



Internal Audit Department

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

AUDIT HIGHLIGHT OCTOBER 5, 2012

OC FRAUD HOTLINE Semi-Annual Activity Report to the Board of Supervisors For the Six-Month Period January 1, 2012 thru June 30, 2012

Audit No. 1203-A

WHY IS THIS AUDIT IMPORTANT?

The establishment of a Hotline is a best business practice for both private and governmental entities. The County encourages employees to resolve concerns through their normal administrative channel whenever possible. However, the Orange County Internal Audit Department (OCIAD) Fraud Hotline provides an alternative reporting and investigating avenue to ensure that concerns about possible wrong doings in our County government are properly addressed.

WHAT THE AUDITORS FOUND?

We received 97 new complaints of alleged improper activities, of which 29 were actionable calls; 60 were referred calls; and 8 calls did not contain sufficient information for an investigation or were duplicates. Of the 29 actionable calls, 27 calls dealt with employee misconduct, and 2 calls dealt with contractor misconduct. The allegations in 8 of the 30 cases closed were substantiated. The individual cases dealt with: hostile work environment – sexual harassment; hostile work environment – discrimination; mishandled of an investigation; fraudulent travel expenses; using County resources for non-business purposes; non-compliance with EEO Policy - recruitment; time abuse; and non-compliance with department policies. In all cases, appropriate corrective action was taken.