



August 15, 2024

Preston L. Stephens,
 Deputy Finance Director
 Finance Department
 Decatur, GA 30030

RE: Follow-up Report on the Status of Management Actions – P-Card Treasury Audit Report No. IA-2020-003-FN

Dear Mr. Stephens,

As required by DeKalb County, Georgia – Code of Ordinances/Organizational Act Section 10A - Independent Internal Audit (I), the Office of Independent Internal Audit (OIIA) has completed a follow-up of the audit noted above. I have attached OIIA’s report on the status of management actions taken to address the finding contained in the referenced audit report. The conclusions in this follow-up report are limited to the status of the implementation and not the effectiveness of the completed action plans, which may be assessed in a future audit.

Status of Audit Findings

Based on our review of management responses and supporting documentation we concluded that the status of Findings 1 through 6 are as shown in Figure 1 below:

Figure 1 - Status of Management Actions Plans

Finding No.	Report Finding	Status of Management Action Plans August 2024
1	P-Card Policies and Procedures Need to be Strengthened	Open
2	P-Card Purchases Were Not in Compliance with County P-Card Policies	Closed
3	Monthly P-Card Reconciliation Practices Were Not in Compliance with County P-Card Policies and Procedures	Complete Pending OIIA Verification
4	P-Card Administration Documents are not Adequately Stored and Backed Up	Closed
5	The P-Card Administrator Can Obtain an Unauthorized P-Card Without Anyone’s Knowledge	Partially Complete
6	P-Cards for Some Terminated Cardholders Not Canceled in a Timely Manner	Complete Pending OIIA Verification



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Please contact me if you require additional information.

Regards,

Lavois Campbell, CIA, CISA, CFE, CGA-CPA

Chief Audit Executive

Attachment: Audit Findings Status Update Form

cc. Michael L. Thurmond, Chief Executive Officer
Dianne McNabb, Chief Financial Officer – Finance
Robert Patrick, Board of Commissioners District 1
Michelle Long Spears, Board of Commissioners District 2
Steve Bradshaw, Board of Commissioners District 4
Mereda Davis Johnson, Board of Commissioners District 5
Ted Terry, Board of Commissioners District 6
Gloria Gray, Chairperson, Audit Oversight Committee
Adrienne McMillion, Vice-Chairperson, Audit Oversight Committee,
Tanja Christine Boyd-Witherspoon, Pro-Tem, Audit Oversight Committee
Lisa Earls, Audit Oversight Committee
Harold Smith Jr., Audit Oversight Committee
Zachary L. Williams, Chief Operating Officer/Executive Assistant
La'Keitha D. Carlos, CEO's Chief of Staff
Kwasi K. Obeng, Chief of Staff, Board of Commissioners
Cloris Jackson, Purchasing Card Administrator



