



## COUNTY OF PLACER

## OFFICE OF AUDITOR-CONTROLLER

ANDREW C. SISK, CPA  
Auditor-Controller  
E-mail: [asisk@placer.ca.gov](mailto:asisk@placer.ca.gov)

NICOLE C. HOWARD, CPA  
Assistant Auditor-Controller  
E-mail: [nhoward@placer.ca.gov](mailto:nhoward@placer.ca.gov)

June 3, 2021

Ms. Gina Myren, Administrative and Fiscal Operations Manager  
Ms. Teri Ivaldi, Principal Management Analyst  
Placer County Executive Office  
175 Fulweiler Avenue  
Auburn, CA 95603

Re: Countywide Procurement Card Program Monitoring Review

Dear Ms. Myren and Ms. Ivaldi:

The Internal Audit Division of the Auditor-Controller's Office routinely reviews and/or audits the Procurement Card purchases. The objective of this monitoring review was to review Procurement Card usage during the statement period from July 4, 2020 through September 25, 2020 for compliance with County policies.

We reviewed a sample of the County Executive Office's (CEO Department) Procurement Card purchases and related documentation files to ensure the CEO Department's compliance with current policies and procedures, and to determine if adequate internal controls are in place and operating as designed. Specifically, we reviewed purchases from the two divisions within the CEO Department: (1) Board of Supervisors (BOS), and (2) County Executive Office (CEO). Based on our monitoring review, we determined there were several instances of non-compliance with County policies and procedures related to Procurement Card purchases, as well as areas where internal controls could be strengthened. Accordingly, our observations and recommendations are as follows.

### 1. CEO's Observations and Recommendations

#### **Observation – Supporting Documentation was Uploaded after the Reconciliation Period**

We identified an instance in which documentation supporting purchases were uploaded after the reconciliation period.

*Section 3.2 of the Procurement Card Policy (PCP) discusses the accountability of Cardholder and Approver and states, "Cardholders shall review their statement of transactions and provide the appropriate documentation for all purchases. All transactions must be submitted and reviewed by the Cardholder within the defined timeframe for each cycle period..... Approvers shall review the Cardholder's transactions and confirm that appropriate documentation is provided, the purchase is appropriately budgeted, and in accordance with County policies and procedures. All transactions must include the applicable department accounting information and be reviewed by the Approvers within the defined timeframe for each cycle period."*

*In addition, Section 3.3 of the Procurement Card Program Procedures Manual (PCPPM) states the Limited Program Administrator (LPA) shall “ensure that any needed documentation is attached to each cardholder statement and that the online documentation represents a full and complete summary of all the needed and required documentation to validate the purchases.”*

**Example:** We found the statement ending 9/25/2020 the cardholder reconciliation period occurred between 9/26/2020 through 10/15/2020. The statement receipts were uploaded on 10/19/2020, four days after the cardholder reconciliation period had ended. Additionally, this statement was approved by Approver on 10/6/2020, thirteen days before the receipts were uploaded into Wells Fargo.

### Recommendation

We recommend Cardholders start the reconciliation process as soon as the purchase cycle has closed to ensure all related documentation are submitted into Wells Fargo within the reconciliation period. If the Cardholders cannot review their statements by the grace period, they must notify their Approver in advance and upload proof of the communication into Wells Fargo. Also, we recommend the Department designate a Reconciler to each Cardholder as the Reconciler can serve as a backup to reconcile and submit Cardholder statements.

Additionally, we recommend the designated Approvers ensure the statement supporting documentation is uploaded into Wells Fargo and complete prior to their approval of the Cardholder statement.

## **2. BOS’s Observations and Recommendations**

### **Observation #1– Supporting Documentation was Uploaded after the Reconciliation Period**

We identified an instance in which documentation supporting purchases were uploaded after the reconciliation period.

*Section 3.2 of the PCP discusses the accountability of Cardholder and Approver and states, “Cardholders shall review their statement of transactions and provide the appropriate documentation for all purchases. All transactions must be submitted and reviewed by the Cardholder within the defined timeframe for each cycle period..... Approvers shall review the Cardholder’s transactions and confirm that appropriate documentation is provided, the purchase is appropriately budgeted, and in accordance with County policies and procedures. All transactions must include the applicable department accounting information and be reviewed by the Approvers within the defined timeframe for each cycle period.”*

*In addition, Section 3.3 of the PCPPM states the LPA shall “ensure that any needed documentation is attached to each cardholder statement and that the online documentation represents a full and complete summary of all the needed and required documentation to validate the purchases.”*

**Example:** We found the statement ending 9/25/2020 the cardholder reconciliation period occurred between 9/26/2020 through 10/15/2020. The statement receipts were uploaded on 10/20/2020, five days after the cardholder reconciliation period had ended.

Recommendation #1

We recommend Cardholders start the reconciliation process as soon as the purchase cycle has closed to ensure all related documentation are submitted into Wells Fargo within the reconciliation period. If the Cardholders cannot review their statements by the grace period, they must notify their Approver in advance and upload proof of the communication into Wells Fargo. Also, we recommend the Department designate a Reconciler to each Cardholder as the Reconciler can serve as a backup to reconcile and submit Cardholder statements.

Additionally, we recommend the designated Approvers ensure the statement supporting documentation is uploaded into Wells Fargo and complete prior to their approval of the Cardholder statement.

**Observation #2– Lack of Detailed Description for Transaction**

We found an instance in which the Cardholder did not include a detailed description of the transaction to justify the purpose of County business.

*Per Section 3.1.1 of the PCPPM, the Cardholder’s actions include “adding a detailed description and updating the coding for each transaction.”*

Example: On 9/23/2020, a purchase was made with SacBee Advertising for \$9,764.06. However, the transaction description – “Publications-Postings - Pending additional info” did not contain sufficient information to justify the County business purpose for the purchase.

Recommendation #2

Without a detailed description, the Reviewer/Approver cannot determine the legitimate business purpose of the transactions. Therefore, we recommend the Cardholder include a detailed description explaining the County business purpose for the purchase in the “Description” field or on the supporting documents uploaded when he/she reconciles the statement. The description should provide sufficient information about the purpose of conducting County business.

We appreciate the courtesy and cooperation of the CEO Department’s staff throughout the course of the review.

Respectfully,



Nicole C. Howard, CPA  
Assistant Auditor-Controller

- cc: Todd Leopold, County Executive Officer  
Jane Christenson, Assistant County Executive Officer  
Brett Wood, Purchasing Manager, County Executive Office  
Lisa Burlison, Executive Assistant  
Placer County Audit Committee