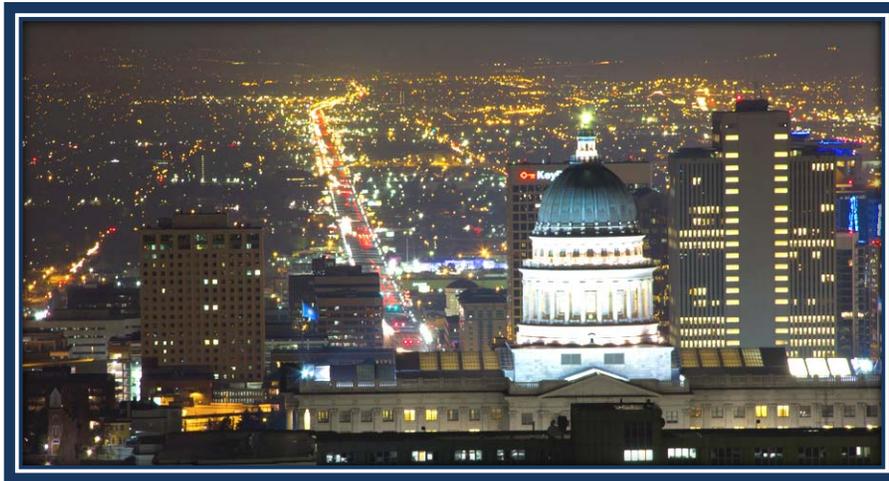


An Audit of Salt Lake County Proprietary Card Use



Report Number 2015-02

August 2015



Office of the
Salt Lake County Auditor

Executive Summary

In 2014, Salt Lake County (County) employees spent a total of \$187,539 at membership warehouse stores, such as Costco and Sam’s Club, and other retail stores using proprietary charge cards (proprietary cards). Proprietary cards used by County agencies include Costco, Sam’s Club, The Home Depot, Kroger/Smith’s Grocery, Lowe’s Home Improvement Warehouse, and Hobby Lobby. We recently completed a countywide audit of proprietary card authorization and use. Our work included an analysis of proprietary card transactions in 2014, and a review of the policies and procedures County entities are required to follow for obtaining and using proprietary cards.

Authorization and Use of County Proprietary Cards Needs More Oversight and Better Internal Controls

Although we did not find widespread misuse of proprietary cards during our audit, we discovered that the County does not have accurate records of all County entities currently using these types of cards. Without accurate records of all County agencies using proprietary cards, the County is exposed to the risk of making payments on unauthorized cards, or on accounts that should have been closed or deactivated. In our report, we identify several key findings where better internal controls are needed to improve accountability for proprietary card use.

We also found very little oversight over the authorization process for obtaining a proprietary card for County use. Based on our findings, we concluded that individual County agencies are essentially left on their own to comply with **Countywide Policies** with regard to the authorization and use of proprietary cards for small cost purchases. In our report, we identify findings, and recommend actions to improve operations, ensure greater accountability, and better safeguard County funds. Some of our significant findings include:

- **The Contracts and Procurement Division did not have accurate records of proprietary cards currently in use throughout the County.**
- **County agencies circumvented the policies and procedures for obtaining proprietary cards.**
- **Proprietary card rebates were not tracked accurately.**
- **Overpayments and duplicate payments were made on some accounts and were not corrected in a timely manner.**
- **Concessions and merchandise inventory purchased with proprietary cards was not accounted for properly.**
- **The County was not reimbursed for sales tax paid on some purchases and warehouse club memberships.**

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Introduction

Small cost purchasing policies allow County agencies to purchase goods and services on an expedited basis, without major involvement of the Division of Contracts and Procurement (Contracts and Procurement). By delegating these procedures to County agencies, the process of purchasing small cost items is more convenient for the agencies, reduces acquisition costs for the County, and provides a method for vendors to be paid more quickly.

One method of making small cost purchases is through the use of a proprietary card. Unlike purchasing cards (P-cards), which are issued through financial institutions, proprietary cards are issued by proprietors such as Sam's Club, The Home Depot, and Costco. Typically, a proprietary card can only be used for purchases made at the proprietary establishment that issued the card. However, industry trends indicate that more proprietary cards are now issued as major brand credit cards, such as VISA or MasterCard, which may be used at any vendor that accepts major credit cards. Examples of this include the Sam's Club MasterCard, or the Costco VISA card.



Inadequate internal controls over the use of proprietary cards increases the risk of abuse of public funds.

