

## OC Board of Supervisors' Internal Audit Department

ORANGE COUNTY

### AUDIT HIGHLIGHT APRIL 28, 2009

OC INTERNAL AUDITOR'S EXECUTIVE REPORT

# MONTHLY PERFORMANCE REPORT OF CAATS: A-C, Human Resources, & CEO/Purchasing – Duplicate Vendor Payments and Other Periodic Routines Audit No. 2844-J

#### WHAT WE FOUND?

Our review of \$118 million vendor disbursements processed during March 2009 found that 99.98% of invoices were paid only once. Of the 17,879 invoices processed during March 2009, we identified 3 duplicate payments made to vendors totaling \$5,861, or .005% of the \$118 million.

Our review of working retiree/extra help hours for FY 08-09 is in progress. As of April 15, 2009, no working retirees have exceeded annual limits.

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. Their review is in process.

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 \$812,044 in duplicate payments of which the Auditor-Controller has collected \$754,036 or 94%.

#### **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

For more information, please contact Dr. Peter Hughes, CPA, County Internal Auditor for the OC Internal Audit Department at (714) 834-5475 or <a href="mailto:peter.hughes@iad.ocgov.com">peter.hughes@iad.ocgov.com</a>