

DEKALB COUNTY, GEORGIA



JUVENILE COURT

PURCHASING CARD AUDIT REPORT

APRIL 1, 2014 THRU SEPTEMBER 30, 2014

PREPARED BY
FINANCE- INTERNAL AUDIT DIVISION

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Internal Audit & Licensing

**Interim Chief Executive
Officer**

Lee May

Board of Commissioners

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District 3
Larry Johnson

District 4
Sharon Barnes Sutton

District 5
Lee May

District 6
Kathie Gannon

District 7
Stan Watson

DATE: November 24, 2014
TO: Gwen Brown-Patterson, Interim Chief Financial Officer/Finance Director
FROM: Cornelia Louis, Deputy Director of Finance – Internal Audit & Licensing
SUBJECT: P-Card Audit
RE: Juvenile Court-Michael Cuffee

General Information

On November 24, 2014 Internal Audit conducted a compliance audit of Michael Cuffee's Purchasing Card. Internal Audit reviewed Mr. Cuffee's P-Card transactions for the period April 1, 2014 through September 30, 2014.

Purpose and Scope

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

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

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

Opinion

In our opinion, Michael Cuffee did not complied with County P-Card policies and procedures as noted below.

Findings

- 1) All Transaction Logs were completed and approved by the Cardholder. Cardholder also serves as the Cardholder's Department Director. Section 4.0.6.C of the P-Card policy states that it is the Cardholder's Department Director responsibility to "review, approve and sign the P-Card Transaction Log (with attached receipts) and monthly Electronic Cardholder Statements.."
- 2) Although all Transaction Logs were completed, reconciliation of the Logs to the Electronic Cardholder Statements was not performed. The Cardholder reconciles receipts to the Transaction log. As a result, an unauthorized charge of \$59.95, posted in June 2014 was not identified until November 2014. Section 4.0.11.D of the P-Card policy states "Cardholder is to ensure that the P-Card Transaction Log's total charge amount matches

the monthly Electronic Cardholder Statement's charge amount for the billing cycle month, and personally sign within 14 business days.”

- 3) Although minimal, sales tax totaling \$7.09 were charged on all purchases from Wal-Mart. The P-Card policy section 2.0 states that “As such, DeKalb County is not required to pay State Sales and Use Tax to any suppliers.”

Recommendations

- 1) All transactions should be reviewed and approved by Cardholder's Department Director. Subsequent review and approval by the Cardholder's Department Director helps to mitigate the risk of unauthorized and improper use of P-Card.
- 2) We recommend that the Cardholder perform monthly reconciliations using the Transaction Log, adequate supporting documentation (receipt) and the electronic statement from Bank of American (BOA) Works application. By complying with the procedure, errors and discrepancies can be identified and resolved in a timely manner.
- 3) We recommend that Cardholders present their certificate of exemption to vendors at all times to take advantage of the County's tax exempt status. In so doing, it helps reduce the County's business expenditures.

Comments

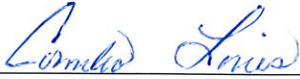
No sign off of transactions was completed within the Bank of America (BOA) Works application. Staff was unaware that signoff within the BOA system should be performed. The staff's lack of knowledge on transaction sign-off in the BOA system is an indication that additional P-Card User training may be required for Juvenile Court staff. Upon receipt and verification of all adequate supporting documentation and the Transaction Log from the Cardholder, the Department P-Card Representative (DPCR) signs off on all expenditures in BOA Works application.

The recommended general ledger (GL) account number for four (4) transactions on the Transaction Log did not coincide with the GL account number in the Bank of America (BOA) Works application. We recommend that the Department P-Card Representative (DPCR) ensure each GL account number on the Transaction Log agrees with the corresponding transaction GL account number in BOA Works application. This allows the County to capture the appropriate expenditure type.

The comment section of the Transaction Log was not completed. We recommend that the Cardholder document the purpose of the each transaction in comment section of the Transaction Log. The comments will assist management in the review and approval process.

All expenditures reviewed were charged to General Ledger # 03410.531101.100 - Operating Supplies. Five (5) of the expenditures reviewed were travel related. These transactions were misclassified. Expenditures should be charged to the appropriate general ledger account in order to correctly capture expenditure type totals. Attached is a spreadsheet with alternative general ledger accounts that may be more appropriate for the transaction type.

