

# DEKALB COUNTY, GEORGIA



**KEEP DEKALB BEAUTIFUL**

---

**PURCHASING CARD AUDIT REPORT**

**APRIL 1, 2014 THRU SEPTEMBER 30, 2014**

**PREPARED BY  
FINANCE- INTERNAL AUDIT DIVISION**

Page intentionally left blank.



**Finance Department**  
Internal Audit & Licensing

Interim Chief Executive  
Officer

Lee May

Board of Commissioners

District 1

District 2  
Jeff Rader

District 3  
Larry Johnson

District 4  
Sharon Barnes Sutton

District 5  
Lee May

District 6  
Kathie Gannon

District 7  
Stan Watson

DATE: November 13, 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: Sanitation Division of Public Works –Burkett Gordon

**General Information**

On November 13, 2014 Internal Audit conducted a compliance audit of Gordon Burkett’s Purchasing Card. Internal Audit reviewed Mr. Burkett’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 Gordon Burkett 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, Gordon Burkett did not comply with County P-Card policies and procedures as noted below.

**Findings**

- 1) The purchase of Evernote software did not comply with DeKalb County P-Card policies and procedures. The P-Card policies section 4.01.C, states that “if a purchase requires a special approver when purchased through the Oracle iProcurement Process, the same approval must be obtained for P-Card purchases prior to the use of the P-Card. (Refer to the County Computer Hardware, Software and Related Maintenance/Support Purchasing Policy).” The County’s policy and procedure on Computer Hardware, Software and Related Maintenances/Support Purchasing Policy, states that “This policy and process is being implemented to facilitate this effort by ensuring consistency, standardization, and requiring the following procurements be approved by Information Systems, regardless of the dollar value, via the Oracle Requisition Approval process.”
  - a. “All computer hardware, including laptops/desktops, printers, servers, network devices, and peripherals with the exception of exempt items noted below.”

- i. “Exempt Items: cables, power cords, consumable media (cd-rom, floppy disks, etc.), and similar low cost accessories.”
  - b. “All computer software.”

Per this policy, the purchase of the Evernote software is not allowable expenses on an employee expense report or purchasing card.
- 2) Sixteen percent (16%) of transactions reviewed lack adequate supporting documentation at the time of review. Section 4.0.3.F of the P-Card policy states, it is the Cardholder’s responsibility to “submit documentation in the form of a receipt for each transaction made by completing the P-Card Transaction Log.”
  - 3) Twenty eight percent (28%) of transactions reviewed were not approved by the Cardholder’s Department Director at the time of review. However, the transactions were all sign off electronically in BOA Works application. Section 4.0.6.C of the P-Card policy states that the Department Director is responsible for “reviewing, approving and signing the P-Card Transaction Log (with attached receipts) and monthly Electronic Cardholder Statements.”
  - 4) Although minimal, sales tax of \$4.68 was charged for food purchases. 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) We recommend not purchasing computer software with the P-Card. By complying with the policies and procedures Information Systems is able “to ensure identification and location of these critical commodities, to ensure compliance with licensing agreements, to avoid unnecessary potential liability, to protect a significant DeKalb County investment, and to ensure compliance with approved standards for hardware equipment and software.”
- 2) All transactions should have adequate supporting documentation. Providing adequate supporting documentation will assist in the review and approval process of the Transaction Log by Department Director.
- 3) All transactions should be reviewed and approved by Cardholder’s Department Director. Section 4.0.3.K of the P-Card policy states that it is the Cardholder’s responsibility for “sign off of all expenditures.” Approval by Cardholder’s Department Director helps to mitigate the risk of unauthorized and improper use of P-Card.
- 4) 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 reduces the County’s business expenditures.

### **Comments**

During our review, we observed several purchases from Wal-Mart and Publix for food and household items. These items includes: Water, Tissue, Napkins, Plates, Chocolates, Dasani drop, Lin Seasalt, Card Stock, Dum Dum pops, Stylus, Child Play and Candy Assortment. As per the discussion with Cardholder, these items were for gifts and thank you bags for volunteers at various County events. Many of these items were single products and are perceived as personal items.

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

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  
John Matelski, Chief Information Officer/ Director of Information Technology  
William Malone, Associate Director of Sanitation  
Burkett Gordon, Director of Keep DeKalb Beautiful  
Yvette Pitts-Ayo, Purchasing Card Administrator

cl/op