

County of Santa Clara
Finance Agency
Controller-Treasurer Department



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January 2, 2013

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

Subject: Audit of Procurement Card (P-Card) Transactions of District 5 (Supervisor Liz Kniss) for the period, January 2011 through December 2012

We have completed the audit of Procurement Card (P-Card) transactions of District 5 (Supervisor Liz Kniss) for the 24-month period of January 2011 through December 2012 as attached. We thank the District staff and County Counsel for their cooperation.

Respectfully submitted,

A handwritten signature in cursive script that reads "Manju Beher".

Manju Beher, CPA
Internal Audit Division

Board of Supervisors: Mike Wasserman, George Shirakawa, Dave Cortese, Ken Yeager, Liz Kniss
County Executive: Jeffrey V. Smith

COUNTY OF SANTA CLARA

CONTROLLER-TREASURER DEPARTMENT

INTERNAL AUDIT REPORT

**Audit of Procurement Card (P-Card) Transactions
District 5 (Supervisor Liz Kniss)
For the Period, January 2011 through December 2012**



January 2, 2013

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Executive Summary

We conducted the review of Procurement Card (P-Card) Transactions of District 5 Office (Supervisor Liz Kniss) for the period, January 2011 through December 2012. During this 24-month period, the District spent \$50,922 on 299 transactions charged to two P-Cards issued to the District. As the following table shows, this District used its P-cards primarily for travel related and office expenses:

Summary of P-Card Transactions							
No.	Transaction Type	Supervisor's P-Card		Staff's P-Card		Grand Total	
		No.	Amount	No.	Amount	No.	Amount
1	Travel Expenses (30 trips)	42	\$12,172	52	\$12,281	94	\$24,453
2	Non Travel (Local) Meals	6	\$454	1	\$26	7	\$480
3	Community Events	30	\$3,512	15	\$4,926	45	\$8,438
4	Registration for Conferences	31	\$1,656	8	\$929	39	\$2,585
5	Office Expenses	30	\$4,014	75	\$10,383	105	\$14,397
6	Personal Purchases subsequently reimbursed the County	7	\$138	2	\$431	9	\$569
Total		146	\$21,946	153	\$28,976	299	\$50,922

Other than the minor findings noted, we did not find any major irregularities in the District's use of the P-Card. In a few instances, the P-Card inadvertently charged for personal expenses (amounting to \$569) and registration fee of a political dinner event for a \$150. The cardholder has subsequently reimbursed the County for these charges.

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 trip 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 ordinance 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.

Findings

Below are the findings from the audit of the District 5's P-Card transactions for the period of January 2011 through December 2012.

1. Registration Fee for a Political Dinner Event:

Payment of \$150 for a dinner event to The Bay Area Municipal Elections Committee (BAYMEC), which is a political action group, is not an allowable expense per County Policies. The cardholder noted the inappropriate charge and reimbursed the County for this registration fee.

2. Other minor Findings:

- a. Personal Purchases: We noted five transactions totaling \$569 inadvertently charged for personal purchases and subsequently reimbursed to the County.
- b) Local Meal: We noted four local meals totaling \$175 have no information on the parties involved or the nature of businesses, except the notes from cardholder indicating them as business meals. Cardholders agreed that information should be noted or documented immediately after the meals.

County of Santa Clara

Office of the Board of Supervisors

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DATE: January 2, 2013

TO: Vinod Sharma
Director, Finance Agency

FROM: Liz Kniss
County Supervisor, District Five

SUBJECT: Audit of Procurement Card Transactions of District Five for the Period January 2011 through December 2012

I appreciate the review of District expenses. District Five agrees with the Internal Audit Report for the Period January 2011 through December 2012.

- The intensity of my representation at the State and National level related to policy and legislative matters on behalf of Santa Clara County required business travel at meetings and conferences held in various locations. My roles included the Board of Directors, Executive Board, caucus Chair, caucus member, policy committee Chair, presenter, and moderator.
- Clerical errors contributed to the minor findings in this report and were corrected upon discovery. Supporting documentation has been provided to the Finance Agency.

Board of Supervisors:

Mike Wasserman
District 1

George Shirakawa
District 2

Dave Cortese
District 3

Ken Yeager
District 4

Liz Kniss
District 5

County Executive: Jeffrey V. Smith