Despite the benefits of using proprietary cards for small cost purchases, there are risks that come with widespread use of these types of charge cards. Without adequate internal controls over the authorization and use of proprietary cards, the County is at risk if County agencies disregard **Countywide Policies** intended to prevent fraud, waste, and abuse. In addition, the County could be at risk for payment for unauthorized purchases and misuse of County funds.

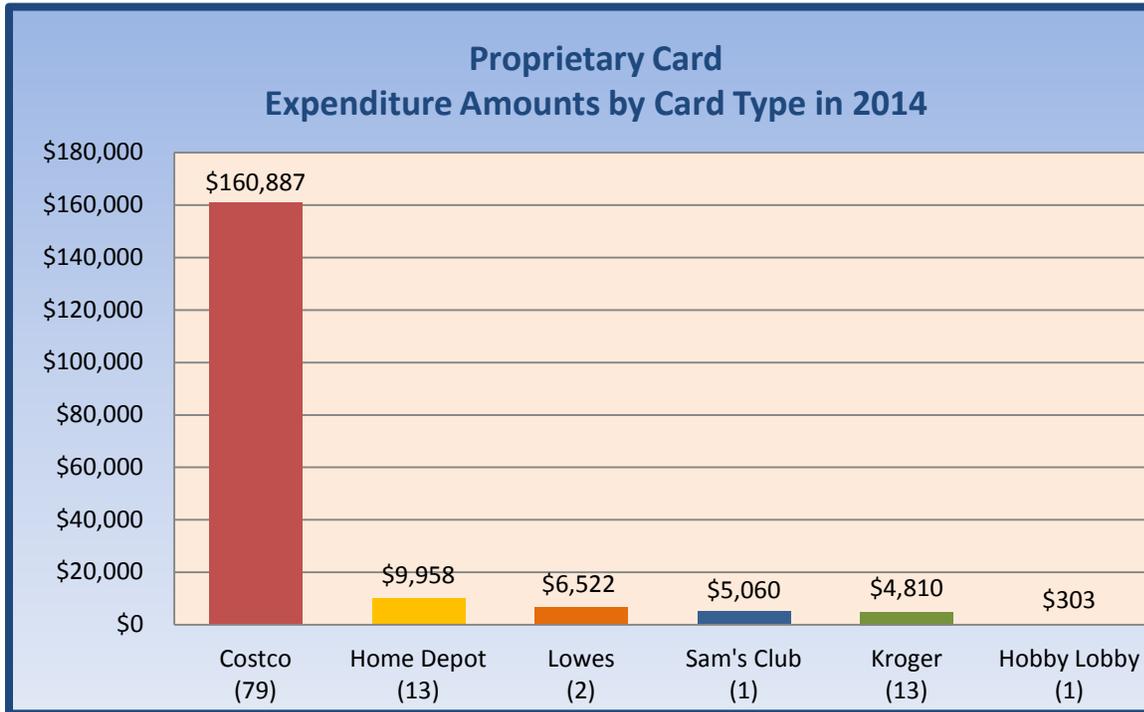
Between 2000 and 2007, individual County agencies initiated and perpetuated proprietary card use in Salt Lake County. County management likes the convenience of using these types of cards to purchase routine items in bulk for low cost. Typical proprietary card purchases include snacks and candy in Parks and Recreation, coffee and coffee creamer in Adult and Aging Services, and building supplies in Facilities Management Services and Youth Services.

Some County managers view proprietary cards as more secure than P-cards, since proprietary cards typically are restricted for use at a single establishment or store chain. This security feature allows for greater comfort in distributing the card among several employees. A perceived risk is thereby avoided from wide distribution of P-cards with their near universal use and acceptance.

Surprised by the proliferation of proprietary cards throughout the County, Contracts and Procurement stated that their preference is for P-card use over proprietary cards. Contracts and Procurement has electronic control over P-cards, and they see additional financial advantages, like bank rebates, for instance, when County agencies use P-cards instead of proprietary cards.

Currently, nine County divisions hold a total of 109 proprietary cards, many of them transferrable among several employees. Total proprietary card expenditures countywide in 2014 were \$187,539. Figure 1, shows the number of each type of proprietary card and the total expenditures by card type in 2014.

