



COUNTY OF PLACER

OFFICE OF AUDITOR-CONTROLLER

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Ms. Kimiyo Yamanishi, Administrative & Fiscal Operations Manager
Placer County District Attorney's Office
10810 Justice Center Drive, Suite 240
Roseville, CA 95678

Re: Countywide Procurement Card Program Monitoring Review

Dear Ms. Yamanishi:

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 25, 2021, through December 17, 2021 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 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 – Purchases were Approved without Adequate Documentation

We found multiple instances in which the Procurement Card purchases were not supported with adequate documentation.

- We noted multiple instances in which purchases were not supported with an itemized receipt or completed "Missing Receipt" form.
- We noted multiple instances in which travel costs were not supported with Travel Request (TR)/Spend Authorization (SA).

Section 3.2 of the 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."

Section 2.6 of the PCPPM states, "The Cardholder will go to the place of business and obtain the commodity or service. A description of commodities purchased, quantity purchased, price per item, and the total amount

including sales tax and shipping charges should be included on the itemized receipt and included as the backup documentation for the transaction. A simple receipt that only reflects the total charges is not acceptable documentation for the transaction. If the receipt or invoice is not itemized, the Cardholder must fill out the "Missing Receipt" form and include all appropriate information that demonstrates compliance with the applicable County policy."

Section 3.1. Subsection 1 of the PCPPM states the Cardholder shall "reconcile the Open Statement with the receipts from the Cardholder's transactions. These actions will include adding a detailed description and updating the coding for each transaction."

Section 3.3 of the PCPPM states the 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."

In addition, Section 3.1a of the Travel and Employee Expense Policy (TEEP) states, "With overnight travel, a Travel Request on Official Business form or Spend Authorization should be completed with the exception of County staff attending Board of Supervisors meetings in Tahoe (or Auburn, for Tahoe staff). Travel Requests and Spend Authorizations are a means of documenting approval for estimated travel costs, and for the latter, committing the funds."

Recommendation

We recommend Cardholders start the reconciliation process as soon as the purchase cycle has closed to ensure all related documentation is submitted into Wells Fargo within the reconciliation period. For all applicable purchases, the itemized receipt or completed "Missing Receipt" form should be uploaded in Wells Fargo to support the transaction. Also, we recommend the Office designate a Reconciler to each Cardholder as the Reconciler can serve as a backup to reconcile and submit Cardholder statements. For overnight travel, staff should complete a TR/SA prior to the travel and upload the approved TR in the Wells Fargo system or if SA was used, the SA number should be stated in the "Description" field. We recommend Approvers and LPAs perform a detailed review of supporting documents to ensure completeness, accuracy, and compliance. Additionally, 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: Morgan Gire, District Attorney
David Tellman, Chief Assistant District Attorney
Brett Wood, Purchasing Manager, County Executive Office
Placer County Audit Committee