



Fairfax County Internal Audit Office

Office of Public Affairs
Business Process Audit
Final Report

May 2015

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Executive Summary

We performed a business process audit covering procurement and reconciliation within the Office of Public Affairs (OPA). The audit included review of procurement cards; FOCUS marketplace cards; and purchase orders, non-purchase orders and value line purchase order payments.

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 exception where compliance and controls needed to be strengthened:

- A signed Using Agency Director's Statement of Responsibility was not submitted to the Department of Purchasing and Supply Management (DPSM).

Scope and Objectives

This audit was performed as part of our fiscal year 2015 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 OPA's compliance with county policies for purchasing processes and financial reconciliation. 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 cards, purchase orders, non-purchase orders, and value line purchase orders that occurred during the period of March 1, 2014, through February 28, 2015. For that period, the department's purchases were \$43,211 for procurement cards, \$3,429 for FOCUS marketplace, \$82,603 for purchase orders, and \$4,586 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.

Findings, Recommendations, and Management Response

1. Using Agency Director's Statement of Responsibility

OPA did not forward a signed copy of the Using Agency Director's Statement of Responsibility to DPSM when a new director joined OPA. Procedural Memorandum (PM) 12-02 states that: "The agency director is required to sign this form prior to the agency's initial participation in the p-card program. When the director leaves the agency, the Program Manager should have the new director sign the form and forward the original to DPSM."

Failure to have a signed Using Agency Director's Statement of Responsibility on file decreases accountability and increases the risk of operating the p-card program outside of County guidelines.

Recommendation: We recommend OPA forward the signed Using Agency Director's Statement of Responsibility to DPSM and maintain a copy at the agency.

During the audit, the form was signed and forwarded to DPSM. No management response is needed for this item.