



# Fairfax County Internal Audit Office

**Sheriff's Office  
Procurement Card Audit  
Final Report**

**March 2007**

*"promoting efficient & effective local government"*

## Executive Summary

Our review of the Sheriff's Office procurement cards for the period July 2005 through October 2006 revealed that internal controls were adequate. Internal control procedures were documented and a well designed separation of duties was in place. All reconciliations were properly completed for the audit period and the Sheriff's Office was generally in compliance with the county's Procedural Memorandum 12-02 (PM 12-02), with one exception. The expenditure logs were not always an accurate reflection of the division's spending.

## Scope and Objectives

This audit was performed as part of our Fiscal Year 2007 annual audit plan and was conducted in accordance with generally accepted government auditing standards. The audit covered the period from July 1, 2005, through October 31, 2006. Our audit objectives were to determine whether 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 that these procedures were being followed by cardholders.
4. Transactions were reasonable, in line with policy, and did not appear to be fraudulent.

## Methodology

Our 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 policies and procedures. We evaluated the processes for compliance with the county's PM 12-02. 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. Our transaction testing did not rely on system controls; therefore, this was not a scope limitation.

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

## Use of Transaction Logs

Our review of transactions revealed that there were instances where there was no evident use of transaction logs. Procedural Memorandum No. 12-02 indicates that a system that tracks expenditures must be in place.

Logs are needed for the purpose of monitoring card activity and ensuring that all credits and debits are properly accounted for in a contemporaneous manner. Without the maintenance of a log it would be difficult to effectively trace card use, as well as the accompanying expenditures.

**Recommendation:** The Sheriff's Office should maintain expenditure logs which will accurately reflect all procurement card transactions. Cardholders responsible for maintaining individual logs should ensure the logs sufficiently document and track each individual transaction.

**Management Response:** The Sheriff's Office will ensure that expenditure logs are submitted to the program manager on a weekly basis. The logs will include all procurement card transactions and will agree with receipts submitted.