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Dekalb County Government

Office of Independent Internal Audit

Date: August 15, 2024

Prepared by: A. Pogue

Audit Findings Status Update Form

Status Date	Report #	Report Title	
8/15/24	IA-2020-003-FN	Purchasing Card Program Audit	
Contact Person	Title	Phone No.	Email Address
Cloris Jackson	Purchase Card Administrator	404-371-4935	cojackson@dekalbcountyga.gov
Activity	Accountability	Schedule	
Purchasing Card	Responsible Area	Repeat Finding	Anticipated Completion Date/Date Adjustments will be made
	Treasury	No	Q4 2024
Finding		Finding Detail	
No.	1		
Date	6/3/23		
Finding		P-Card Policies and Procedures Need to be Strengthened	
Recommendations		We recommend that Finance management revise the P-Card policy manual to address the control gaps and deficiencies in the current policy. The revised policy should include, but not be limited to, the recommended revisions highlighted above and outlined in Appendix II of this report.	
Management Response		Finance will update and revise the P-Card Policy Manual to include recommendations outlined in Appendix II with the following comments: "OIIA recommended updates have been made to the P-Card Policy Manual." 1. Under Roles and Responsibilities of P-Card Program Participants, item 3 (DPCR's and designated approvers) states that department management must approve all purchases before they are made. We will add a provision for emergency "field" purchases that will be reviewed as soon as possible after the purchase. 2. Under Roles and Responsibilities of P-Card Program Participants, item 5 (PCA) recommends adding a review of daily reports from Human Resources showing employees who were terminated or transferred. We will work with Human Resources to obtain this if this is a report that is not already processed. 3. Under Restricted Merchant Category Codes (MCC), the recommendation is that we work with BOA to reinstate the automatic blocking of transactions from merchants with MCC's that are less likely to be for business purposes. We will work with BOA to determine the feasibility of this.	
Status Update-12 months		1. Under Roles and Responsibilities of P-Card Program Participants, item 3 (DPCR's and designated approvers) states that department management must approve all purchases before they are made. We will add a provision for emergency "field" purchases that will be reviewed as soon as possible after the purchase. This provision will be added by 08/16/2024. PCA and Finance Management will schedule a meeting with our BOA Client Manager to reinstate the automatic blocking of transactions that are not used for business purposes. We anticipate to complete the meeting & reinstatement by 8/16/2024.	
<input checked="" type="checkbox"/>	Open		
<input type="checkbox"/>	Management/Agency Assumes Risk		
<input type="checkbox"/>	Partially Complete		
<input type="checkbox"/>	Complete Pending Verification by OIIA		
<input type="checkbox"/>	Closed		



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Activity	Accountability	Schedule		
Purchasing Card	Responsible Area	Repeat Finding	Anticipated Completion Date/Date Adjustments will be made	
	Treasury	No	N/A	
Finding		Finding Detail		
No.	2			
Date	6/3/23			
Finding		P-Card Purchases Were Not in Compliance with County P-Card Policies		
Recommendations		<p>We recommend that Finance Management:</p> <ol style="list-style-type: none"> Remind cardholders, Department P-Card Representative (DPCR), and designated approvers (e.g., via email or refresher training) about the County policies regarding allowable purchases, County's exemption from paying Georgia sales tax, and the need to document the business purpose for transactions on the P-Card Transaction Log. Require that the PCA reject and return departmental reconciliation packages that do not include an adequate explanation of County business purpose or supporting documentation for purchases. 		
Management Response		Finance will send monthly reminders via email to cardholders, DPCRs, and designated approvers regarding the use of the Special Request Form, the County's exemption from paying Georgia sales tax, and the need to document the business purpose for transactions on the P-Card Transaction Log.		
Status Update-12 months		<ol style="list-style-type: none"> Monthly reminders are currently being sent via email to the cardholders, DPCR's and designated approvers regarding the use of the Special Request Form, the County's exemption from paying Georgia sales tax, and the need to document the business purpose for transactions on the P-Card Transaction Log. However, as the items improved, the P-Card Administrator sends the reminders less frequently. Moving forward, the PCA will consistently send each of these reminders via email on a monthly basis. The PCA currently rejects and returns departmental reconciliation packages that do not include an adequate explanation of County business purpose or supporting documentation for purchases. Refresher training through the use of a PowerPoint presentation is given in the case of repeated non-compliance to the P-Card policy and the original training course when a new P-Card is granted. 		
<input type="checkbox"/>	Open			
<input type="checkbox"/>	Management/Agency Assumes Risk			
<input type="checkbox"/>	Partially Complete			
<input type="checkbox"/>	Complete Pending Verification by OIIA			
X	Closed			



