

County of Santa Clara

Finance Agency Controller-Treasurer Department



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December 26, 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
Irene Lui, Controller- Treasurer
Jenti Vandertuig, Director of Procurement

Subject: Audit of Procurement Card (P-Card) Transactions of District 4 (Supervisor Ken Yeager) for the period, January 2011 through September 2012

We have completed the audit of Procurement Card (P-Card) transactions of District 4 (Supervisor Ken Yeager) for the 21-month period of January 2011 through September 2012 as attached. We thank the District staff for their cooperation.

Respectfully submitted,

Manju Beher, CPA
Internal Audit Division

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
District 4 (Supervisor Ken Yeager)
For the Period, January 2011 through September 2012**



December 26, 2012

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Executive Summary

We conducted the review of Procurement Card (P-Card) Transactions of Supervisor Ken Yeager, Office of the Board of Supervisors District 4 (District 4) for the period, January 2011 through September 2012. During this 21 month period, the District spent \$10,171 on 84 transactions charged to two P-Cards issued to the District. As the following table shows, this District used its P-cards primarily for travel related and office expenses:

No.	Transaction Type	Supervisor's P-Card		Staff's P-Card		Grand Total	
		Number of Transactions	Amount	Number of Transactions	Amount	Number of Transactions	Amount
1	Travel Expenses	12	\$3,438	-	-	12	\$3,438
2	Community Events	6	\$343	-	-	6	\$343
3	Office Expenses	1	\$55	45	\$4,759	46	\$4,814
4	Subscription/ Membership	9	\$735	4	\$389	13	\$1,124
5	Miscellaneous	7	\$452	-	-	7	\$452
Total		35	\$5,023	49	\$5,148	84	\$10,171

We did not find any major reportable irregularities in the District's use of the P-Card. Based on our review, we believe the District's use of the P-Card was in accordance with the P-Card and other applicable County 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 trip 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 ordinance 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 (Rev. December 18, 2012)
- 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

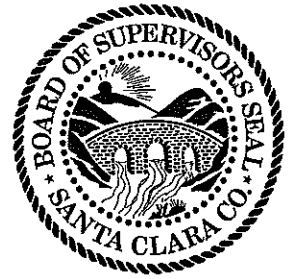
Background

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. We noted one instance of the P-Card being used to purchase an airline ticket in the amount of \$559, which was a restricted purchase under the July 2011 P-Card policy. However, the December 18, 2012 revision to the County's P-Card policy has removed airline ticket purchases from the list of "Restricted Purchases."

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KEN YEAGER
SUPERVISOR, FOURTH DISTRICT

MEMORANDUM

DATE: DECEMBER 21, 2012

TO: Vinod Sharma, Finance Agency Director

FROM: 
Ken Yeager
Supervisor, District Four

SUBJECT: Audit of Procurement Card (P-Card) Transactions of District 4 (Supervisor Ken Yeager) for the Period January 2011 through September 2012

District Four agrees with the Findings and Recommendations of the Internal Audit of Procurement Card (P-Card) Transactions of District 4 (Supervisor Ken Yeager) for the Period January 2011 through September 2012.