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



Cornelia Louis

cc: Finance, Audit, and Budget Committee
Zachary Williams, Chief Operating Officer/Executive Assistant
Desiree Peagler, Chief Judge of Juvenile Court
Michael Cuffee, Court Administrator
Yvette Pitts-Ayo, Purchasing Card Administrator

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JUVENILE COURT
P-CARD AUDIT
APRIL 1, 2014 THRU SEPTEMBER 30, 2014
Alternative GL Account Report

Card Holder	Transaction Date	Posting Date	Vendor	Amount	GL Account Number	GL Account Name	Recommended GL Account
Cuffee, Michael Lamount	4/4/2014	4/7/2014	WAL-MART #3710	\$27.27	03410.531101.100.0000.0000	531101 OPERATING SUPPLIES	
Cuffee, Michael Lamount	4/30/2014	5/1/2014	WESTIN KIERLAND RESORT	\$156.06	03410.531101.100.0000.0000	531101 OPERATING SUPPLIES	523701 TRAVEL, CONFERENCE & TRAINING
Cuffee, Michael Lamount	4/30/2014	5/1/2014	WESTIN KIERLAND RESORT	\$156.06	03410.531101.100.0000.0000	531101 OPERATING SUPPLIES	523701 TRAVEL, CONFERENCE & TRAINING
Cuffee, Michael Lamount	4/30/2014	5/1/2014	WESTIN KIERLAND RESORT	\$156.06	03410.531101.100.0000.0000	531101 OPERATING SUPPLIES	523701 TRAVEL, CONFERENCE & TRAINING
Cuffee, Michael Lamount	4/30/2014	5/1/2014	WESTIN KIERLAND RESORT	\$156.06	03410.531101.100.0000.0000	531101 OPERATING SUPPLIES	523701 TRAVEL, CONFERENCE & TRAINING
Cuffee, Michael Lamount	5/7/2014	5/8/2014	WAL-MART STORES, INC	\$30.26	03410.531101.100.0000.0000	531101 OPERATING SUPPLIES	
Cuffee, Michael Lamount	5/9/2014	5/12/2014	OFFICE DEPOT	\$109.92	03410.531101.100.0000.0000	531101 OPERATING SUPPLIES	
Cuffee, Michael Lamount	5/10/2014	5/12/2014	WAL-MART STORES, INC	\$17.80	03410.531101.100.0000.0000	531101 OPERATING SUPPLIES	
Cuffee, Michael Lamount	6/3/2014	6/4/2014	WAL-MART #3710	\$75.57	03410.531101.100.0000.0000	531101 OPERATING SUPPLIES	
Cuffee, Michael Lamount	6/3/2014	6/5/2014	OFFICE DEPOT	\$60.55	03410.531101.100.0000.0000	531101 OPERATING SUPPLIES	
Cuffee, Michael Lamount	6/4/2014	6/6/2014	OFFICE DEPOT	\$9.59	03410.531101.100.0000.0000	531101 OPERATING SUPPLIES	
Cuffee, Michael Lamount	6/11/2014	6/12/2014	CORPORATIONS	\$100.00	03410.531101.100.0000.0000	531101 OPERATING SUPPLIES	
Cuffee, Michael Lamount	6/26/2014	6/27/2014	VIMEO.COM	\$59.95	03410.531101.100.0000.0000	531101 OPERATING SUPPLIES	
Cuffee, Michael Lamount	6/26/2014	6/27/2014	WAL-MART STORES, INC	\$526.77	03410.531101.100.0000.0000	531101 OPERATING SUPPLIES	
Cuffee, Michael Lamount	7/2/2014	7/3/2014	WAL-MART #3710	\$29.45	03410.531101.100.0000.0000	531101 OPERATING SUPPLIES	
Cuffee, Michael Lamount	7/7/2014	7/8/2014	GODADDY.COM	\$95.39	03410.531101.100.0000.0000	531101 OPERATING SUPPLIES	
Cuffee, Michael Lamount	8/6/2014	8/8/2014	COURTYARD BY MARRIOTT NOR	\$435.60	03410.531101.100.0000.0000	531101 OPERATING SUPPLIES	523701 TRAVEL, CONFERENCE & TRAINING
Cuffee, Michael Lamount	8/7/2014	8/8/2014	VIMEO.COM	\$59.95	03410.531101.100.0000.0000	531101 OPERATING SUPPLIES	