



# Fairfax County Internal Audit Office

DEPARTMENT OF PUBLIC WORKS AND ENVIRONMENTAL SERVICES  
STORMWATER PLANNING DIVISION  
PROCUREMENT CARD AUDIT

May 2005

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# Executive Summary

Our review of procurement cards revealed that internal controls were adequate. Internal control procedures were documented, a well designed separation of duties was in place, and the Department of Public Works and Environmental Services (DPWES) Stormwater Planning Division appeared to be in compliance with internal controls outlined in the County Procedural Memorandum (PM) 12-02 with one exception. The expenditure log was not an accurate reflection of the division's spending.

## Scope and Objectives

This audit was performed at the request of the department director and was conducted in accordance with generally accepted government auditing standards. The audit covered the period of January 2004 through October 2004, and our audit objectives were to determine if the department:

1. Had developed written internal procedures in accordance with PM 12-02.
2. Followed the County rules and procedures for the use of procurement cards.
3. Had adequate internal control procedures in place, and these procedures were being followed by cardholders.
4. Transactions were reasonable, in line with policy, and did not appear to be fraudulent.

## Methodology

Audit methodology included a review and analysis of internal control procedures, procurement card expenditures and related accounting records of the department. Our audit approach included: an examination of procurement card expenditures, records and statements; interviews of appropriate employees; and a review of internal manuals and procedures. We evaluated the processes for compliance with County PM 12-02 *Use of the County Procurement Card*. Information was extracted from the Procurement Card Management System for sampling and verification to source documentation during the audit; however, our audit did not include an independent review of the system controls. This did not result in a scope limitation of the audit.

The Fairfax County Internal Audit Office is free from organizational impairments to independence in our reporting as defined by government auditing standards. We report directly and are accountable to the County Executive. Organizationally, we are outside the staff or line management function of the units that we audit. We report the results of our audits to the County Executive and the Board of Supervisors, and reports are available to the public.

# Findings, Recommendations, and Management Response

## **Expenditure Log**

The expenditure log was not an accurate reflection of the division's spending. Eight of fifty-eight transactions tested were either not accurately recorded or were completely omitted from the expenditure log.

Procedural Memorandum No. 12-02 indicates that a system that tracks expenditures must be in place. Agencies may use an appropriate manual or computer log. Entries must be contemporaneous to give up-to-date information on funds expended.

**Recommendation:** DPWES Stormwater Planning Division should maintain an expenditure log which will accurately reflect all procurement card transactions.

**Management Response:** The Stormwater Planning Division will maintain an expenditure log which will accurately reflect all procurement card transactions by doing the following: verifying that all transactions made using the procurement card are in the expenditure log; entering the actual amount upon receiving receipt; and verifying actual costs again upon receipt of weekly transaction detail report.