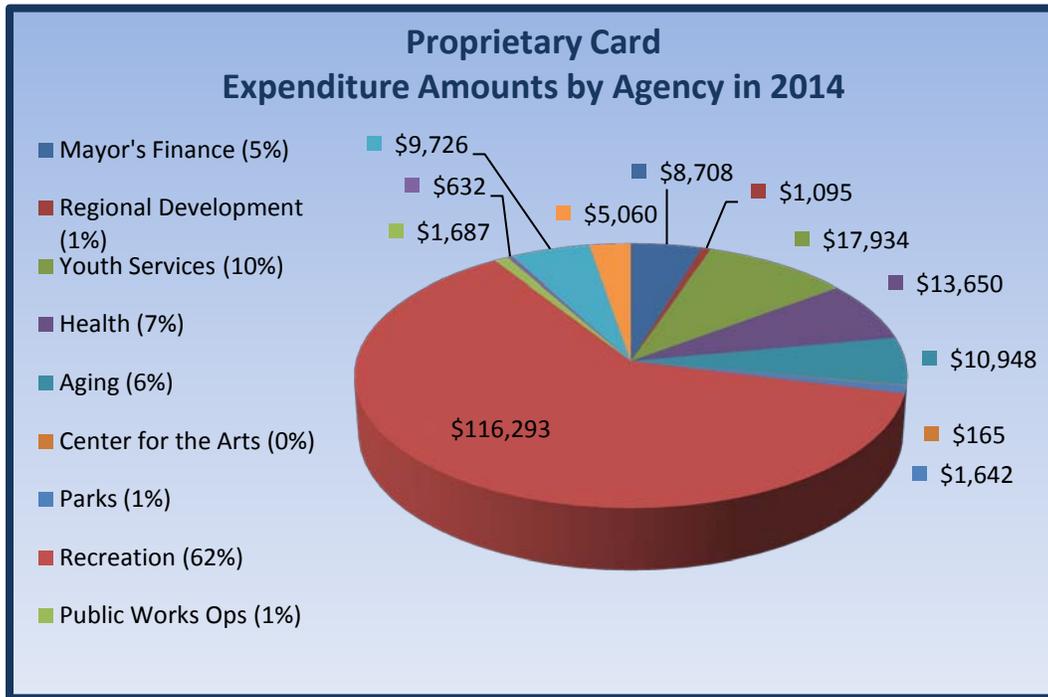
Figure 1: Of the six types of proprietary cards used, the highest expenditures related to the Costco cards.



Out of the 109 proprietary cards County agencies have, 86 are warehouse club membership cards, primarily at Costco, which require payment of an annual membership fee of \$55. During our analysis, some County employees admitted using their County Costco membership cards to gain access to Costco stores for personal purchases, but claimed that they paid for items that they purchased using their own funds. **Countywide Policy** does not prohibit using County Costco membership cards for personal purchases; though as a general rule, most County employees view this practice as unacceptable.

The County Parks and Recreation Division (Parks and Recreation) had the highest amount of proprietary card expenditures of any County agency in 2014. Parks and Recreation's expenditures compared to other County divisions are illustrated in Figure 2.

Figure 2: Parks and Recreation accounted for 63% of all proprietary card expenditures in 2014.



In 2010, **Countywide Policy #7036, "Charge Cards/Proprietary,"** was passed and implemented. Generally, during our review, we found that **Countywide Policies** intended to govern proprietary card issuance and use, lagged behind actual initiation and use of these types of cards by County agencies.

Audit Scope and Objectives

Our audit scope included an analysis of proprietary card transactions Countywide for 2014. We also compiled a list of all proprietary cards currently in use at the County. Our audit objectives were as follows:

Objective 1: To determine if County entities comply with Countywide Policy #7036, “Charge Cards/Proprietary,” when they apply for, and make purchases using proprietary cards.

Objective 2: To determine if internal controls over the use of proprietary cards are adequate, improve accountability, and reduce the risk of County employees using proprietary cards for personal use.

To accomplish our objectives, we examined proprietary card transactions for all cards currently in use by County entities, based on accounts payable information. We reviewed all 1,446 receipts from proprietary card transactions in 2014, and interviewed County managers to determine if current practices were in compliance with **Countywide Policies**. We compared receipts to proprietary card statements. We then compared statements to actual payments recorded in PeopleSoft. We also verified a sample of items purchased with proprietary cards, to determine if they were actually on-site and accounted for properly.

Authorization and Use of County Proprietary Cards Needs More Oversight and Better Internal Controls

We concluded that the County's processes for the authorization and use of proprietary cards needs more management oversight and better record keeping procedures to address the risk that proprietary cards could be misused by County employees. Specifically, we found that Contracts and Procurement lacked any type of list of proprietary cards currently in use throughout the County, and had very few records of actually authorizing any of the 109 cards that County entities are currently using.

