



Finance Division of Internal Audit & Licensing
Cornelia Louis
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DATE: September 2, 2011
TO: Kelvin Walton – Director of Purchasing & Contracting
FROM: Acting Deputy Director of Finance, Internal Audit & Licensing
SUBJECT: Purchasing Card (P-Card) Audit
RE: Probate Court

General Information

On September 2, 2011, Internal Audit conducted a Purchasing Card (P-Card) compliance audit of Probate Court. Internal Audit reviewed Probate Court P-Card transactions for the period December 1, 2010 through May 31, 2011.

Purpose and Scope

The purpose of this audit was to determine if Probate Court complied with County P-Card policies and procedures.

We reviewed cardholder transactions, signoff reports and invoices/receipts to determine that:

- (1) Cardholder maintained the transaction log on a monthly basis and attached applicable receipts.
- (2) P-Card Administrator properly maintained and reconciled transactions on a monthly basis.
- (3) Transactions were appropriate for the department's business.
- (4) Individual transactions did not exceed the amount specified by County P-Card policies and procedures (\$1,000 maximum per individual purchase).
- (5) Total monthly transactions did not exceed amount specified by the County P-Card policies and procedures (\$2,000 maximum per month).
- (6) Cardholders were not using the P-Card for non-business related goods and services.
- (7) The transactions were approved (Manager and/or Department Head).

Opinion

In our opinion, Probate Court did not comply with DeKalb County P-Card policies and procedures.

Deficiencies

- (1) For the audit period, Probate Court had a total of thirteen (13) transactions. The Department Purchasing Card Representative (DPCR) did not signoff on any of the transactions within the Bank of America Works Application (Works). Internal Audit inquired about the absence of the electronic signoff by the DPCR in the Works Application; staff did not provide an explanation.

Deficiencies (continued)

- (2) Transaction Logs (Logs) were not completed and maintained for all P-Card transactions. The Log documents the following information:
- (a) Amount of purchase
 - (b) Reason for the purchase
 - (c) Date of purchase
 - (d) Vendor
 - (e) Management approval for purchases
 - (f) Purchase receipt

Recommendations

- (1) Upon receipt of adequate documentation from the Cardholder, we recommend that the DCPR signoff on each transaction with the Works Application. In addition, we recommend that an explanation for the expense be inputted into the comment section/field of Works. This will ensure that an explanation for charges be readily available and reviewed by the DPCR.
- (2) As per the P-Card policy, we recommend that each Cardholder reconcile their transactions against the charges in Works (electronic statement), complete and maintain the Logs monthly, and attach applicable receipts to the Logs. This ensures that authorized purchases are approved, unauthorized charges are corrected, and charges are posted to the appropriate general ledger account. We recommend that all transactions are reviewed and approved by a subsequent organizational level of authority to the DCPR.

Comment

Several transactions for educational courses/continued learning were charged to the "Operating Supplies" (object code-531101) general ledger account. Such expenditures should be charged to "Training & Conference Fees" (object code 523701 or 523702).

Please feel free to contact me if you have any questions or concerns relating to this audit report.



Cornelia Louis

CL/KRW

cc: Richard Stogner, Executive Assistant/Chief Operating Officer
Joel Gottlieb, Chief Financial Officer/Finance Director
Judge Jeryl Debra Rosh, Probate Court
M. Ricxie Flor, Probate Court – Administrative Operations Manager
Dale Dague, Purchasing Card Administrator