



Internal Audit & Licensing

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DATE: October 14, 2011

TO: Kelvin Walton, Director of Purchasing & Contracting

FROM: Acting Deputy Director of Finance, Internal Audit & Licensing

SUBJECT: Purchasing Card (P-Card) Audit
RE: Public Works-Sanitation Division

General Information

During August 23rd through October 14th, Internal Audit (IA) conducted a P-Card compliance audit on DeKalb Public Works-Sanitation Division. Internal Audit reviewed 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 Sanitation personnel were complying with DeKalb County P-Card policies and procedures.

We reviewed cardholder transactions, signoff reports, purchase comments and invoices to determine that:

- (1) The P-Card Administrator maintained the transaction log on a monthly basis.
- (2) The cardholder attached applicable receipts to the monthly transaction log.
- (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, the Public Works-Sanitation Division did not fully comply with DeKalb County P-Card policies and procedures.

Deficiency

Keep DeKalb Beautiful did not complete or maintain Transaction Logs (Logs).

Recommendation

Per P-Card policy, Logs are to be completed and maintained monthly by the Cardholder for all P-Card transactions; the Log provides an explanation for the purchase. Monthly reconciliation of the Log against the electronic statement should be performed to ensure that authorized purchases are approved, unauthorized charges are corrected, and charges are posted to the appropriate general account. Upon completion, Logs are to be reviewed and approved by the Cardholder's Manager or Director to ascertain compliance with the policy guidelines.

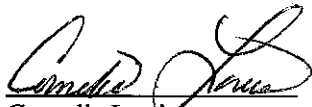
Comments

- 1) During December 2011, Keep DeKalb Beautiful P-Card holder purchased food totaling \$461.65 for an Infrastructure Group Management Retreat held at DeKalb County office. Per Keep DeKalb Beautiful personnel, this was a brainstorming session/meeting for Public Works management. Preapproval of this purchase was authorized by Public Works management. The purchase of food for departmental meetings may be perceived as a personal convenience for employees. Purchasing and Contracting should establish P-Card program guidelines to clearly define inappropriate usage of the P-Card. These guidelines should provide a list of prohibited expenditures that cardholders should not purchase. This will ensure proper utilization and program management for P-Card holders.

- 2) We reviewed the corresponding general ledger account for each transaction. All Keep DeKalb Beautiful's transactions were charged to "operating supplies." These transactions could be misclassified. Due to the nature of their operations, future food related expenditures for volunteer events or services can be charged to the following general ledger accounts which may be more appropriate for the transaction type. Money should be allocated in the future budget to cover food related expenditures.

Object Code	Object Code Name
531300	Food
531301	Food & Groceries

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


Cornelia Louis

CL/AW

cc: Richard Stogner, Chief Operating Officer / Executive Assistant
Joel Gottlieb, Chief Financial Officer
Ted Rhinehart, Deputy Chief Operating Officer for Infrastructure
Billy Malone, Assistant Director of Sanitation
Amber N. Weaver, Director of Keep DeKalb Beautiful
Dale Dague, Purchasing Card Administrator