When pressed for an explanation, Contracts and Procurement management stated that the Division lacks adequate resources to properly track countywide proprietary card authorization and use. During our audit, we were able to produce an accurate listing of current proprietary cardholders, and we have supplied this list to Contracts and Procurement for their reference.

County agencies generally complied with provisions of **Countywide Policy #7036, "Charge Cards/Proprietary"** except for the requirement that they process proprietary card applications through the Contracts and Procurement Division. Though we found Contracts and Procurement approval on some applications, in most cases evidence indicated substantial noncompliance with this step. Minor exceptions occurred in other areas, as detailed in this report.

From our review of receipts, we found no unusual items that could indicate purchases for personal use. All purchases were of the type typically made by the agency. Due to the volume and consumption of many goods purchased, we could not verify that all purchases were used in agency operations as intended, and that employees did not divert any items to personal use; though we found no evidence to indicate otherwise. All agencies implemented procedures for transactional review by a supervisor or second employee, and all payments to proprietary card companies were supported by receipts.

Finding 1 The Contracts and Procurement Division did not have accurate records of proprietary cards currently in use throughout the County.

Contracts and Procurement maintains a list and monitors the use of P-cards, but we found that they do not do this to the same degree for proprietary cards. Whereas P-card transaction information and account status are received electronically from the bank, there is no similar process for proprietary card transactions. Contracts and Procurement management stated that County agencies typically do not report to them when they acquire a proprietary card or its intended use. They also stated that they rely on self-reporting from County agencies, and that they lack the resources to create and maintain a list of all of the proprietary cards currently in use throughout the County.

Countywide Policy #7036, “Charge Cards/Proprietary,” does not require Contracts and Procurement to keep a list of current proprietary cards that are in use throughout the County. However, creating and maintaining such a list provides an effective monitoring and management tool as a matter of a good standard business practice. A list of all current proprietary cards would aid the Contracts and Procurement Division by enabling management to review, understand the scope of, and follow-up, as needed, on proprietary card issuance.

Maintaining accurate records of proprietary cards is a good standard business practice.

County Ordinance, § 3.16.30 states,

“The director of the division of contracts and procurement shall be the purchasing agent for the County.”

In light of the usefulness of a proprietary card list and to facilitate our audit work, we compiled a countywide proprietary card list from names as they appeared on individual cards. To create this list, we made inquiries of County personnel, reviewed payments to proprietary companies in 2014, and examined actual cards on-site. We derived payments to the card companies from PeopleSoft and identified payments by specific County division to which they applied. This list, with names redacted, is shown as Appendix A.

Recommendation

We recommend that Contracts and Procurement update and maintain an accurate list of all authorized proprietary card accounts throughout the County, and require each County entity to provide an annual report of:

- **The current number of active proprietary cards and the card issuers**
- **The names and contact information of all current proprietary cardholders**

Finding 2 County agencies circumvented the policies and procedures for obtaining proprietary cards.

Countywide Policy #7036, “Charge Cards/Proprietary,” Section 1.2 states,

“The [proprietary card] application or agreement must be reviewed by the purchasing agent or designee and approved for specific types of purchases. A letter from the division director of the requesting division must accompany the application stating the intended use of the card and the requested monthly credit limit.”

During our audit, we found that there were 109 active proprietary cards in use throughout the County. Out of those 109 cards, we found only nine applications for authorization on file with Contracts and Procurement. A letter written by Contracts and Procurement referenced approving 11 additional proprietary card applications. However, copies of the actual proprietary card applications were not on file. As we visited County agencies, we examined their proprietary card documentation and found three other applications, which were approved by Contracts and Procurement, but Contracts and Procurement did not keep a copy of the applications for their records.

Countywide Policy also requires that the agency requesting authorization to obtain a proprietary card, submit a letter to the County Purchasing Agent, stating the intended use of the card. Throughout our audit, we found only three letters of intended use from County division directors that had been submitted to Contracts and Procurement out of the nine County divisions that use proprietary cards. These three divisions were the Division of Youth Services, the Division of Public Works Operations, and the Division of Human Resources.

Without approval of applications by Contracts and Procurement, policy requirements are circumvented and county management lacks the necessary internal controls to properly monitor proprietary card use. Therefore, purchases could be made that do not fit within the agency’s intended use with cards that were never approved by Contracts and Procurement.

