



**TO:** Mitzi Merino, Area 5 Superintendent  
**FROM:** Stephen Carr, Director, Office of Internal Audit *WSC*  
**DATE:** March 25, 2014  
**RE:** Garfield Elementary School – Purchase Card Audit

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Our office conducted an audit of the Garfield Elementary School Purchase Card for the period July 16, 2012 through March 28, 2013. The audit report contains information regarding the audit findings and recommendations. Enclosed are copies of the audit report and the response.

The site administrator was responsive to all of our recommendations and corrective actions had been taken or are planned.

If you have any questions concerning the information in this report, please call me at 725-5696.

c: Members, Board of Education  
C. Marten  
S. Monreal  
A. Donovan

email: Members, Audit Committee  
C. Marten  
S. Monreal  
M. Hudson

**Audit Report**  
**Garfield Elementary School**  
**Purchase Card**

**March 5, 2014**

**Introduction**

Finance Division introduced the purchase card program to streamline procurement procedures. The purchase card allows District departments and sites, under specific guidelines, to effectively obtain low dollar value purchases directly from vendors without waiting for purchase orders to be processed for each transaction.

The Controller as the Program Administrator administers the district's purchase card program and implements the purchase card policies and procedures. The Program Administrator is also responsible for setting appropriate card limits and commodity restrictions; and for monitoring, supervising and evaluating the use of purchase cards.

The Approving Official is responsible for reviewing all charges of cardholders that report to him/her. The Approving Official is also responsible for ensuring that all purchases on the monthly cardholder statements are appropriate, for official use, and have proper receipts or documents.

The cardholder is responsible for ensuring that the purchase card is used in accordance with district policies and procedures and all purchases of commodities are in accordance with district procurement and contracting procedures and policies. The cardholder is also responsible to keep all the original receipts/invoices at the site for audit.

**Audit Objectives**

- To determine if the internal control system is adequate and effective.
- To determine if purchase card activities comply with district procedures.
- To determine that expenditures are authorized and have adequate supporting documentation.
- To determine that record keeping are sufficient to reasonably assure efficient and accurate accounting.

## Audit Scope

We examined the Purchase Card policies and procedures being followed and related records and reports for the period July 16, 2012 through March 28, 2013.

## Audit Findings Summary

1. Several purchases totaling \$1,441.88 did not have supporting documentation.
2. The cardholder did not fax or e-mail the receipts to Wells Fargo for purchases made during the six statement periods.
3. Purchases for two statement periods were not reviewed and approved by the former principal.

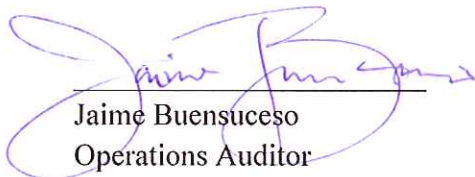
## Conclusion

In our opinion, the Purchase Card financial activities at Garfield Elementary School from July 16, 2012 to March 28, 2013, did not satisfy district requirements particular to maintaining eligibility for the card. The above findings require management's attention.

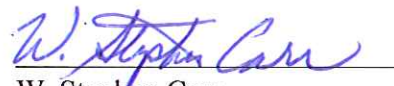
The principal, who was in charge of the purchase card from July 16, 2012 to March 28, 2013, the period audited, had resigned on 7/20/2013.

The current principal assumed the supervision of the purchase card on 8/26/2013.

We appreciate the cooperation of school personnel during the examination.



Jaime Buensuceso  
Operations Auditor



W. Stephen Carr  
Director, Office of Internal Audit

## Audit Finding and Recommendation

### 1. Several purchases totaling \$1,441.88 did not have supporting documentation.

From July 20, 2012 to December 1, 2012, the Elementary School Assistant purchased several books and school supplies totaling \$1,441.88. The purchases did not have supporting documentation on file.

Date	Description	Amount	Vendor
7/20/2012	Promotion 5 <sup>th</sup> grade	71.09	Vons
9/07/2012	AR books	354.70	Scholastic Book Fairs
9/10/2012	AR books	354.69	Scholastic Book Fairs
9/11/2012	AR books	354.69	Scholastic Book Fairs
10/25/2012	Books	10.00	Rei Greenwoodheinemann
11/06/2012	Office Supplies	150.60	Office Depot
11/06/2012	Office Supplies	43.05	Kmart
11/08/2012	AR Books	60.00	Books Are Fun
12/01/2012	Supplies	43.06	Lakeshore Learning
	Total	1,441.88	

As a result, we were not able to validate the appropriateness of the transaction.