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Activity	Accountability	Schedule		
Purchasing Card	Responsible Area	Repeat Finding	Anticipated Completion Date/Date Adjustments will be made	
	Treasury	No	N/A	
Finding		Finding Detail		
No.	3			
Date	6/3/23			
Finding		Monthly P-Card Reconciliation Practices Were Not in Compliance with County P-Card Policies and Procedures		
Recommendations		<p>We recommend that the P-Card Administrator remind cardholders, DPCRs, and designated approvers (e.g., via email or additional training) of the key requirements of the monthly reconciliation process, including:</p> <ol style="list-style-type: none"> Information required to be included in monthly reconciliation packages, including itemized receipts, Special Request Forms, and other relevant documentation to support business purposes of purchases. DPCRs and designated approvers should reject and return cardholders' monthly reconciliation packages that do not include all the required information. Transaction logs must be signed by the cardholder and designated approver after the reconciliation package documents have been reviewed for compliance, accuracy, and completeness. The DPCR must review and electronically sign off on <i>all</i> transactions in the BOA Works system before the reconciliation is submitted to the desingated approver or P-Card Administrator to ensure consistency between the BOA statement, transaction log, and supporting documentation. 		
Management Response		<p>Finance will send a monthly recurring reminder via email to DPCRs, designated approvers, and cardholders to address the following requirements of the monthly reconciliation process:</p> <ol style="list-style-type: none"> Information required for the monthly reconciliation package, including itemized receipts, Special Request Forms and other relevant documentation. Monthly reconciliation packages that do not include all the required information and documentation are to be rejected and returned by the DPCRs and designated approvers. Transactions logs are to be signed by the cardholder and designated approver after the reconciliation package documents have been reviewed for compliance, accuracy, and completeness. All transactions in the BOA Works system must be reviewed and electronically signed off by the DCPR before the reconciliation is submitted to the PCA or designated approver. 		
Status Update-12 months		<ol style="list-style-type: none"> P-Card Administrator is currently sending recurring reminders to cardholders, DPCRs, and designated approvers via email of the key requirements and documents to be included in the monthly reconciliation package: transaction log, cardholder cycle report, DPCR checklist, itemized receipts, Special Request Forms and other relevant documentation. The recurring email includes a reminder that monthly reconciliation packages that do not include all the required information and documentation are to be rejected and returned by the DPCRs and designated approvers. The recurring email includes a reminder that transactions logs are to be signed by the cardholder and designated approver after the reconciliation package documents have been reviewed for compliance, accuracy, and completeness. The recurring email includes a reminder that all transactions in the BOA Works system must be reviewed and electronically signed off by the DCPR before the reconciliation is submitted to the PCA or designated approver. 		
<input type="checkbox"/>	Open			
<input type="checkbox"/>	Management/Agency Assumes Risk			
<input type="checkbox"/>	Partially Complete			
<input checked="" type="checkbox"/>	Complete Pending Verification by OIIA			
<input type="checkbox"/>	Closed			



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Activity	Accountability	Schedule	
Purchasing Card	Responsible Area	Repeat Finding	Anticipated Completion Date/Date Adjustments will be made
	Treasury	No	N/A
Finding		Finding Detail	
No.	4		
Date	6/3/23		
Finding		P-Card Administration Documents are not Adequately Stored and Backed up	
Recommendations		We recommend that Finance management immediately discontinue the practice of storing P-Card administration files on the local hard drive and transfer all existing P-Card administration documents, for at least the last seven years, to a cloud-based network folder for storage and backup by the Department of Innovation and Technology (DoIT).	
Management Response		<ol style="list-style-type: none"> Finance will work with the Department of Innovation and Technology (DoIT) to transfer administration files to a cloud-based secure network folder for 2023 forward. Finance will work with DoIT to transfer electronic administration files prior to 2023 (which are located in Microsoft Outlook in the form of e-mail links) to a cloud-based network folder or shared file. Finance will store any administration files for the period 2016 - 2022 which are not electronic in accordance with archiving policies. 	
Status Update-12 months		The practice of storing P-Card Administration files on the local hard drive has been discontinued.	
<input type="checkbox"/>	Open	1. Beginning with Year 2023 and going forward, P-card Administration files are being placed on the Finance shared SharePoint library.	
<input type="checkbox"/>	Management/Agency Assumes Risk	2. IT ticket has been, assigned for resolution.	
<input type="checkbox"/>	Partially Complete	3. Non-electronic files (paper files) for period 2016 - 2022 are being stored according to archiving policies. PCA files are securely stored in a locked file within the Director of Finance Office. Each of the County's departments maintain files with the original P-Card documents within its department for a period of at least 7 years.	
<input type="checkbox"/>	Complete Pending Verification by OIIA		
<input checked="" type="checkbox"/>	Closed		