Many of the proprietary card accounts we reviewed were acquired prior to the implementation of **Countywide Policy #7036** in 2010. Therefore, the Contracts and Procurement application review and approval process was not in place when these cards were acquired. Nevertheless, by signing a proprietary card agreement, County agencies entered into a contract, which warranted at least a review by Contracts and Procurement. Contracts and Procurement management stated that County agencies were probably not aware of the application and approval process in **Countywide Policy #7036**, and may have bypassed the county policy unintentionally.

Recommendations

- 1. We recommend that Contracts and Procurement contact all County entities that have not yet submitted a letter of intended proprietary card use, and ask that they submit one as soon as possible.**
- 2. We recommend that Contracts and Procurement review and approve all new proprietary card applications and keep documentation on file as proof of proper authorization.**

Finding 3 Proprietary card rebates were not tracked accurately.

Costco Executive Membership cardholders are eligible for an annual 2% rebate on purchases. We determined that the Division of Youth Services, Parks and Recreation, and the Health Department have Costco Executive Membership accounts. Costco rebates to the County in 2014 totaled \$2,694. The JL Sorenson Recreation Center received the largest rebate at \$321.00, and the Holladay-Lions Recreation Center received the smallest rebate at \$18.00.

Each year, Costco mails a rebate certificate to the cardholder, attached to the annual membership renewal. Cardholders are able to redeem the rebate certificate at a Costco location. Rebates may be used to cover the cost of the annual membership renewal fee, or to make store purchases. Any excess rebate is returned to the cardholder in the form of cash.

While reviewing the Costco proprietary card accounts in Parks and Recreation, we discovered that 16 of the 18 recreation centers received Costco rebate certificates. It is standard practice in most of the recreation centers to make a photocopy of the rebate certificate when it is received. The rebate is not recorded as a bank deposit; rebate certificates still represent revenue that needs recording and tracking as a matter of standard business practice. Where Costco rebates are concerned, a photocopied rebate certificate on file serves this purpose. Youth Services, the Health Department, and 5 of the 16 recreation centers we visited did not have a photocopy of any rebate certificates on file, for auditing purposes.

All managers were not aware of the need or utility in filing photocopied rebate certificates. Without a photocopy, a rebate certificate could be redeemed for personal purchases, and any excess change pocketed without any audit trail to recognize theft.

Recommendation

We recommend that all County agencies that receive proprietary card rebates keep adequate documentation of the rebates on file, and record how the rebates were spent.

Finding 4 Overpayments and duplicate payments were made on some accounts and were not corrected in a timely manner.

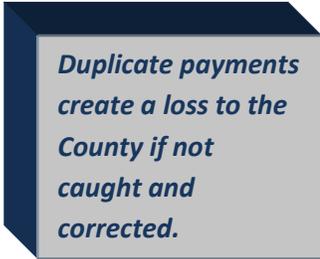
A Duplicate Payment on a Proprietary Account Went Undetected

In our audit, we reviewed all 393 of the County's payments made to proprietary card companies in 2014. We also examined all 1,446 receipts corresponding to these payments that proprietary cardholders received from their purchases. In comparing receipts and payments, we found a \$60.45 duplicate payment to Costco related to a purchase at Old Mill Golf Course.

Standard business practice requires adequate attention to payment processing to avoid paying the same bill twice. Sometimes an invoice re-sent to the Mayor's Financial Operations results in a second payment. Duplicate payments create a loss to the County if not caught and corrected.

Two overpayments were not corrected for over a year

We reviewed all 319 payments to Costco in 2014 and found overpayments in two instances, one for \$119, at Redwood Recreation Center, and another one for \$431.71 at Health Administration. The \$119 was a reversal and refund on a receipt where sales tax was paid. The correct amount without sales tax was then paid, but both amounts were captured and sent to Mayor's Financial Operations for payment. This overpayment was perpetuated throughout the year and not corrected in 2014.



Duplicate payments create a loss to the County if not caught and corrected.

For the \$433.71 overpayment, the Health Department's January 26, 2014 Costco bank statement had a beginning balance that was subsequently overpaid by two checks. The amount of overpayment was \$431.42 at the beginning of 2014. However, throughout 2014 the following activity went unresolved, which increased the amount of the overpayment: seven late fees totaling \$117.38, three unpaid charges without a receipt, \$68.80, \$47.45, and \$36.31, and two credit memos not used against payments for \$10.69 and \$261.54 from returned merchandise. The total of these twelve transactions increased the overpaid balance by \$2.29 at the end of 2014, ($-\$431.42 + \$117.38 + \$68.80 + \$47.45 + \$36.31 - \$10.69 - \$261.54 = \433.71).

