

DEKALB COUNTY, GEORGIA



CHIEF EXECUTIVE OFFICE - PUBLIC INFORMATION OFFICE

PURCHASING CARD AUDIT REPORT

JANUARY 1, 2015 THROUGH JUNE 30, 2015

**PREPARED BY
FINANCE- INTERNAL AUDIT DIVISION**

Page intentionally left blank.



Finance Department

Internal Audit

Interim Chief Executive
Officer

Lee May

Board of Commissioners

District 1
Nancy Jester

District 2
Jeff Rader

District 3
Larry Johnson

District 4
Sharon Barnes Sutton

District 5
Mereda Davis Johnson

District 6
Kathie Gannon

District 7
Stan Watson

DATE: November 20, 2015

TO: Gwendolyn Brown-Patterson, Interim Chief Financial Officer/Finance Director

FROM: Cornelia Louis, Deputy Director of Finance-Internal Audit

SUBJECT: Purchase Card (P-Card) Audit

RE: Chief Executive Office – Public Information Office – Diamond Lewis

General Information

On November 20, 2015, Internal Audit conducted a P-Card compliance audit of Diamond Lewis' Purchasing Card. Internal Audit reviewed P-Card transactions for the period of January 1, 2015 through June 30, 2015.

Purpose and Scope

The purpose of this audit was to determine if Public Information Office (from here on referred to as DCTV, DeKalb County Television) personnel complied with County P-Card policy and procedures.

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

- (1) P-Card Holder 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 Policy and Procedures (\$1,000 maximum per individual purchase).
- (4) Total monthly transactions did not exceed amount specified by the County P-Card Policy 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, DCTV personnel did not fully comply with DeKalb County P-Card Policy and Procedures.

Findings

- (1) The Cardholder Manager or Director did not approve the Transaction Logs. To comply with the P-Card Policy and Procedures, both the Cardholder and the Designated Approver must sign the monthly transaction log. In addition, Section 10.0 of the P-Card Policy and Procedures states that the "designated Approver must hold a position at least one level higher than the Cardholder." A lack of management oversight for transaction log approval may lead to purchases that are not in compliance with the P-Card Policy and Procedures.

- (2) The required Special Request/ Food and Meal Explanation Forms (*see Appendix A for explanation*) were not attached to the receipts for two meal purchases. However, the transaction logs were complete with all applicable receipts. Section 8.1.2 states “all meals purchases using a County issued Purchasing Card, whether individual or group, will require a completed Special Request/Food and Meal Explanation Form to accompany the transaction receipt submitted with the monthly transaction log.”

The meal purchased without adequate documentation to justify the business-related purpose may be perceived to be an improper transaction and a violation of P-Card privileges may have occurred. The lack of adequate documentation may require the Cardholder to reimburse the County for the transaction value, attend additional training, and possibility have their of P-Card privileges revoked.

Recommendations

- (1) To ensure management oversight of P-Card expenditures, we recommend transaction logs be reviewed and approved by the Cardholder’s Manager or Director.
- (2) We recommend that all P-Card transactions have the required documentation attached to the monthly transaction log. Adequate documentation ensures that expenditures incurred are acceptable business transactions and comply with the P-Card Policy.

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


Cornelia Louis

cc: Board of Commissioners (BOC)
Zachary Williams, Chief Operating Officer/Executive Assistant
Diamond Lewis, Cable TV Operations Director
Claudette Leak, Assistant to the Chief Operating Officer
Yvette Pitts-Ayo – Purchase Card Administrator

cl/aw

APPENDIX A – DEFINITIONS AND ABBREVIATIONS

Acronyms and Abbreviation

DCTV DeKalb Cable Television

Key Definitions

Transaction Log

A reconciliation of a department's monthly P-Card expenses attached receipts, invoices and other supporting documentation.

Special Request/ Food and Meal Explanation Forms

A form completed for all meals purchased using the County issued Purchasing Card, whether by an individual or group. This form requires the Cardholder to notate the "purpose/benefit to County" and obtain proper approval prior to the meal purchase.