



COUNTY OF PLACER

OFFICE OF AUDITOR-CONTROLLER

ANDREW C. SISK, CPA
Auditor-Controller
E-mail: asisk@placer.ca.gov

NICOLE C. HOWARD, CPA
Assistant Auditor-Controller
E-mail: nhoward@placer.ca.gov

June 3, 2021

Ms. Lauren Featherstone, Administrative and Fiscal Officer II
Placer County District Attorney's Office
1080 Justice Center Drive, Suite 240
Roseville, CA 95678

Re: Countywide Procurement Card Program Monitoring Review

Dear Ms. Featherstone:

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 District Attorney's Office's (Office) Procurement Card purchases and related documentation files to ensure the Office's compliance with current policies and procedures, and to determine if adequate internal controls are in place and operating as designed. 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.

Observation #1– Purchases were Approved without Adequate Documentation

We identified multiple instances in which supporting documentation was not uploaded into Wells Fargo to support credit card transactions by Cardholders.

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: Multiple instances within the statement period of 8/29/2020 to 9/25/2020 in which supporting documentation was not uploaded into Wells Fargo to support credit card transactions by Cardholders. In one instance the Cardholder noted a missing receipt, without uploading a completed Missing Receipt Form into Wells Fargo. Additionally, these statements were approved without any receipts or documentation to support the purchases that occurred.

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.

Lastly, we recommend Cardholders complete and upload a Missing Receipt Form into Wells Fargo if receipts cannot be uploaded to support Procurement Card purchases.

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 8/25/2020, the Cardholder purchased a Dell computer and docking station and did not provide the business purpose for the purchase (e.g., who was the purchase for and why was the purchase made). Additionally, the purchase was shipped to the Sheriff's Office without any explanation to document why the purchase was shipped to another County Department.

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 Office’s staff throughout the course of the review.

Respectfully,

A handwritten signature in blue ink, appearing to read 'Nicole'.

Nicole C. Howard, CPA
Assistant Auditor-Controller

cc: Morgan Gire, District Attorney
David Tellman, Chief Assistant District Attorney
Brett Wood, Purchasing Manager, County Executive Office
Placer County Audit Committee