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Purchasing Card	Responsible Area	Repeat Finding	Anticipated Completion Date/Date Adjustments will be made
	Treasury	No	Q4 2024
Finding		Finding Detail	
No.	5		
Date	6/3/23		
Finding		The P-Card Administrator Can Obtain an Unauthorized P-Card Without Anyone's Knowledge	
Recommendations		<p>We recommend that Finance management implement procedures requiring:</p> <ol style="list-style-type: none"> The appointment and cross-training of a backup PCA A supervisory or higher individual should periodically review the BOA Works application report of recently issued P-Cards, and supporting documents, to verify that the new cardholders are authorized County employees. In addition, management should periodically analyze P-Card activity reports, including but not limited to total and average transaction count and dollar amounts by department, cardholder, and merchant categories. This analysis will facilitate management decisions and may identify unusual spending patterns for further investigation. 	
Management Response		<ol style="list-style-type: none"> Finance will designate and train an employee to be a backup PCA. Finance will obtain and maintain monthly reports from BOA Works of recently issued P-Cards, which will be reviewed by management to ensure that new cardholders are authorized County employees. This review will be documented on the monthly report. Finance will periodically analyze P-Card activity reports by department, cardholder, and merchant categories to facilitate management decisions and, possibly, identify unusual spending patterns. These analyses shall be documented and maintained. 	
Status Update-12 months			
	Open	1. Finance will designate and train an employee to be a backup PCA. (A backup PCA has been identified from the Finance Compliance Division who will provide redundancy and backup of P-Card Program when required). Training began 7/17/24.	
	Management/Agency Assumes Risk	2. Finance is obtaining and maintaining monthly reports from BOA Works of recently issued P-Cards, which will be reviewed by management to ensure that new cardholders are authorized County employees. This review will be documented on the monthly report. This reporting has been on-going since 01/01/2024.	
X	Partially Complete	3. Finance will periodically analyze P-Card activity reports by department, cardholder, and merchant categories to facilitate management decisions and, possibly, identify unusual spending patterns. These analyses shall be documented and maintained. Finance Compliance Division began conducting Risk & Variance analyses on P-Card activity reports on 8/16/24.	
	Complete Pending Verification by OIIA		
	Closed		



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	Treasury	No	N/A	
Finding		Finding Detail		
No.	6			
Date	6/3/23			
Finding	P-Cards for Some Terminated Cardholders Not Canceled in a Timely Manner			
Recommendations	<p>We recommend that Finance management implement procedures requiring:</p> <ol style="list-style-type: none"> The PCA to regularly obtain the County-wide employee termination and transfer report from the Human Resources Department. The PCA should review this report to verify that P-Cards have been cancelled for terminated or transferred cardholders. The DPCRs should notify the PCA of any planned cardholder termination or transfer. The cancellation of P-Cards, by the effective date of the termination or transfer or no later than 24 hours after the cardholder was terminated or transferred. 			
Management Response	<ol style="list-style-type: none"> Finance will continue to work with Human Resources to obtain countywide employee termination and transfer reports. These reports will be reviewed by the PCA to ensure that P- Cards have been canceled for terminated or transferred cardholders. Reports with terminated or transferred cardholders will be notated along with date of P-Card cancellation and maintained on file. Finance will require DPCRs to notify the PCA of any planned cardholder termination or transfer. This notification will work with the Human Resources reports to alert the PCA of a pending termination or transfer. Finance will continue to cancel P-Cards within 24 hours of notification of termination or transfer. 			
Status Update-12 months		<ol style="list-style-type: none"> PCA is receiving a daily automated emailed report from Human Resources (Report name: New Hires, Transfers and Terminations). The PCA is reviewing this report on a daily basis to ensure the P-Card have been canceled for any terminated or transferred cardholders. PCA will begin to notate with the date of P-Card cancellation and maintain on file. DPCRs are currently notifying the PCA of any terminations and transfers. Terminated or transferred P-cardholders are currently being canceled within 24 hours of notification or termination/transfer date. 		
<input type="checkbox"/>	Open			
<input type="checkbox"/>	Management/Agency Assumes Risk			
<input type="checkbox"/>	Partially Complete			
<input checked="" type="checkbox"/>	Complete Pending Verification by OIIA			
<input type="checkbox"/>	Closed			