

**COUNTY OF SACRAMENTO
INTERNAL SERVICES
DEPARTMENT OF FINANCE
AUDITOR-CONTROLLER**

Inter-Departmental Correspondence

October 4, 2016

To: Kathleen Kelleher, Assessor
Assessor's Office

From: Ben Lamera
Director of Finance

By: Alan A. Matré, C.P.A.
Chief of Audits



Subject: **ANNUAL REVIEW OF PROCUREMENT CARD USAGE**

In accordance with the County of Sacramento Procurement Card Program (program) Guidelines and Procedures Manual, County of Sacramento Procurement Card Program Policy, and County of Sacramento Travel Policy, we have performed the procedures enumerated below to review the County of Sacramento, Assessor's Office participation in the program for the period of July 1, 2015 to August 31, 2016. The Assessor's Office management is responsible for establishing and maintaining effective internal controls, and compliance with the program's guidelines, policy, and procedures, and all other applicable laws, regulations, and statutory requirements.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. 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 to below and is not intended to pertain to any of the Assessor's Office other operations, procedures, or compliance with laws and regulations.

The procedures we performed are summarized as follows:

1. We reviewed procurement card purchases to verify purchases were valid and within authorized purchase spending limits.

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

2. We inspected procurement card receipts for all information required by the program policy.

Finding: We noted one exception regarding tax on a shipping charge. See Attachment I, *Current Finding and Recommendation*.

3. We verified procurement card purchases agreed to monthly procurement card statements.

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

4. We reviewed monthly procurement card statements for evidence of review and proper cardholder and approving official signatures.

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

5. We reviewed the Assessor's Office "Deputy Auditor-Controller Certification Forms" to ensure they were signed by the Deputy Auditor-Controller and the approving official.

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

6. We reviewed the security over procurement card account information.

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

We were not engaged to, and did not conduct an audit, the objective of which would be the expression of opinions on the accounting records, compliance, or results of our procedures referred above. Accordingly, we do not express such opinions. 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 the Assessor's Office procurement card program as a whole.

The Assessor's Office response to the finding identified during our engagement is described in Attachment I, *Current Finding and Recommendation*. We did not perform procedures to validate the Assessor's Office response to the finding and, accordingly, we do not express an opinion on the response to the finding.

This report is intended solely for the information and use of the Sacramento County Board of Supervisors, Department of Finance, Department of General Services, and the Assessor's Office 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 Finding and Recommendation*

COUNTY OF SACRAMENTO
ASSESSOR'S OFFICE
PROCUREMENT CARD PROGRAM REVIEW
CURRENT FINDING AND RECOMMENDATION

PERIOD OF JULY 1, 2015 TO AUGUST 31, 2016

1. **Tax Issue**

Comment

During our procurement card review of the Assessor's Office, we noted that the Assessor's Office accrued tax on a shipping charge in COMPASS when the shipping charge was listed as a separate line item on the invoice. Per California law, shipping/freight charges are not taxable when the invoice clearly lists shipping or freight as a separate charge. Since the Assessor's Office accrued tax on the shipping charge, the Assessor's Office was not in compliance with California Law.

Recommendation

We recommend the Assessor's Office to not accrue tax on shipping/freight charges in COMPASS when shipping/freight charges are listed as a separate line items on the invoice.

Management's Response

The Assessor's Office agrees with the recommendation and has taken steps to comply.