

# County of Santa Clara

## Finance Agency Controller-Treasurer Department



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February 4, 2013

To: Board of Supervisors  
Jeffrey V. Smith, County Executive  
Gary Graves, Chief Operating Officer  
Lori E. Pegg, Acting County Counsel  
Vinod K. Sharma, Director, Finance Agency  
Irene Lui, Controller- Treasurer  
Jenti Vandertuig, Director of Procurement

**Subject: Audit of Procurement Card (P-Card) Transactions of County Executive, Jeffrey V. Smith for the period, January 2011 through September 2012**

We have completed the audit of Procurement Card (P-Card) transactions of County Executive Jeffrey V. Smith for the 21-month period of January 2011 through September 2012 as attached. We thank the County Executive's staff for their cooperation.

Respectfully submitted,

Manju Beher, CPA  
Supervising Internal Auditor

Auditor-in-Charge:  
Brian P. Mark CIA, CGAP

**Board of Supervisors:** Mike Wasserman, George Shirakawa, Dave Cortese, Ken Yeager, Joe Simitian  
**County Executive:** Jeffrey V. Smith

**COUNTY OF SANTA CLARA**

**CONTROLLER-TREASURER DEPARTMENT**

## **INTERNAL AUDIT REPORT**

**Audit of Procurement Card (P-Card) Transactions of  
Jeffrey V. Smith, County Executive  
For the Period of January 2011 through September 2012**



February 4, 2013

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## **Executive Summary**

We conducted the review of Procurement Card (P-Card) transactions for County Executive Jeffery V. Smith for the period, January 2011 through September 2012. During the 21-month period, the County Executive spent \$8,086 on 61 transactions charged to one P-Card issued to him as summarized below:

<b>Transaction Type</b>	<b>Number of Transactions</b>	<b>Transaction Amount</b>
Non Travel (Local Meals)	13	\$ 764
Office Expenses	33	4,995
Travel Expenses (Number of trips - 3)	15	2,327
<b>Grand Total</b>	<b>61</b>	<b>\$ 8,086</b>

We did not find any irregularities in the County Executive's use of his P-Card. Based on our review, we believe the cardholder used his P-Card in conformity with the County's P-Card and other related policies. Prior to the audit, the County Executive voluntarily repaid the County \$1,290 for 16 charges made on his P-Card. These repayments were not requested by the County and the audit did not determine the 16 P-Card charges to be in violation of County policies. The \$1,290 is included in the total \$8,086 amount reported above.

## **Project Objective, Scope and Methodology**

The objective of this audit of P-Card transactions is to evaluate the appropriateness of P-Card charges and review their compliance with the County's P-Card and other applicable policies and regulations. We also reviewed the current policies governing transactions for elected officials and Board appointees and identified best practices and/or policy changes to avoid conflicting or confusing regulations.

The scope of our work includes: (a) review of pertinent laws, policies and procedures, regulations, and ordinance related specifically to the P-Card program, (b) examination of P-Card transaction logs, supporting documents (receipts, memos, agendas, travel authorizations, and travel expense vouchers, etc.) and credit card statements, and (c) analysis of P-Card data for the period and review of additional documentation as needed.

The following County policies and ordinances were used as references for our analysis:

- County of Santa Clara P-Card Policy (Rev. July 1, 2011)
- County of Santa Clara P-Card Policy (Rev. December 18, 2012)
- County of Santa Clara P-Card Policy (Feb 15, 2008 Edition)
- County of Santa Clara Business Meal Policy (Non-Travel) (Effective Date Dec. 5, 2007)
- County of Santa Clara Ordinance Div. A31
- County of Santa Clara Travel Policy (Rev. June 8, 2010)
- County of Santa Clara Charter Section 710

## **Background**

On October 30, 2012, the Board of Supervisors (Board) asked the Controller-Treasurer to conduct an audit of the P-Card transactions of all elected officials and Board appointees. The County has established P-Card policies and guidelines, but the oversight of the program has been decentralized with a limited post-audit function in place.

## **Finding and Recommendation**

None