



# Fairfax County Internal Audit Office

**DPWES Stormwater Planning Division  
Procurement Card Audit Report  
Final Report**

**January 2008**

*"promoting efficient & effective local government"*

## Executive Summary

Our review of the Department of Public Works and Environmental Services (DPWES) – Stormwater Planning Division procurement cards revealed that overall the internal controls were adequate. A well-designed separation of duties was in place, and the department appeared to be in compliance with internal controls outlined in the county Procedural Memorandum (PM) 12-02 with no significant exceptions noted.

## Scope and Objectives

This audit was performed as part of our fiscal year 2008 Annual Audit Plan and was conducted in accordance with generally accepted government auditing standards. The audit covered the period of August 1, 2006, through September 31, 2007, 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 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

## Internal Control Procedures

DPWES Stormwater Planning Division was following revised internal control procedures (ICP) that were never approved by DPSM. Procedural Memorandum 12-02 requires all using agencies to establish procurement card internal control procedures that govern card security, use, and accounting specific to their operations. These procedures are to be submitted to the DPSM program administrator for approval.

Failure to obtain approval for updated departmental internal control procedures increases the risk that operating procurement card procedures are not in compliance with county policy.

**Recommendation:** We recommend that the DPWES Stormwater Planning Division submit updated internal control procedures to DPSM for approval, in accordance with PM 12-02.

DPWES Stormwater Planning Division revised the ICP during this audit and the ICP was approved by DPSM on Oct. 23, 2007. Management response is not required for this recommendation.