



## Internal Audit & Licensing

Cornelia Louis  
Acting Deputy Director of Finance

### Chief Executive Officer

W. Burrell Ellis, Jr.

### Board of Commissioners

District 1  
Elaine Boyer

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: October 20, 2011

TO: Kelvin Walton, Director of Purchasing & Contracting

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

SUBJECT: Purchasing Card (P-Card) Audit

RE: Clerk of Chief Executive Officer and County Commission's Office

### General Information

On October 20<sup>th</sup>, Internal Audit (IA) conducted a P-Card compliance audit on the Clerk of Chief Executive Officer and County Commission's Office. 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 the Clerk of Chief Executive Officer and County Commission's Office complied 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, Clerk of Chief Executive Officer and County Commission's Office did not fully comply with DeKalb County P-Card policies and procedures.

### Deficiency

The Transaction logs (Logs) were not completed or maintained.

### 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 ledger 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**

During our review we observed that several vendors included sales tax on twenty (20) receipts. Total estimated sales tax paid was \$285.00. In order to take advantage of DeKalb County tax-exempt status, cardholders should present their certificate of exemption to the vendor.

We also observed the following P-Card transactions:

- 1) During our review, we observed eight (8) purchases of cake from A Piece of Cake Bakery totaling \$499.74. Six of the eight transactions were made on County Commission meeting days. Using the P-Card to purchase cake should be discouraged; these types of transactions are uneconomical.
- 2) Also, for the audit period, food purchases totaled \$123.96. These purchases were for an Administrative Executive Day luncheon. The purchase of food for staff recognition may be perceived as entertainment or non-business related expenses. 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.

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  
Barbara Sanders, Clerk of Chief Executive Officer and County Commission  
Lori Dennis, Purchasing Card Administrator