

COUNTY OF SACRAMENTO

DEPARTMENT OF FINANCE - AUDITOR-CONTROLLER DIVISION – INTERNAL AUDIT UNIT

INTERNAL AUDIT REPORT

AGREED-UPON PROCEDURES
PROCUREMENT CARD PROGRAM REVIEW

SACRAMENTO AREA FLOOD CONTROL
AGENCY



Audit Committee Submittal Date: 4/15/2021

SUMMARY

Background

The Sacramento Area Flood Control Agency (SAFCA) was formed in 1989 to address the Sacramento area's vulnerability to catastrophic flooding. This vulnerability was exposed during the record flood of 1986 when Folsom Dam exceeded its normal flood control storage capacity and several area levees collapsed under the strain of the storm. In response, the City of Sacramento, the County of Sutter, the American River Flood Control District and Reclamation District No. 1000 created SAFCA through a Joint Exercise of Powers Agreement to provide the Sacramento region with increased flood protection along the American and Sacramento Rivers. Procurement Cards for SAFCA were previously reviewed for the period of May 1, 2015 to January 31, 2018, with a report date of May 2, 2018. The Department of Finance, Internal Audit Division selected SAFCA for a current agreed-upon procedures procurement card program review.

Audit Objective

To review SAFCA's current procurement card controls, and the current status of previously noted findings.

Summary

There were no findings in the current engagement. After review, auditor determined SAFCA implemented all recommendations from prior engagement.

Department of Finance
Ben Lamera
Director



Auditor-Controller Division
Joyce Renison
Assistant Auditor-Controller


County of Sacramento

Inter-Departmental Memorandum

March 10, 2021

To: Jason Campbell
Deputy Executive Director, Sacramento Area Flood Control Agency

From: Ben Lamera
Director of Finance

By: Ross McCarthy 
Senior Audit Manager

Subject: **PROCUREMENT CARD AGREED-UPON PROCEDURES FOR THE PERIOD OF FEBRUARY 01, 2018 TO NOVEMBER 30, 2020**

In accordance with the County of Sacramento Procurement Card Program (program) Guidelines and Procedures Manual, County of Sacramento Procurement Card Program Policy, County of Sacramento Travel (travel) Policy, and County of Sacramento Travel Guidelines and Procedures, we have performed the procedures enumerated below to Sacramento Area Flood Control Agency's (SAFCA) participation in the program for the period of February 1, 2018 to November 30, 2020. SAFCA's management is responsible for establishing and maintaining effective internal controls and compliance with the program and travel's guidelines, policy, and procedures, and all other applicable laws, regulations, and statutory requirements. The sufficiency of the procedures is solely the responsibility of SAFCA. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. This report is applicable solely to procedures referred below and is not intended to pertain to any of SAFCA's other operations, procedures, or compliance with laws and regulations.

The procedures and associated findings are as follows:

- We inspected SAFCA's records to identify any non-compliance with the above cited guidelines, policy, and procedures.

Finding: We did not note any exceptions as a result of our procedures.

- We tested purchases for the period of February 1, 2018 to November 30, 2020 to identify any non-compliance with the above cited guidelines, policy, and procedures.

Jason Campbell, Deputy Executive Director

March 10, 2021

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Finding: We did not note any exceptions as a result of our procedures.

- We determined the current status of prior findings and recommendations reported on SAFCA's procurement card agreed-upon procedures report for the period of May 1, 2015 to January 31, 2018, dated May 2, 2018.

Finding: The current status of prior findings and recommendations for SAFCA is at Attachment I, *Current Status of Prior Findings and Recommendations*.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not perform an audit or examination, or review the objectives of which would be the expression of an opinion or conclusion. Respectively, on SAFCA's accounting records, compliance, or results of our procedures referred above, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. This report relates only to the results of our procedures referred to above, and does not extend to SAFCA's operations as a whole.

After review, auditor determined there were no findings for the current engagement. Responses from SAFCA for findings identified during our review of procedures are not required.

This report is intended solely for the information and use by the Sacramento County Board of Supervisors, Sacramento County Audit Committee, Department of Finance, Department of General Services, and SAFCA's management. It is not intended to be, and should not be, used by anyone other than those specified parties. However, this restriction is not intended to limit distribution of this report, which is a matter of public record.