The practice of reconciling the Costco statements within the Health Department requires that items left unpaid, such as late fees, are either negotiated off the Costco statement or paid and the credits for returned merchandise are applied before making the monthly payment.

Standard business practice requires that personnel reconcile receipt and statement amounts to provide for an accurate remittance. For the \$119 overpayment at Redwood, proper attention was not paid to the refunded receipt in processing it for payment. The Costco

statement showed the negative amount from the refunded receipt. Personnel missed detail of the statement balance that continued to be \$119 less each month throughout the year from the amount actually paid.

Recommendation

We recommend that all County agencies that use proprietary cards adjust remittances to card companies for the amount of any duplicate payments or overpayments as soon as they are discovered.

Finding 5 Concessions and merchandise inventory purchased with proprietary cards was not accounted for properly.

Though not required in Countywide or agency policy, Parks and Recreation maintains a useful practice of keeping an inventory of its Costco snacks and candy purchases used in stocking vending machines and concessions operations. In addition, Wheeler Farm purchases snacks and candy for resale in its seasonal store. We estimate that Costco vending machine snacks, concessions, store snacks, and candy purchases in 2014 totaled approximately \$86,000.

Of the 18 recreation centers we reviewed, Holladay Lions, Magna, Copperview, and the County Ice Center maintained effective inventory tracking systems that included purchases and sales to arrive at an expected ending inventory count. The other 14 centers attempted to track their inventory but lacked the necessary data or sound internal system logic.

The following steps mark an effective inventory management system:

Beginning inventory count of items on hand

Add

Purchases (Purchases should reference a Costco receipt date and dollar amount)

Minus

Sales (From a vending machine, take the last count of items minus the current count)

Equals

Ending inventory (This should agree to the current count)

The ending inventory then becomes the beginning inventory for the next month or the next inventory count cycle. A store inventory follows similar logic, though sales are more difficult to track unless a perpetual inventory system is in place where individual items automatically deduct from inventory upon sale. Currently, the Wheeler Farm store does not have such a system in place. Without a perpetual inventory system, total sales per cash register receipts can provide a best estimate for the calculation in arriving at the count of items that should be on hand.

Without an effective inventory system, concessions inventory items like snacks, soft drinks, and candy could easily be stolen without being detected.

Recommendation

We recommend that all County agencies keep an accurate inventory of concessions and store merchandise, purchased with proprietary cards, to ensure greater accountability and improve economy of operations.

Finding 6 The County was not reimbursed for sales tax paid on some proprietary card purchases and warehouse club memberships.

When making purchases at Costco, words similar to “tax exempt” are embossed on the card to alert the cashier of the County’s sales tax exempt status. **Countywide Policy #7036, “Charge Cards/Proprietary,”** Section 3.0 discusses disallowance of sales tax on purchases as follows:

“Sales tax is not an allowable purchase. If sales tax is paid, the cardholder is responsible for getting a refund from the vendor in the form of a credit back to the charge card or personally reimbursing the County.”

In reviewing annual Costco membership fees, we observed that sales tax was charged on all membership fees. Total sales tax paid on Costco membership fees in 2014 was \$310. An additional \$62 in sales tax on other purchases was also paid.

Management stated their belief that sales tax encoded in Costco corporate software might require significant effort to delete due to the bureaucracy involved. This fee appears on the standard membership renewal form. At least one County manager we talked with stated that he asked Costco to remove the sales tax on membership fees, to no avail.

For sales tax paid on individual purchases, County employees forgot to alert the cashier to the County’s tax exempt status or to review the receipt for sales tax. When an employee does not alert the cashier when making tax exempt purchases, the County unnecessarily pays sales tax on those purchases.

Recommendations

- 1. We recommend that Contracts and Procurement contact Costco to determine if sales tax charges can be removed from County Costco membership renewals. If not, Contracts and Procurement should recommend changes to Countywide Policy that accurately reflects what proprietary cardholders are responsible for when payment of sales tax is unavoidable.**
- 2. We recommend that Contracts and Procurement ensure that all new proprietary cardholders receive training materials on allowable purchases under Countywide Policy, whenever a new proprietary card application is authorized.**

Finding 7 Controlled assets and small equipment items purchased with proprietary cards were not accounted for properly.

