews of vendor payment and payroll activity utilizing Computer-Assisted Audit Techniques (known by the acronym CAAT). Our objectives are to analyze the selected vendor payment and payroll data to identify inappropriate payment activity.

The CAAT routines allow us to identify and recover inappropriate payments, such as duplicate payments made to vendors doing business with the County. To date, we have identified **\$841,078** in duplicate payments of which the Auditor-Controller has collected **\$793,358** or **98%**.

#### **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.

***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](http://www.ocgov.com/audit)

For more information, please contact Dr. Peter Hughes, CPA, County Internal Auditor for the OC Internal Audit Department at (714) 834-5475 or [peter.hughes@iad.ocgov.com](mailto:peter.hughes@iad.ocgov.com)