Attachments

Attachment I, *Current Status of Prior Findings and Recommendations*

cc: Dianna Baird, Procurement Card Program Administrator, General Services
Richard Johnson, Executive Director, SAFCA
Remedios Diva, Administrative Officer, SAFCA

COUNTY OF SACRAMENTO
SACRAMENTO FLOOD CONTROL AGENCY
PROCUREMENT CARD PROGRAM
CURRENT STATUS OF PRIOR FINDINGS AND RECOMMENDATIONS
PERIOD OF FEBRAURY 1, 2018 TO NOVEMBER 30, 2020

**PRIOR FINDING AND RECOMMENDATION (Report Date May 2, 2018 for the period
May 1, 2015 to January 31, 2018)**

1. Missing Signatures

Recommendation

We recommend SAFCA comply with the Program Guidelines and Procedures Manual and have Cardholders and Approving Officials sign statements and all other appropriate documentation. We further recommend SAFCA to review the Program Guidelines and Procedures Manual.

Current Status

It appears SAFCA implemented the prior review recommendation.

2. No Cardholder's Statements and Master Statements

Recommendation

We recommend SAFCA comply with the Program Guidelines and Procedures Manual and obtain all Master Statements to perform the Deputy A-C pre-audit review and obtain the US Bank payment amount.

Current Status

It appears SAFCA implemented the prior review recommendation.

3. Individual Acting As Deputy A-C

Recommendation

We recommend SAFCA comply with Procurement Guidelines and Procedures Manual and have the Deputy A-C sign all Procurement Card Summaries to indicate that proper review was made. Also, the individual signing as the Deputy A-C should be deputized. If the Deputy A-C is going to be absent for a short duration (less than three weeks), SAFCA may request the Department of Finance to provide pre-audit services. If the Deputy A-C is absent for more than one payment period, SAFCA should nominate a new Deputy A-C for appointment. SAFCA has the option to deputize another individual to serve as a back-up Deputy A-C.

Current Status

It appears SAFCA implemented the prior review recommendation.

COUNTY OF SACRAMENTO
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PERIOD OF FEBRAURY 1, 2018 TO NOVEMBER 30, 2020

**PRIOR FINDING AND RECOMMENDATION (Report Date May 2, 2018 for the period
May 1, 2015 to January 31, 2018) (Continued)**

4. Split Transactions

Recommendation

We recommend SAFCA comply with Sacramento County Code Section 2.56.260 and have all Procurement Card participants review the sections regarding split transactions in the Program Guidelines and Procedures Manual.

Current Status

It appears SAFCA implemented the prior review recommendation.

5. Missing Documentation

Recommendation

We recommend SAFCA to investigate all charges on the Master Statement and obtain and retain supporting documentation for all charges.

Current Status

It appears SAFCA implemented the prior review recommendation.

6. US Bank Payment

Recommendation

We recommend SAFCA comply with the Program Guidelines and Procedures Manual and make US Bank payments within the 45 day period. We further recommend SAFCA to review all sections regarding the 45 day period in the Program Guidelines and Procedures Manual.

Current Status

It appears SAFCA implemented the prior review recommendation.

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PRIOR FINDING AND RECOMMENDATION (Report Date May 2, 2018 for the period May 1, 2015 to January 31, 2018) (Continued)

7. Sales/Use Tax

Recommendation

We recommend SAFCA comply with California law and Program Guidelines and Procedures Manual and accrue tax in COMPASS when the merchant does not charge SAFCA tax.

Current Status

It appears SAFCA implemented the prior review recommendation.

8. Transaction Over Spending Limit

Recommendation

We recommend SAFCA comply with Program Guidelines and Procedures Manual and have Cardholders verify the transaction total with the vendor before authorizing the transaction. Also, we recommend SAFCA's Cardholders to not rely on the transaction to be decline if the transaction is over their spending limits.

Current Status

It appears SAFCA implemented the prior review recommendation.

9. Management Oversight (Deputy A-C)

Recommendation

We recommend SAFCA comply with Program Guidelines and Procedures Manual and have the Deputy A-C complete all Procurement Card forms appropriately. We further recommend SAFCA have the Deputy A-C be immediately retrained in their duties as the Deputy A-C. In addition, we recommend SAFCA have all individuals participating in the Procurement Card program immediately review the Program Guidelines and Procedures Manual.

Current Status

It appears SAFCA implemented the prior review recommendation.