

# County of San Bernardino

Auditor-Controller/Treasurer/Tax Collector  
Internal Audits Section

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## Land Use Services: CalCard Follow-Up Audit



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# Auditor-Controller/Treasurer/Tax Collector

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**March 3, 2016**

**Tom Hudson, Director**

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**SUBJECT: Land Use Services Cal Card Follow-Up Audit**

In compliance with Article V, Section 6, of the San Bernardino County Charter and County Policy 05-20 entitled Internal Operational Auditing, we have completed a follow-up audit of Land Use Services (Department) CalCard Bidding Compliance Audit for the period of March 1, 2013 through September 17, 2014. The objective of the audit was to determine whether the Department implemented the recommendations contained in the prior audit report. We conducted our audit in accordance with the International Standards for the Professional Practice of Internal Auditing established by the Institute of Internal Auditors.

We have provided a status of the audit finding identified in the original audit report, *Land Use Services Cal Card Bidding Compliance Audit*, issued on January 24, 2013. The recommendations from the original audit report have not been implemented.

We sent a draft report to the Department on November 13, 2015. The Department's response to the current status of our recommendations is included in this report.

We would like to express our appreciation to the personnel at Land Use Services who assisted and cooperated with us during this engagement.

Respectfully submitted,

**Larry Walker**

Auditor-Controller/Treasurer/Tax Collector  
San Bernardino County

By:



**Denise Mejico**  
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## Land Use Services:

### Land Use Services Cal Card Follow-Up Audit

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## Background

The Land Use Services (Department) is dedicated to ensuring a balance in the areas of housing, business, and recreational needs for the diverse cultures and communities of San Bernardino County. This is accomplished through comprehensive regional planning and enforcement of building standards, land uses, and environmental impacts.

The Department uses the CalCard to purchase various goods and services such as office supplies, office equipment, repair services and travel expenses.

## Scope and Objective

Our audit examined the accounting records relating to the Department's CalCard purchases for the period of March 1, 2013 through September 17, 2014. The objective of this follow-up audit was to determine whether the Department implemented the recommendation contained in the prior audit report, *Land Use Services Cal Card Bidding Compliance Audit* issued on January 24, 2013.

## Methodology

In achieving the audit objectives, the following audit procedures were performed, including but not limited to:

- Examining a sample of backup documentation for CalCard purchases.
- Interviewing Department staff regarding CalCard purchases.
- Inquiry of management regarding the communication of policies and procedures to staff members.



### **Prior Finding: Procurement Processes when using CalCards should be improved**

The Department obtained three quotes in 13 of the 63 items reviewed. In the remaining 50 items reviewed, the Department did not obtain three quotes or complete the Non-Competitive Justification Form.

### **Recommendation:**

Management should ensure staff is knowledgeable of County policies necessary to perform their responsibilities, specifically the Procurement Manual and the Procurement Card Program Procedural Manual. In addition, management must monitor staff to ensure adherence to procurement policies and procedures, specifically by obtaining three quotes or completing the mandatory Non-Competitive Justification Form for all CalCard purchases.

### **Current Status: Not Implemented.**

The following conditions were noted during our audit:

- 6 out of 26 transactions tested were not supported by a non-competitive justification or at least three bid quotes.
- 1 out of 26 transactions could not be tested as the Department was unable to locate the supporting documentation.

### **Further Recommendations:**

The Department should ensure LUS staff are aware of the county policies and procedures related to the Procurement Manual and the Procurement Card Program Procedures Manual.

We recommend Management ensure LUS staff obtain at least three bid quotes or complete the mandatory noncompetitive justification form for all CalCard purchases and document the process.

Furthermore, we recommend staff maintain their documentation and ensure the documentation is available upon request as required by the Procurement Card Program Procedures Manual.



### **Management's Response:**

Since the follow-up audit performed on September 11, 2014, the department has implemented the following procedures for Cal Card purchases:

- Regular training sessions are being provided to review County policies and procedures to staff that are responsible for CalCard purchases. The training sessions also include updates, refreshers, and questions that may arise on a regular basis. Binders have been provided to each CalCard holder with the Procurement Card Program Procedures Manual, training highpoints, updates, questions and answers for each training session, and samples of required documentation for purchases.
- All CalCard purchases must have at least three written or verbal quotes before a purchase is made. The department is requiring the use of an internal department form (LVPRCC). This form must be completed and approved before the purchase is made. It includes quotes and bids for purchases and must have documentation to support the quotes. If there are not three quotes available, or there is an appropriate reason for not using the lowest price, the County Justification Form will be properly completed, approved and attached before the purchase.
- Each monthly CalCard packet submitted to ATC includes all copies of appropriate backup documentation and is kept in a fiscal file by month for each fiscal year. These files are readily available upon request.

Staff is aware of the County policies necessary to perform their responsibilities and are following the Procurement Manual and the Procurement Card Program.

### **Auditor's Response:**

The Departments planned actions will correct the deficiencies noted in the finding.