#### Recommendation:

Administration is to have processes in place reviewing purchases to the credit card statement. The cardholder should obtain a duplicate copy of missing invoice from the vendor.

### 2. The cardholder did not fax or e-mail the receipts to Wells Fargo for purchases made during the six statement periods.

The cardholder did not fax or e-mail the purchase card receipts to Wells Fargo for the following statement periods.

Statement Period	Number of Purchases	Items Purchased	Amount
07/16/12 – 08/15/12	Four purchases	End of the year awards	815.01
08/16/12 – 09/15/12	Three purchases	Books	1,064.08
09/16/12 – 10/15/12	Six purchases	Foods, class materials	423.17
10/16/12 – 11/15/12	Four purchases	Books, office supplies	263.65
03/16/13 – 04/15/13	Two purchases	AR prizes	896.51
		Total	3,462.42

The Purchase Card Policies and Procedure Manual states “Cardholders are required to fax or e-mail receipts for each purchase listed in the current, open statement to Wells Fargo. Wells Fargo will link the receipt images to the appropriate open statement. The receipt images will be viewable by cardholders, approvers, internal audit staff and program administrators for a period of 7 years. There is a special cover sheet with the proper fax number and e-mail address unique to each statement in the Wells Fargo software. **Receipt imaging is a mandatory part of the statement reconciliation process.**”

**Recommendation:**

We require that site management implement practices that comply with district requirements for the use of the procurement card. We require the cardholder to fax or e-mail the purchase card receipts totaling \$3,462.42 to Wells Fargo.

**3. Purchases for two statement periods were not reviewed and approved by the former principal.**

The card purchases during the two statement periods ending 2/15/13 and 4/15/13 totaling \$661.47 having six transactions and \$896.51 having two transactions, respectively were not reviewed and not approved by the former principal.

The Purchase Card Policies and Procedure Manual states “Statements not reviewed and approved by the approver within 7 calendar days following notification of the approval period will result in immediate and permanent revocation of approver privileges.”


**Recommendation:**

We require that the Purchase Card Statements must be reviewed and approved by the designated approver within 7 calendar days following notification of the approval period.



**San Diego Unified**  
SCHOOL DISTRICT

**Mitzi Merino**  
Area 5 Superintendent  
619.725.7232  
mmerino@sandi.net

TO: W. Stephen Carr  
FROM: Mitzi Merino   
DATE: February 25, 2014  
RE: Garfield Elementary School P-Card Audit

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The Office of Internal Audit identified three (3) findings in the area of p-card that need corrective action. I have reviewed Lali Barhoumi's responses to the recommendations made by the Office of Internal Audit and I am confident she will follow through with the actions outlined.



# San Diego Unified School District

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Garfield Elementary  
Audit Response to the district – February 23, 2014  
Purchase Card  
Period July 1, 2011 through June 30, 2012

To: Office of Internal Audit  
W. Stephen Carr  
Director, Officer of Internal Audit  
Jaime Buensuceso  
Operations Auditor  
Mitzi Merino  
Area Superintendent 5

An audit was conducted at Garfield Elementary School and the first draft was sent to me on January 10, 2014 with a draft of the recent audit. I contacted Jaime Buensuceso and scheduled a face to face meeting on January 17, 2013 at 08:30 a.m.

Jaime reviewed the findings with my Elementary School Assistant.

We explained to Jaime that during the course of timeline July 1, 2011 through June 30, 2012 the former principal was still overseeing Garfield Elementary. Unfortunately, he was absent for many days throughout the year due to family emergencies and illnesses and neglect to oversee the new ESA's Pcard accountability. As the new principal of Garfield Elementary, I will work closely with the Elementary School Assistant to make sure all procedures are followed and done correctly having to do with the Procurement Card.

I have read the summaries and will make corrections based on recommendations from the audit department as discussed at our face to face meetings.

I would like to now address Audit Findings Summary

1. Supporting Documentation

I asked the Elementary Assistant to find these receipts. The Elementary School assistant will email the vendor request the documentations and fax it to Wells Fargo.

2. Statements not faxed to Wells Fargo

The Elementary School Assistant will find the supporting documents and fax it to Wells Fargo.

### 3. Statements not Approved by former Principal

As the new principal I will oversee all statement approvals that are faxed by our Elementary School Assistant.

Conclusion – My ESA will attend a Pcard training with me to review proper handling procedures. I would like to reiterate that while working with the previous administrator, my ESA was directed to work on projects outside her job description. This made it difficult to perform her daily secretarial duties such as following up and monitoring proper Pcard procedures. I would like to recommend that she have access to the Pcard and I will work very closely to oversee that proper protocol is followed.