

County of Ventura
AUDITOR-CONTROLLER
MEMORANDUM

To: David Sasek, Director, General Services Agency

Date: November 7, 2016

From: Jeffery S. Burgh

Subject: SUMMARY AUDIT REPORT OF THE USE AND CONTROL OF PROCUREMENT CREDIT CARDS

We have completed our audits of the use and control of procurement and travel credit cards for three County departments and issued separate audit reports during December 2015 through September 2016. This report is a summary of our individual departmental audits to address procurement credit card issues that impacted departments Countywide.

BACKGROUND

The General Services Agency ("GSA") administers the Countywide Procurement Credit Card Program to facilitate operational efficiency of departments and to reduce the number of requisitions and purchase orders associated with small dollar purchases. GSA provides requesting departments with procurement credit cards issued by U.S. Bank, and provides departments with guidelines and training to ensure proper use and control of cards. During fiscal year ("FY") 2012-13, over 300 procurement credit cards were issued to departments and U.S. Bank was paid over \$2.5 million for procurement credit card charges Countywide.

SCOPE

Our overall objective of the procurement credit card portion of our audits was to determine whether departmental use and control of procurement credit cards was appropriate and compliant with County policy. We reviewed three departments as follows: 1) Fire Protection District; 2) Human Services Agency; and 3) Sheriff's Office. Specifically, we:

- verified that procurement credit card purchases during FY 2012-13 were appropriate and supported; and
- evaluated departmental monitoring controls over procurement credit cards to ensure accountability over cards.

We identified and sampled high risk procurement credit card transactions, including those with questionable merchant names and category codes (e.g., jewelry stores), for review of authorized purpose, supporting documentation, etc. We also verified that purchases were not split to circumvent spending limits and that purchases were appropriate when other purchasing mechanisms (e.g., price agreements) exist.

Our audits were performed in conformance with the *International Standards for the Professional Practice of Internal Auditing* promulgated by The Institute of Internal Auditors using documents from July 2012 through June 2013.

FINDINGS

Overall, we found that departments appropriately used and controlled procurement credit cards. For example:

- Our samples of \$132,807 in procurement credit card charges for the three departments reviewed (or 5% of payments made to U.S. Bank during FY 2012-13) confirmed that the charges appeared reasonable and were supported with receipts/invoices.
- Although one department needed to revise the employee exit checklist to ensure that procurement credit cards are surrendered by departing employees, the department's timely review of monthly credit card statements would reasonably limit any potential misuse.

This report does not contain findings requiring corrective action by GSA management.

We appreciate the cooperation and assistance extended by you and your staff during this audit.

cc: Honorable Linda Parks, Chair, Board of Supervisors
Honorable John C. Zaragoza, Vice Chair, Board of Supervisors
Honorable Steve Bennett, Board of Supervisors
Honorable Kathy Long, Board of Supervisors
Honorable Peter C. Foy, Board of Supervisors
Michael Powers, County Executive Officer