



COUNTY OF PLACER

OFFICE OF AUDITOR-CONTROLLER

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Mr. Jerry Rogers, Administrative Services Manager
Placer County Sheriff's Office
2929 Richardson Drive
Auburn, CA 95603

Re: Countywide Procurement Card Program Monitoring Review

Dear Mr. Rogers:

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 Sheriff 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– Single Purchase Limit

We found an instance in which two purchases from the same vendor were made on consecutive days in which the total exceeded the Cardholder's single purchase limit (SPL). Per the Wells Fargo record, these Cardholders did not have a temporary increase to their SPL to cover the purchases.

Section 2.4 of the Procurement Card Program Procedures Manual (PCPPM) states, "Each single purchase may be comprised of multiple items, but the total including freight, shipping, and tax cannot exceed the Cardholder's single purchase limit. Purchases must not be split to circumvent procurement regulations by swiping the card twice, or making the same purchase on subsequent days, etc."

Example: On 9/1/2020 and 9/2/2020, the Cardholder made purchases into two separate transactions (\$1,544.34 and \$1,029.56, respectively) for the same items in which the total exceeded the SPL of \$2,000.

Recommendation #1

We recommend the Department Head, or their designee contact the Procurement Services Division to request a temporary increase to the Cardholder's SPL to cover a large purchase that will exceed the Cardholder's SPL. Additionally, all Cardholders should be aware of their SPL before making a purchase and should provide support of temporary SPL increases into Wells Fargo.

Observation #2– Purchases were Approved without Adequate Documentation

We identified multiple instances in which purchases were not supported with adequate documentation.

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 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: On 8/18/20 and 8/27/20, the Cardholder made purchases at Bel Air for \$49.58 and \$31.39 for food for staff training per the transaction description noted in Wells Fargo. The receipts in Wells Fargo support these amounts from this vendor, however they do not provide additional documentation to support food being purchased for the training.

Recommendation #2

We recommend the Cardholder provide adequate documentation in Wells Fargo when food purchases are made for trainings, including training agenda and explanation why County provided meals were necessary. In addition, any additional approval from County Executive Officer, Department Head or designee that is required by County policies and procedures should be uploaded to support the transaction. Further, we recommend the Approvers and LPAs perform a detailed review of the supporting documents to ensure completeness, accuracy, and compliance.

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

Respectfully,



Nicole C. Howard, CPA
Assistant Auditor-Controller

cc: Devon Bell, Sheriff

Katie Orcino, Administrative and Fiscal Officer II
Brett Wood, Purchasing Manager, County Executive Office
Placer County Audit Committee