



COUNTY OF PLACER

OFFICE OF AUDITOR-CONTROLLER

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June 3, 2021

Ms. Rebecca Correa, Administrative and Fiscal Operations Manager
Placer County Department of Public Works
3091 County Center Drive, Suite 220
Auburn, CA 95603

Re: Countywide Procurement Card Program Monitoring Review

Dear Ms. Correa:

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 Department of Public Works' (Department) Procurement Card purchases and related documentation files to ensure the Department'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 – Purchases were Approved without Adequate Documentation

We identified instances where the procurement purchases were not supported with adequate documentation.

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 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: On 8/12/20, the Cardholder purchased coffee and water for the "TAC Meeting." However, the purchase was not supported with Department Head or designee approval which is required per the MLTTP for miscellaneous expenses for meetings & special events.

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.

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 Department’s staff throughout the course of the review.

Respectfully,



Nicole C. Howard, CPA
Assistant Auditor-Controller

cc: Ken Grehm, Director of Public Works & Facilities/Road Commissioner
Dena Beyer, Administrative and Fiscal Officer II
Brett Wood, Purchasing Manager, County Executive Office
Placer County Audit Committee