



## COUNTY OF PLACER

## OFFICE OF AUDITOR-CONTROLLER

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Ms. Melanie DeCocq, Administrative and Fiscal Officer II  
Placer County Treasurer-Tax-Collector's Office  
2976 Richardson Drive  
Auburn, CA 95603

Re: Countywide Procurement Card Program Monitoring Review

Dear Ms. DeCocq:

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 Treasurer-Tax Collector'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 multiple 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 instances 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 7/9/2020 and 7/10/2020, the Cardholder made purchases into two separate transactions (both for \$1,550.91, respectively) 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 an instance in which supporting documentation was not uploaded into Wells Fargo to support credit card transaction by the Cardholder.

*Section 3.2C of the Meals, Lodging, Travel and Transportation Policy (MLTTP) states, "Department Heads may authorize other miscellaneous expenses (e.g., coffee, non-alcoholic beverages, and food), for special events if, in the opinion of the Department Head, such expenses would be conducive to the efficient conduct of County business, and the cost is reasonable. For example, it may be appropriate to provide beverages and food at board or commission meetings, seminars, and workshops that extend over normal "break" periods, or when it is to the benefit of the County to keep the participants together and not have them disperse for breaks.*

*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: For the statement ending 9/25/2020, a Cardholder did not upload a receipt or documentation supporting the purchase into Wells Fargo. The Cardholder also noted in Wells Fargo that a receipt was not provided for the transaction in an "uploadable format." Additionally, these statements were approved without any receipts or documentation to support the purchase that occurred.

Recommendation #2

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, if receipts or documentation cannot be loaded into Wells Fargo, a completed Missing Receipts Form must be uploaded into Wells Fargo.

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 C. Howard'.

Nicole C. Howard, CPA  
Assistant Auditor-Controller

cc: Jenine Windeshausen, Treasurer - Tax Collector  
Brett Wood, Purchasing Manager, County Executive Office  
Placer County Audit Committee