



Fairfax County Internal Audit Office

Fairfax County Park Authority
Business Process Audit
Final Report

September 2014

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Executive Summary

We performed a business process audit covering procurement and reconciliation within the Fairfax County Park Authority (FCPA). The audit included review of procurement cards; FOCUS marketplace cards; purchase orders, non-purchase orders and value line purchase order payments; and limited procedures for cash receipts.

We found that the department had effective procedures and internal controls in place for the handling of purchasing functions, and transactions had adequate evidence of compliance with county policy. Reconciliations were independently performed and were completed in a timely manner. However, we noted the following exceptions where compliance and controls needed to be strengthened:

- There was no evidence that a weekly review of FOCUS marketplace procurement card usage was being performed.

Scope and Objectives

This audit was performed as part of our fiscal year 2014 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. Our audit objectives were to review the FCPA's compliance with county policies for purchasing processes, financial reconciliation and cash receipts. We performed audit tests to determine internal controls were working as intended and transactions were reasonable and did not appear to be fraudulent.

The audit population included transactions from procurement cards, FOCUS marketplace, FOCUS purchase orders, and non-purchase orders that occurred during the period of April 1, 2013, through March 31, 2014. For that period, the department's purchases were approximately \$4.4 million for procurement cards, \$161,767 for FOCUS marketplace, \$12.9 million for purchase orders, and \$18.7 million for non-purchase order payments.

Methodology

Audit methodology included a review of the department's business process procedures with analysis of related internal controls. Our audit approach included an examination of expenditures, records and statements; interviews of 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 the FOCUS and PaymentNet systems for sampling and verification to source

documentation during the audit. Cash receipts testwork was primarily limited to inquiry only.

Findings, Recommendations, and Management Response

1. Weekly FOCUS Marketplace Procurement Card Transaction Report Review

There was no evidence to indicate that a weekly review of FOCUS marketplace procurement card usage was being completed. Since marketplace cards are relatively new, staff did not know a PaymentNet report was needed to be generated and reviewed on a weekly basis. Procedural Memorandum (PM) 12-02 requires that all agencies review weekly transaction reports for unusual or unauthorized transactions.

Failure to review the weekly transaction reports increases the risk that inappropriate purchases will not be identified in a timely manner.

Recommendation: We recommend FCPA perform and document weekly reviews of FOCUS marketplace procurement card transaction reports which contain all items posted in FOCUS for the prior week. This should be done by printing and reviewing the marketplace procurement card PaymentNet reports on a weekly basis.

During the audit, Internal Audit verified that the weekly review of FOCUS marketplace procurement card transactions has been implemented and completed appropriately. No management response is needed for this item.