



## Internal Audit & Licensing

Cornelia Louis  
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W. Burrell Ellis, Jr.

**Board of Commissioners**

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District 6  
Kathie Gannon

District 7  
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DATE: November 15, 2011

TO: Kelvin Walton, Director of Purchasing & Contracting

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

SUBJECT: Purchasing Card (P-Card) Audit

RE: Office of Board of Commissioner (BOC) – District 1

### **General Information**

On November 15<sup>th</sup>, 2011 Internal Audit (IA) conducted a P-Card compliance audit of the Office of BOC – District 1. 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 the Office of BOC- District 1 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, Office of BOC-District 1 did not comply with DeKalb County P-Card policies and procedures.

### **Deficiencies**

- 1) Out of 50 transactions, 12 receipts were available.
- 2) The Transaction Logs (Logs) were not approved by cardholders Manager or Director.
- 3) During the audit period, 60 % of all transactions were for food related purchases.

**Recommendations**

- 1) All P-Card transactions should have supporting documentation. Adequate documentation ensures that expenditures incurred are in compliance with the P-Card policy.
- 2) To ensure management's review of compliance with the P-Card policy, completed Logs are to be reviewed and approved by the Cardholder's Manager or Director. Cardholders should not approve their Logs. Approvers should be higher-level employees than the Cardholder employee; this allows the approver to challenge transactions when the business purpose is not readily apparent.
- 3) All P-Card transactions should be limited to business-related goods and services, and efforts should be made to reduce the frequent use of the P-Card at restaurants. This was also mentioned in our last P-Card audit report, dated April 2, 2010.

**Comment**

We reviewed the corresponding general ledger accounts for each transaction. Several operating supply related expenditures were charged to "other miscellaneous charges." These transactions could be misclassified. The following general ledger account may be more appropriate for the transaction type.

<b>Object Code</b>	<b>Object Code Name</b>
531101	Operating Supplies

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  
Commissioner Elaine Boyer, District 1  
Dale Dague, Purchasing Card Administrator