

County of San Bernardino

Auditor-Controller/Treasurer/Tax Collector
Internal Audits Section

Office of the Public Defender: Cal Card Process Follow-Up Audit



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Auditor-Controller/Treasurer/Tax Collector

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June 30, 2016

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SUBJECT: Cal Card Process 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 the Public Defender's (Department) Cal Card Process for the period of January 1, 2015 through March 22, 2016. The objective of the follow-up audit was to determine if the Department implemented the recommendation 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, *Audit of the Public Defender's CalCard Processes*, issued on October 30, 2014. The Department has implemented the recommendation from the original audit report.

We would like to express our appreciation to the personnel at the Public Defender (Department) who assisted and cooperated with us during this engagement.

Respectfully submitted,

Oscar Valdez

Auditor-Controller/Treasurer/Tax Collector
San Bernardino County

By: _____

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Chief Deputy Auditor

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**Office of the Public Defender:
Cal Card Process Follow-Up Audit**

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Scope and Objective

Our audit examined the Cal Card records relating to the Public Defender (Department) Cal Card Process for the period of January 1, 2015 through the first date of fieldwork, which was March 22, 2016.

The objective of this follow-up audit was to determine whether the Department implemented the recommendation contained in the prior audit report, *Audit of the Public Defender's CalCard Processes*, issued on October 30, 2014.

Methodology

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

- Interview of Public Defender staff
- Examination of original source documents
- Testing a sample of Cal Card transactions



Prior Finding: Procurement processes when using CalCards should be improved.

The Procurement Card Manual, dated October 2009, states on page 2, "As with any purchase, at least three (3) competitive quotes should be obtained. A record of the quotes should be maintained by the department." The Procurement Manual states that if quotes are not obtained due to a purchase being noncompetitive, departments should maintain documentation of justification to provide upon request.

We reviewed 32 transactions that exceeded the \$200 threshold established by the Department. The Department was unable to provide any documentation of the quote or documentation of justification for non-competitive procurement for fourteen purchases, though they were able to give verbal justification for noncompetitive procurement for ten of the fourteen purchases. The Department assumed that the cardholder kept either quotes or justifications for noncompetitive procurement and did not monitor staff to ensure adherence to policies. The County risks not obtaining the best value for each dollar expended when Purchasing policies are not followed.

Recommendation:

Management should ensure staff is aware of and follows the Procurement Manual and Procurement Card Manual, specifically by obtaining three quotes for CalCard purchases, as appropriate, or maintaining documentation of justification for non-competitive procurement. In addition, management must monitor staff to ensure continued adherence to these procurement policies and procedures.

Current Status: Implemented

Internal Audits reviewed 30 transactions of the Public Defender Department's Cal Card population from the audit period January 2015 through March 2016. All 30 transactions tested met the requirement of either having 3 quotes for CalCard purchases or documentation of justification for non-competitive procurement.

The Department has created and distributed Cal Card policies and procedures to staff. A procurement card training was held for Public Defender staff utilizing Cal Cards, and new staff is provided with Cal Card training and a Cal Card manual. Additionally, an upper level staff member of the Department is reviewing procurement documentation.