

County of Santa Clara



Finance Agency Controller-Treasurer Department

County Government Center
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December 13, 2012

To: Board of Supervisors
Jeffrey V. Smith, County Executive
Gary Graves, Chief Operating Officer
Lori E. Pegg, Acting County Counsel
Vinod Sharma, Director, Finance Agency
Jenti Vandertuig, Director of Procurement

Subject: Audit of Procurement Card (P-Card) Transactions of Supervisor Mike Wasserman (District 1) for the period, February 2011 through September 2012

We have completed the audit of Procurement Card (P-Card) transactions of Supervisor Mike Wasserman of District 1 for the 20-month period of February 2011 through September 2012 as attached. We thank the District staff for their cooperation.

Respectfully submitted,

Irene Lui, C.P.A.
Controller-Treasurer

Board of Supervisors: Mike Wasserman, George Shirakawa, Dave Cortese, Ken Yeager, Liz Kniss
County Executive: Jeffrey V. Smith

COUNTY OF SANTA CLARA

CONTROLLER-TREASURER DEPARTMENT

INTERNAL AUDIT REPORT

**Audit of Procurement Card (P-Card) Transactions of
Supervisor Mike Wasserman (District 1)
For the Period, February 2011 through September 2012**



December 13, 2012

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Executive Summary

We conducted the review of Procurement Card (P-Card) Transactions of Supervisor Mike Wasserman, Office of the Board of Supervisors District 1 (District 1) for the period, February 2011 through September 2012. During this 20 month period, the District spent \$ 14,825 on 36 transactions charged to one P-Card issued to the District. As the following table shows, this District used its P-Card primarily for office expenses and some professional services.

No.	Transaction Type	P-Card	
		Number of Transactions	Amount
1	Office Expenses	26	\$ 10,066
2	Professional and Other Services (Database Storage and e-communications)	8	\$ 3,894
3	Travel Expenses	-	-
4	Non Travel (Local Meals)	-	-
5	Donations and Sponsorships	-	-
6	Miscellaneous	2	\$ 865
Total		36	\$ 14,825

We did not find any reportable irregularities in the District's use of P-Card. Based on our review, we believe the District's use of P-Card was proper and in accordance with the County's P-Card and other applicable policies.

Project Objective, Scope and Methodology

The objective of this audit of P-Card transactions is to evaluate the appropriateness of P-Card charges and review their compliance with the County's P-Card and other applicable policies and regulations. We also reviewed the current policies governing transactions for elected officials and Board appointees and identified best practices and/or policy changes to avoid conflicting or confusing regulations.

The scope of our work includes: (a) review of pertinent laws, policies and procedures, regulations, and ordinance related specifically to the P-Card program, (b) examination of P-Card transaction logs, supporting documents (receipts, memos, agendas, travel authorizations, and travel expense vouchers, etc.) and credit card statements, and (c) analysis of P-Card data for the period and review of additional documentation as needed.

The following County policies and ordinances were used as references for our analysis:

- County of Santa Clara P-Card Policy (Rev. July 1, 2011)
- County of Santa Clara P-Card Policy (Feb 15, 2008 Edition)
- County of Santa Clara Business Meal Policy (Non-Travel) (Effective Date Dec. 5, 2007)
- County of Santa Clara Ordinance Div. A31
- County of Santa Clara Travel Policy (Rev. June 8, 2010)
- County of Santa Clara Charter Section 710

Background

On October 30, 2012, the Board of Supervisors (Board) asked the Controller-Treasurer to conduct an audit of the P-Card transactions of all elected officials and Board appointees. The County has established P-Card policies and guidelines, but the oversight of the program has been decentralized with a limited post-audit function in place.

Findings and Recommendations

Our review did not reveal any major findings or irregularities. Under the County's decentralized accounts payable system, individual departments are responsible for ensuring accuracy of all vendor charges, including sales and use tax on purchases made by those departments. If the sales tax is not accurately charged by a vendor, the department must properly accrue use tax on all purchases. We noted six instances where the District did not accrue any sales and use tax. The use tax total was only \$91. The Controller's Office will make adjustment for this amount in the next quarterly sales and use tax return.

We recommend that the Controller's Office provide training to District staff on sales and use tax accrual.



**BOARD OF SUPERVISORS
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MIKE WASSERMAN
SUPERVISOR, FIRST DISTRICT

To: Vinod Sharma
Director, Finance Agency

From: Supervisor Mike Wasserman
District One

M.W.

Date: December 13, 2012

Subject: Audit of Procurement Card (P-Card) Transactions of Supervisor Wasserman
(District One) for the period of February 2011 through September 2012

District One agrees with the Internal Audit Report for the period of February 2011 through September 2012.

