



DIVISION OF INSPECTOR GENERAL
Grant Maloy, Clerk of the Circuit Court and Comptroller
Seminole County, Florida

October 11, 2019

The Honorable Chairman and Members of the Board of County Commissioners

We have completed the enclosed Special Review of PCARD Transactions for the Public Works Department. We would like to acknowledge both the Purchasing Division and the Comptroller Office for their assistance with the review.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "William Carroll".

William Carroll, CPA, CFE, CIG, CIGA
Inspector General
Division of the Inspector General

Approved by:

A handwritten signature in black ink, appearing to read "Grant Maloy".

Mr. Grant Maloy
Clerk of the Circuit Court and Comptroller

FOLLOW-UP REVIEW OF PCARD TRANSACTIONS

PUBLIC WORKS DEPARTMENT

REPORT NO. 081319

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Follow-Up Review Report No. 081319
Review of PCARD Transactions -Public Works Department

GRANT MALOY
CLERK OF THE CIRCUIT COURT AND COMPTROLLER

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Table of Contents

INTRODUCTION

Background.....	1
Scope and Methodology.....	2
Overall Evaluation.....	2

OPPORTUNITIES FOR PROCESS IMPROVEMENTS

1. *Insufficient Supporting Documentation*

Recommendation	3
Management Response	3

INTRODUCTION

BACKGROUND

On February 28, 2019, the Office of the Clerk of the Circuit Court and Comptroller published Report No. 021919.

The original review had five issues that required management's attention. The issues were:

- Statements are not always submitted to Comptroller's Office timely;
- Non-Compliance with Administrative Code;
- Invoices paid prior to date shipped;
- Like-item purchases greater than \$10,000.00; and
- Update policy with new ordering processes.

At the conclusion of the review, representatives from Comptroller's Office (Finance) and Purchasing and Contracts Division (PCD) established a corrective action plan as well as enhanced the review process. We commend these two organizations for being proactive and having commitment to administrative excellence.

Part of this development has been to provide in-depth training for all employees involved with the process. These offices shared their training program and it is very comprehensive and well-designed. This ongoing training is to ensure 100% compliance with policy.

The Director of Finance has requested Inspector General Office (IG) to provide audit support of this program by testing the files for compliance. With this being said, we tested 68 PCard transactions from January 2019 through March 2019 and found most of the issues identified in the initial audit have been corrected. There were a couple of issues with repetitive findings. Some account statements along with supporting documentation continue to be received by the Comptroller's Office more than five (5) days after the billing cycle ended. Also, it was previously indicated that the Manager Policies would be revised to reflect specific changes in the near future; the last revision available online was dated October 11, 2016.

SCOPE AND METHODOLOGY

The scope of this review included reviewing the current status of the corrective action plans established by management.

We also tested 68 of 302 Pubic Works PCard transactions from January 2019 through March 2019 to determine if the enhanced processed were functioning effectively and accurately.

Specifically, this review included:

- All issues and corrective action plans;
- Review of the current policies and procedures;
- Review and testing for compliance with policy; and
- Other procedures as necessary.

OVERALL EVALUATION

The original published audit identified five (5) findings with recommendations. We found that 3 of 5 (60%) have been successfully addressed and cardholders are being trained on a regular basis for continued adherence to policy. A formal joint PCARD training program was established between PCD and Finance.

One of the findings in the original report addressed the late submission of PCard statements with the corresponding supporting documentation, for which the deadline is within five (5) days of the close of the billing cycle. Additional training between the PCD and the Comptroller's Office was conducted on July 25, 2019. This training reiterated the deadline for the allocation of transactions and submission to the Comptroller's Office. Of the 26 account statements that we reviewed, there were 17 (65%) that were submitted after the deadline. We are providing our list of these to management so that they can continue to monitor and address this issue.

There is an additional opportunity for process improvements that the Comptroller's Office and the PCD is actively addressing. This includes:

- Insufficient supporting documentation

The report that follows includes a brief discussion on this additional opportunity.

OPPORTUNITIES FOR PROCESS IMPROVEMENTS

1. Insufficient Supporting Documentation

The Seminole County Manager Policies state that face-to-face transactions require a receipt to document the order and the receipt of goods and services. Remote transactions require the packing slip to be matched to the statement of invoice. (Page 65, W-7 (a) and (b), Purchase Transaction Documentation) The following section (W-8(b), Preparing Statement for Payment) states that “each transaction should be documented either with a receipt or with a log and packing slip”. The documentation would be dependent upon the transaction type mentioned in W-7 (a) and (b).

Of the 68 sampled transactions, 27 were missing copies of the corresponding packing slip, indicating that the goods were received. All 27 were remote transactions.

The Comptroller’s Office and the PCD are continuously reviewing this issue and working with departmental management for full compliance.

Having supporting documentation on-file ensures compliance with the Manager Policies.

Recommendation

1. Comply with County policy to ensure the controls continue to function effectively.
2. The Comptroller’s Office should continue to notify department management of missing documentation for complete compliance with Manager Policies.

Management Response – Comptroller’s Office

The Comptroller’s Office agrees that paragraph 7b does state the packing slip must be matched to the statement of the invoice. However, it does not explicitly state it is required to be submitted with the receipt for payment. In paragraph 8b (Preparing Statement for Payment – Substantiate), it does state that “either a receipt or with a log and packing slip” is required to be submitted with the statement for payment. It appears paragraph 7b (Purchase Transaction Documentation) governs the County departments and is contradicting the paragraph in 8b, which governs the Comptroller’s Office for the payment.