Some Small Equipment Purchases Were Not Tracked as Controlled Assets

Countywide Policy #1125, “Safeguarding Property/Assets,” Section 2.2.2 lists one of the property manager’s duties as follows: “Accounting for all controlled assets within the organization’s operational and/or physical custody...”

In addition, **Policy #1125**, Section 4.3 states:

“The Property Manager shall maintain records to manage controlled assets...”

In our review of all 1,446 proprietary card receipts from 2014, we noted 48 equipment purchases with a cost greater than \$100 that could be considered as controlled assets. Of these 48 items, 24 were not tracked as controlled assets and included on the controlled asset list. The number of items by agency and the types of purchases not tracked as controlled asset are shown in Table 1.

Table 1: Some controlled assets purchased with proprietary cards were not listed on controlled asset records.

County Agencies with Proprietary Card Purchases > \$100 Not Tracked as Controlled Assets		
Location	Number of Items	Type of Items
Youth Services	2	Vacuum Cleaners
Facility Services	5	Drills, Tool Set, and wet/dry vacuum
Health Administration	15	3 TVs, camera, safe, picnic tables, wire racks
Fairmont Aquatic Center	2	Heat Disk
Total Number of Items	24	

The monitoring of these items was overlooked since most proprietary card purchases are not considered controlled assets. When controlled assets are not listed and monitored, they could more easily become missing or stolen.

Three Small Equipment Purchases Could Not be Located

As part of our work, we searched for a judgmental sample of 116 equipment purchases made with proprietary cards in 2014. Of the 116 pieces, we found all but three items on-site. These three items were Youth Services vacuum cleaners.

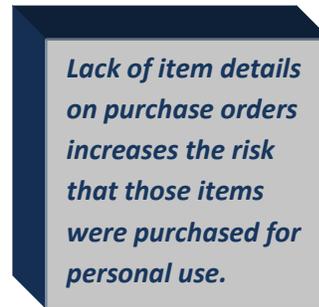
Management stated that residents of Youth Services facilities vacuum the carpets as ongoing household duties. They further stated that vacuum cleaners have a limited life and are then discarded due to residents' rough treatment of them. Management thought that perhaps these vacuum cleaners, even though purchased last year, met this same fate and were no longer of use.

Standard business practice requires monitoring of purchases, especially equipment. Equipment that is not monitored is easily stolen.

Two Equipment Purchases Did Not Correlate With Items Listed on Purchase Orders

We observed different types of methodologies, procedures, and documentation at each County division for processing and approving proprietary card purchases. To process its purchases, the Youth Services Division used an internally formatted and generated form titled a "purchase order." A supervisor and the person requesting the purchase electronically signed the purchase order. Though not a written policy, this practice formed the basis for purchasing at Youth Services.

As we reviewed this practice, we found two equipment purchases in Youth Services, a \$189 drill and a \$66 microwave oven, which did not correlate to the purchase order descriptions. The receipt for the drill, which included other items, corresponded to purchase orders that listed "sprinkler parts, ant and bug killer, and vacuums." The Lowes receipt that included the microwave, and other items, matched a purchase order that listed "ceiling tiles, fan and barstools."



Lack of item details on purchase orders increases the risk that those items were purchased for personal use.

Lowes receipts typically included many small items for building repairs, such as paint and paint brushes. Ordinarily, purchase orders included items by category without detailing each piece. But in this case, the two items were dissimilar enough that their listing warranted inclusion on the purchase order.

Without adequate purchase detail for the person reviewing and signing the purchase order, especially for large dollar items, purchases made for personal use could occur without being detected. In these two cases, we located on-site the drill and microwave oven.

Recommendation

We recommend that all County agencies comply with *Countywide Policy* with regard to tracking and accounting for small equipment purchases made with proprietary cards.

Finding 8 A set of proprietary cards was missing in Health Department Administration.

When reviewing proprietary cards held at the Health Department Administration Office, the purchasing coordinator reported that a set (membership and credit card) of the Costco cards were missing. She had searched and reviewed the sign out logs but was unable to determine where they had gone.

Countywide Policy #7036, “Charge Cards/Proprietary,” Section 2.3 states:

“Cards may also be issued in the name of the division. In these cases, the division director or their designee is responsible for the proper usage and safeguarding of the card and is also responsible for any delegation of use of the card.”

When proprietary cards are missing, and management fails to cancel the cards, there is a risk that those missing cards could be misused, and County funds used to pay for non-business purchases.

