

# County of Santa Clara



## Finance Agency Controller-Treasurer Department

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February 4, 2013

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

**Subject: Audit of Procurement Card (P-Card) Transactions of District Attorney, Jeffrey Rosen for the period, January 2011 through September 2012**

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

Respectfully submitted,

A handwritten signature in black ink that reads "Manju Behar". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Manju Behar, CPA  
Supervising Internal Auditor

Kim McNulty  
Auditor-in-Charge

**Board of Supervisors:** Mike Wasserman, George Shirakawa, Dave Cortese, Ken Yeager, Joe Simitian  
**County Executive:** Jeffrey V. Smith

**COUNTY OF SANTA CLARA**

**CONTROLLER-TREASURER DEPARTMENT**

## **INTERNAL AUDIT REPORT**

**Audit of Procurement Card (P-Card) Transactions of  
District Attorney, Jeffrey Rosen for the Period of  
January 2011 through September 2012**



February 4, 2013

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## Executive Summary

Jeffrey Rosen was sworn as the County of Santa Clara's District Attorney on January 3, 2011. We conducted a review of his Procurement Card (P-Card) transactions for the period, January 1, 2011 through September 30, 2012. During the 21-month period, the District Attorney spent \$3,925 on 47 transactions charged to his P-Card. As the following table shows the P-Card was used primarily for general expenses and to pay for various travels, community events and registration fees.

Transaction Type	Number of Transactions	Transaction Amount
Community Events and Registration Fees	16	\$1,434
Non Travel (Local Meals)	9	\$1,403
Office Expenses	7	\$ 151
Travel Expenses ( 7 trips)	15	\$ 937
<b>Grand Total</b>	<b>47</b>	<b>\$3,925</b>

Other than the minor findings noted below, we did not find any major irregularities in the District Attorney's use of his P-Card. Based on our review, we believe the District Attorney generally used his P-Card in conformity with the County's P-Card and other related 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 (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. January 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.

## **Minor Findings:**

Our review did not reveal any instances of major reportable irregularities in the District Attorney's - use of his County-issued P-Card. The minor findings noted during our review are presented below:

- a) **Travel:** We noted one instance where the District Attorney traveled to San Diego for the Major Cities Chiefs Fall 2012 meeting but did not have an announced travel plan nor was it posted in the Board's travel agenda. County policy requires Board members and other elected officials to notify the Clerk of the Board of their business travel plans and post their notices into the board agenda.
- b) **Local Meal:** We noted one instance where the District Attorney used his P-Card for a welcome and orientation luncheon (\$195.56) for new summer law clerks. As this was neither employee recognition nor an employee training event, and was conducted off-site, it was not an allowable expenditure.
- c) **Contribution to Support Scholarship Program:** We noted one instance where the District Attorney contributed \$100 to the San Jose Police Officers' Association Charitable Foundation in lieu of attending a fundraising dinner on its behalf. This is not an allowable expenditure per the County's policies.

The District Attorney reimbursed the County \$295.56 for the minor findings (b) and (c).

# County of Santa Clara

Office of the District Attorney

70 West Hedding Street, West Wing, 5<sup>th</sup> Floor  
San Jose, California 95110  
(408) 299-7400



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Jeffrey F. Rosen  
District Attorney

January 31, 2013

Vinod Sharma, Director  
Finance Agency, Santa Clara County  
70 W. Hedding St., East Wing, 2<sup>nd</sup> Floor  
San Jose, CA 95110

Dear Mr. Sharma:

We'd like to thank the Controller's Office for its work on this audit of my Procurement Card use from January 2011 through September 2012. We appreciate their interaction with our office, and agree with their conclusion that I generally used my P-Card "in conformity with the County's P-Card and other related policies."

The audit report contains three minor findings, which are addressed below.

(a) **Travel** - We agree that my trip to San Diego for the Major Cities Police Chiefs meeting was not posted in the Board Travel Agenda. This was an oversight, and we have instituted policies to ensure that all future trips are properly reported.

(b) **Local Meal** - We disagree with the conclusion that the luncheon for incoming Law Clerks did not comply with the County's policies in effect at that time. We feel that it constituted both employee training and employee recognition, which would qualify it for reimbursement under the policy. It is important to note that our 2L Honors Program (our law clerk program for law students between their second and third years of law school), of which this lunch was a part, is central to our efforts to attract a diverse pool of candidates for prosecutor positions.

The clear intent of the policy is to discourage paying for meals as part of regular staff meetings or social functions such as birthdays, etc. This luncheon was clearly neither.

This disagreement points to the fact that the policies need more clarity so that users can determine in advance whether particular expenditures are allowable. However, based on the Controller's determination, I have reimbursed the County in full (\$195.56) for the cost of this lunch.

(c) **Contribution to Support Scholarship Program** - We disagree with the conclusion that this expenditure did not comply with County policy. In this case, my schedule did not allow me to attend the fund-raising dinner for the San Jose Police Officers' Association scholarship program,

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which it should be noted was sponsored by a number of officeholders, including one of the Supervisors. I did, however, briefly attend the pre-dinner reception. Based on that, I opted to pay \$100, rather than the full indicated price of \$150.

The SJPOA form characterizes this as a contribution to the scholarship program, and the audit concludes that it is therefore not allowable. As I understand the County's general interpretation of the policy as it relates to such events, had I simply purchased a full-price ticket for the dinner of \$150, even though I did not stay for dinner, this would have been allowable, as it is part of my official duties as District Attorney. My attempt to reduce the County's cost was instead found to be a violation of the policy.

As with the local meal, this points to the need for additional clarity in our policies. As in that case, however, I have provided a full reimbursement (\$100) in accordance with the Controller's findings.

In each of the cases where we have disagreed with the Controller's findings, we nevertheless appreciate the additional clarity they provide, and have adjusted our practices to ensure that no such expenditures will be made in the future.

Respectfully,



Jeffrey Rosen  
District Attorney