



COUNTY OF PLACER

OFFICE OF AUDITOR-CONTROLLER

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July 29, 2021

Mr. Chris Artim, Administrative and Fiscal Operations Manager
Placer County Probation Department
2929 Richardson Drive, Suite B
Auburn, CA 95603

Re: Countywide Procurement Card Program Monitoring Review

Dear Mr. Artim:

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 September 26, 2020 through December 18, 2020 for compliance with County policies.

We reviewed a sample of the Probation Department's (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 observation and recommendation are as follows.

Observation– Single Purchase Limit

We found instances in which the Cardholder split a purchase by making the same purchase on subsequent days in which the total exceeded his single purchase limit (SPL). Per Wells Fargo's record, the Cardholder did not request a temporary increase to his SPL to cover the purchases.

Section 2.4 of the Procurement Card Program Policy 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 11/16/2020 and 11/18/2020, the Cardholder split a purchase into two separate transactions of \$1,050 in which the total exceeded the SPL of \$2,000. Per the internal email uploaded as supporting documentations in Wells Fargo, the Cardholder stated that she "split it due to my credit limit on my card". The purchases consisted of driver risk assessment testing for staff.

Recommendation

We recommend Department's Cardholders and Approvers revisit and understand Section 2.4 of the PCPPM which prohibits splitting purchases to circumvent procurement regulations. Going forward, 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. All Cardholders should be aware of their SPL before making a purchase.

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: Marshall Hopper, Chief Probation Officer
Brett Wood, Purchasing Manager, County Executive Office
Placer County Audit Committee