Recommendation

We recommend that Health Department Administration cancel the missing Costco membership cards immediately, and notify Contracts and Procurement so that their records can be updated.

Finding 9 A proprietary cardholder transferred to another County agency, but kept the same proprietary card issued to the original entity.

A County employee with a Costco membership card issued to one County entity kept the card and took it to another County entity, when he transferred employment within the same division. Since the entities within this division are billed on separate monthly statements, this card should have been turned in to the original entity, so that it could either be destroyed or reissued to the employee's replacement. **Countywide Policies** require that divisions are responsible for tracking and safeguarding proprietary cards in their possession.

When a membership card is used at one County entity but billed to another, accounting is incorrect and card usage is not properly monitored.

Recommendation

We recommend that all County agencies that have issued a proprietary card to an employee make it a standard practice to take possession of the employee's card when the employee leaves the agency.

Finding 10 Health Department proprietary card spending exceeded internal policy limits in some cases.

In a review of an email stating intent of Costco purchases for the Health Department we noted the following guidelines: *“The card is intended for small cost items similar to petty cash. The limit is now \$200.”*

Thirteen out of 100 receipts exceeded this limit. Nine of the thirteen were receipts less than \$500 and the remaining four receipts were as follows: \$749.95, \$779.94, \$794.97, and \$924.98.

When spending exceeds established guidelines, management loses control over its intended practices for operational integrity. Cardholders were not always aware of this guideline since it was in the letter of intent (an email being retained) and not widely disseminated.



Thirteen out of 100 purchases made by the Health Department exceeded the established limit.

Recommendation

We recommend that Health Department management ensure that spending limit policies are communicated to all new proprietary cardholders, and that cardholders are held accountable for staying under the limit on all proprietary card purchases.

Proprietary Cards and Amount Spent in 2014

Number of Cards used by Type								Total Spent 2014
	MC	Costco	Home Depot	Sam's Club	Lowes	Smith's	Hobby Lobby	
Recreation	46	44	0	0	0	0	0	\$116,293
Youth Services	2	2	3	0	2	3	1	\$17,934
Health Department	6	6	0	0	0	7	0	\$13,650
Adult & Aging Services	9	10	0	0	0	0	0	\$10,948
Facility Services	6	4	10	0	0	0	0	\$9,725
Mayor's Finance	3	3	0	0	0	3	0	\$8,708
Criminal Justice Services	1	0	0	1	0	0	0	\$5,060
Public Works Operations	3	5	0	0	0	0	0	\$1,687
Parks Administration	1	1	0	0	0	0	0	\$1,642
Regional Development	2	1	0	0	0	0	0	\$1,095
Human Resources	2	3	0	0	0	0	0	\$632
Center for the Arts	6	0	0	0	0	0	0	\$165
TOTALS	87	79	13	1	2	13	1	\$187,539

Key:

MC = Membership Cards = 83 are Costco and 4 are Sam's Club

List Compiled by the Salt Lake County Auditor's Office, Audit Division

Meals and Use of Meal Reimbursement Forms in 2014

	# of Meals	Meals without Meal Reimbursement Form
JL Sorenson Recreation	2	2
Wheeler Farm	0	0
Dimple Dell Recreation	1	1
Holladay-Lions Recreation	0	0
Taylorsville Recreation	0	0
Sports Office	7	0
Redwood Recreation	11	6
Old Mill Golf Course	0	0
Recreation Admin	10	0
Youth Services	25	0
Facilities Services	1	1
Sandy Senior Center	0	0
Sunday Anderson Senior	3	0
Regional Development	5	2
Central City Recreation	0	0
Copperview Recreation & Adaptive	0	0
Co. Ice Center	0	0
Kearns Recreation Center	1	1
Magna Recreation Center	0	0
Sorenson Unity Center	0	0
Mayor's Finance	27	0
Human Resources	5	0
Public Works Operations	7	0
Health Administration	63	0
Northwest Recreation	1	1
Marv Jenson Recreation	2	2
Gene Fullmer Recreation	1	1
Fairmont Aquatic Center	0	0
SLC Sports Complex	1	1
Parks Admin/Operations	5	0
Criminal Justice Services	45	0
Center for the Arts	2	0
Aging Services Admin	7	0
Friendly Senior Center	4	0
Midvale Senior Center	0	0
Mt. Olympus Senior Center	2	0
Draper Senior Center	3	0
Liberty Senior Center	0	0
TOTALS	241	18

Appendix B
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