OC Board of Supervisors'

Internal Audit Department

ORANGE COUNTY

**FINAL CLOSE-OUT**

# FIRST FOLLOW-UP AUDIT:

## INTERNAL CONTROL REVIEW OF AUDITOR-CONTROLLER'S CENTRAL PAYROLL PROCESSES ORIGINAL AUDIT NO. 2631-1

**AS OF MARCH 14, 2008**

**Auditor-Controller Central Payroll satisfactorily implemented corrective action to address the one recommendation from our original audit of Central Payroll, in which payroll was processed for about 19,700 employees in 24 County departments/agencies and 7 non-County governmental agencies, totaling $1.1 billion in gross pay.**

AUDIT NO: 2727-F
REPORT DATE: APRIL 8, 2008


Audit Director: Peter Hughes, Ph.D., MBA, CPA
Deputy Director: Eli Littner, CPA, CIA
Sr. Audit Manager: Michael Goodwin, CPA, CIA
Audit Manager: Winnie Keung, CPA, CIA



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# Internal Audit Department

***Providing Facts and Perspectives Countywide***


| | |
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## Transmittal Letter

**AUDIT NO. 2727-F** **April 8, 2008**

**TO:** David E. Sundstrom
Auditor-Controller

**FROM:** Dr. Peter Hughes, CPA, Director
Internal Audit Department

**SUBJECT:** First and Final Close-Out Follow-Up Audit of Internal Control Review of Auditor-Controller's Central Payroll Processes, Original Audit No. 2631-1, Issued August 30, 2007

We have completed a First and Final Close-Out Follow-Up Audit of the Auditor-Controller's Central Payroll Processes. Our audit was limited to reviewing, as of March 14, 2008, actions taken to implement one recommendation in our audit report dated August 30, 2007. In that audit, the Auditor-Controller Central Payroll processed payroll for approximately **19,700 employees** in 24 County agencies/departments and 7 other governmental non-County agencies, totaling over **$1.1 billion** in gross pay.

The results of our Follow-Up Audit are discussed in the **Internal Auditor's Report** following this transmittal letter. Because satisfactory corrective action has been taken for the audit recommendation, **this report represents the close-out of the original audit.**

Each month I submit an **Audit Status Report** to the BOS where I detail any material and significant audit findings released in reports during the prior month and the implementation status of audit recommendations as disclosed by our Follow-Up Audits. Accordingly, the results of this audit will be included in a future status report to the BOS.

### ATTACHMENTS

Other recipients of this report listed on the Internal Auditor's Report on page 1.



The Internal Audit Department is an independent audit function reporting directly to the Orange County Board of Supervisors.

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***First and Final Close-Out Follow-Up Audit of Internal Control Review of Auditor-Controller's Central Payroll Processes, Original Audit No. 2631-1 Audit No 2727-F***

**As of March 14, 2008**


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# INTERNAL AUDITOR'S REPORT

**AUDIT NO. 2727-F** **APRIL 8, 2008**

TO: David E. Sundstrom
Auditor-Controller

FROM: Dr. Peter Hughes, CPA, Director
Internal Audit Department

SUBJECT: First and Final Close-Out Follow-Up Audit of Auditor-Controller's Central Payroll Processes
Original Audit No. 2631-1, Issued August 30, 2007

## Scope of Review

We have completed a First and Final Close-Out Follow-Up Audit of Auditor-Controller Central Payroll Processes. Our audit was limited to reviewing actions taken as of March 14, 2008 to implement the recommendation made in our original audit report. The original audit report contained one (1) recommendation suggesting Central Payroll contact department/agency Human Resources personnel to resolve certain high risk payroll exceptions.

## Results

**We are pleased to report that satisfactory corrective action has taken place for the audit recommendation.** Auditor-Controller Central Payroll satisfactorily implemented corrective action to address the one recommendation from our original audit. As such, this report represents the final close-out of the original audit.

We appreciate the cooperation and assistance extended to us by Auditor-Controller Central Payroll during our Follow-Up Audit. If you have any questions, please contact me directly or Eli Littner, Deputy Director at 834-5899, or Michael Goodwin, Senior Audit Manager at 834-6066.

Distribution Pursuant to Audit Oversight Committee Procedure No. 1:

Members, Board of Supervisors
Members, Audit Oversight Committee
Shaun Skelly, Senior Director, A-C/Accounting and Technology
Jan Grimes, Director, A-C/Central Accounting Operations
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