



Fairfax County Internal Audit Office

**Department Of Vehicle Services
Business Process Audit
Final Report**

March 2012

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Executive Summary

We performed a business process audit of the procurement cards, office supplies, purchase order (PO), small purchase order (SO), and reconciliation areas within Department of Vehicle Services (DVS). Our audit found that internal control procedures were well documented, proper separation of duties was in place, and the department generally appeared to be in compliance with internal controls outlined in county Procedure Memorandum (PM) 12-02 and Finance ATB 10020.

Our audit resulted in no reportable findings. We commend Department of Vehicle Services on having adequate controls over procurement cards, purchase order (PO), small purchase order (SO), and reconciliation areas.

Scope and Objectives

This audit was performed as part of our fiscal year 2012 Annual Audit Plan and was conducted in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The audit population included transactions from procurement cards, office supplies, purchase orders and small purchase orders that occurred during the period of October 1, 2010, through November 30, 2011. For that period, the department's purchases were \$13,625,911 and the PO and SO amount totaled \$953,523. Our audit objectives were to determine if the department was in compliance with county policy and had adequate controls for processing procurement card, purchase order, small purchase order and blanket purchase order transactions. We also reviewed the department's compliance with the county's requirements for monthly reconciliations.

Methodology

Audit methodology included a review of the department's procedures, procurement card expenditures, purchase expenditures and related accounting records of the department. Our audit approach included an examination of expenditures, records and statements; interviews with appropriate employees; and a review of internal manuals and procedures. We evaluated the processes for compliance with county policies and procedures. Information was extracted from various systems for sampling and verification to source documentation during the audit. Our audit did not examine the system controls over purchasing, financial, and payroll applications. Our transaction testing did rely on those controls; therefore, this was a scope limitation. The potential impact of this circumstance on our findings was that some portion of transaction data may have been erroneous.