



COUNTY OF PLACER

OFFICE OF AUDITOR-CONTROLLER

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Ms. Samantha Stone, Administrative and Fiscal Operations Manager
Placer County Department of Health and Human Services
3091 County Center Drive, Suite 290
Auburn, CA 95603

Re: Countywide Procurement Card Program Monitoring Review

Dear Ms. Stone:

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 Department of Health and Human Services' (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 was an instance 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 – Statements were not Approved by the Approver

We found multiple instances in which the Approver never approved the Cardholder's statement, and we did not find any documentation in the Wells Fargo system to explain the reason for missed approval.

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."

Section 3.1 of the Procurement Card Program Procedures Manual (PCPPM) states, "If the Cardholder is unable to review their statement within the required period, they must notify their Approver in advance."

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."

Recommendation

We recommend Cardholders start the reconciliation process as soon as the purchase cycle has closed to ensure all related documentation is submitted in the Well Fargo system by the grace 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 in Wells Fargo system. We recommend the Department designate a Reconciler to each Cardholder as the Reconciler can serve as a backup to reconcile and submit Cardholder statements. Also, we recommend Approvers start the approval process as soon as the Cardholder has submitted their statement to ensure sufficient time for review and approval by the required period. If any Approver is unable to review their statement within the required period, they must notify their Secondary Approver in a timely manner to complete the reconciliation process.

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: Dr. Robert Oldham, Director of Health & Human Services/Chief Psychiatrist
Amy Ellis, Deputy Director of Health & Human Services
Jason Philippe, Deputy Director of Health & Human Services
Twylla Abrahamson, Deputy Director of Health & Human Services
Vicki Grenier, Deputy Director of Health & Human Services
Karen Smith, Accountant - Supervising
Steve Schroeder, Accountant - Senior
Brett Wood, Purchasing Manager, County Executive Office
Placer County Audit Committee