



COUNTY OF PLACER

OFFICE OF AUDITOR-CONTROLLER

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February 6, 2017

Mr. Ken Grehm, Director
Placer County Department of Public Works and Facilities
3091 County Center Drive, Suite 220
Auburn, CA 95603

Re: Department 19 – Voyager Card Program Follow-Up Review

Dear Mr. Grehm:

The Internal Audit Division of the Auditor-Controller's Office performed a follow-up review to our prior Voyager Card Program Review for the Department of Public Works and Facilities (Department) as the Program Administrator, as well as a Program User. The objective of our procedures was to determine how recommendations from our previous review were implemented to strengthen internal controls over the Department's processes related to the Voyager Card Program. Our procedures included inquiries of Department personnel, along with reviews of supporting documentation relating to the deficiencies in internal controls and the utilization of recommendations along with actions taken.

The following is a summary of observations and recommendations along with the Department's responses from the previous report dated March 7, 2016, which are then followed by the status of the Department's implementation of our recommendations.

Program Administrator

Temporary Cards

We noted the Program Administrator did not have a system in place to identify temporary card transactions by County departments for non-fleet pool vehicles and does not include temporary card transactions when preparing monthly "Voyager Driver Transaction Report" statements (monthly statements). Additionally, we noted the Program Administrator did not have a system in place to monitor the length of time a temporary card had been assigned to a Department or driver as a method to identify cards that have been in use for an excessive length of time.

We recommend the Program Administrator develop a method to track when a department has been assigned a temporary card and when the temporary card has been returned. This should provide the Program Administrator with the information necessary to prepare a monthly statement by user to the appropriate department for their review and approval of temporary card purchases. We also recommend the Program

Administrator develop a system to track and periodically monitor the length of time a Department or driver has a temporary card issued to them to ensure the temporary cards are used as they are intended.

Department of Public Works and Facilities Response:

Fleet Services will develop a new temporary card program by July 1, 2016. Fleet Services will expand the Voyager Driver ID program to include temporary cards and temporary transactions will be included on Voyager Driver Transaction Reports. Fleet will perform a monthly audit of the length of time a Voyager temp card has been checked out.

Status – Not Implemented

The Department postponed implementation due to the County's Auburn fuel station upgrade, which affects processes related to temporary cards. The County's Auburn fuel station upgrade is estimated to be complete by April 2017, and the Department plans to have the recommendation implemented by April 30, 2017.

Comprehensive Countywide Policies and Procedures Concerning the Voyager Card Program

While the County has existing Program guidelines, it is limited and does not address all the key controls and procedures that need to be followed to ensure adequate internal controls over the Program are in place, which then help reduce the risk of intentional misuse, errors, or fraud in the Program.

We recommend the Program Administrator develop a comprehensive Countywide policies and procedures manual that includes:

- Authority, conditions and procedures for the issuance of permanent and temporary cards/Driver IDs (DID)
- Authority, conditions and procedures for the termination of a card/DID
- Employee training and acknowledgment of responsibilities
- Allowable and restricted purchases
- Recordkeeping responsibilities (Program Administrator and Cardholder/DID users)
- Monthly statement procedures for both internal and external fuel transactions (Program Administrator, Cardholder/DID, Approving Official)

Department of Public Works and Facilities Response:

Fleet Services will develop a Countywide policies and procedures manual by the end of 2016.

Status – Not Implemented

The Department postponed implementation due to the County's Auburn fuel station upgrade, which will affect a Comprehensive Countywide Policies and Procedures Manual. The County's Auburn fuel station upgrade is estimated to be complete by April 2017. The Department plans to create Comprehensive Countywide Policies and Procedures concerning the Voyager Card Program during the implementation of the fuel station upgrade, and as such, the new policies and procedures should be complete by April 30, 2017.

Program User

Duties of the Cardholders/DIDs and Approving Officials

During our review of the Department's Cardholder/DID monthly statements, we noted several instances where Cardholder/DID had not reviewed, verified and certified the transactions on their monthly statements in order to ensure the charges were accurate, were for a County vehicle and "For Official Use Only" as required by the Voyager Card Program Guidelines. Additionally, we noted one instance where the Cardholder/DID monthly statements were not reviewed by an Approving Official ensuring proper use of the card as required by the Voyager Card Program Guidelines.

We recommend that all Program Cardholder/DID and Approving Officials be made aware of the required monthly statement procedures and ensure those procedures are performed monthly as required by the Voyager Card Program Guidelines.

Department of Public Works and Facilities Response:

When Fleet Services' staff sends out the monthly email informing Department liaisons that the Voyager Driver Transaction Reports are now available on the "O" drive, the Voyager Card Program Statement Procedures is provided as well. Fleet Services staff will make an effort to make sure all Departments are aware of procedures. As a Program User, Fleet Services staff will check in with DPW Divisions annually to ensure procedures are followed.

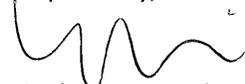
Status – Implemented

The Department implemented a process for the Accounting Technician to review the monthly statements for compliance with the Voyager Card Program Guidelines and to train cardholders and approvers when issues arise. This review process ensured monthly statements and procedures are performed in accordance with the Voyager Card Program Guidelines.

The Department's responses to our recommendations identified in our original review report dated March 7, 2016 are included above. We did not audit their responses and, accordingly, we do not express an opinion on them.

We appreciate the courtesy and cooperation of the Department's staff throughout the course of this review.

Respectfully,



Nicole C. Howard
Assistant Auditor-Controller

cc: Bob Costa, Deputy Director of Public Works
Cynthia Taylor, Senior Administrative Services Officer
Chuck Gordon, Public Works Manager
Coral Black, Staff Services Analyst II
Placer County Audit Committee