

INTEROFFICE MEMORANDUM



TO: Anthony Nicks, County Auditor

FROM: Felicia Strong-Whitaker, Director *FSW*
Department of Purchasing & Contract Compliance

DATE: November 10, 2021

SUBJECT: FY2020 Purchasing Card Audit Report

Thank you for the opportunity to review and respond to the FY2019 Purchasing Card Audit Report.

FY2020 presented an enormous challenge related to the threat and impact of the COVID-19 Pandemic and the County's COVID-19 response. On March 13, 2020, the President of the United States issued a national emergency, On March 14, 2020, the Governor of the State of Georgia declared a public health emergency and on March 18, 2020, the Fulton County Board of Commissioners declared a public health emergency. The County's COVID-19 response included provisions to move the workforce to a remote working environment that required IT equipment acquisition and distribution, as well as transitioning physical paperwork to electronic formats (i.e., DocuSign, scanned documents, emails). I trust that these unique circumstances are noted and taken into consideration.

The Department of Purchasing & Contract Compliance has reviewed the findings and recommendations and our responses are provided below:

STATUS OF CORRECTIVE ACTION PLAN

Finding 5 – Lack of Itemized Receipt

Purchasing Response:

The Department of Purchasing & Contract Compliance does not agree with the designation "Not Implemented" for Finding 5. The recommendation was implemented and the procedures for "lack of itemized receipt" are documented in the Purchasing Card Manual on pages 2, 4, 10, 14-15. The Department of Purchasing & Contract Compliance concurs that there were instances in which the documented procedures were not followed.

Finding 6 – Failure to Obtain Proper Signatures for Reconciliation Reports

Purchasing Response:

The Department of Purchasing & Contract Compliance does not agree with the designation "Not Implemented" for Finding 6. The signature process for submitting reconciliation reports has been implemented and the procedures for the "Monthly Reconciliation Process" are documented in the Purchasing Card Manual on pages 14-15. The Department of Purchasing & Contract Compliance concurs that there were instances in which the documented procedures were not followed.

Finding 9 – Separation of Duties not enforced for Cardholders and Liaisons

Purchasing Response:

The Department of Purchasing & Contract Compliance does not agree with the designation “Not Implemented” for Finding 9. The procedures for “Separation of Duties” has been implemented and is documented in the Purchasing Card Manual. The Department of Purchasing & Contract Compliance concurs that there were instances in which the documented procedures were not followed.

FINDINGS AND RECOMMENDATIONS

Finding 1 – Untimely Payment of Invoices

Per discussion with the Finance department, they note the following procedure is in place for the processing of non-current invoices.

Date of Invoice	Action Required	Additional Supporting Documentation?
1-90 days	No	None
91-179 days	Yes	Yes, email from the departmental representative to Finance-Accounts Payable addressing reason for delay in submission
180 days +	Yes	Yes, signed memo from the department's Appointing Authority to Director of Finance addressing reason for delay in submission

Invoices dated within 1-90 days do not require additional supporting documentation. Invoices dated within 91-179 days require an email from the departmental representative to Finance-Accounts Payable addressing reason for delay in submission as supporting documentation. Invoices dated 180 days and older require a signed memo from the department's Appointing Authority to Director of Finance addressing reason for delay in submission as supporting documentation.

Finding 2 – Unauthorized Purchase of Information Technology (IT) Related Item

The Department of Purchasing & Contract Compliance concurs with the finding and will update the Purchasing Card Manual to address procedures for emergency and special circumstances for a User Department to purchase an item on the unauthorized purchase list.

Finding 3 – Lack of Supporting Documentation

The Department of Purchasing & Contract Compliance concurs with the finding and will update the Purchasing Card Manual to address that an invoice showing a zero balance is an acceptable form of proof of payment.

Concern – Purchasing Card Manual Does Not Reflect COVID-19 Purchases

On March 18, 2020, the Fulton County Board of Commissioners declared a public health emergency for the County's COVID-19 Response. The Fulton County Purchasing Code, Section 102-385, Emergency Procurements provides the governing authority for emergency procurements and the Department of Purchasing & Contract Compliance Standard Operating Procedures provides the procedures for emergency procurements.

Additionally, the Department of Finance provided User Departments with the process and procedures to be utilized for procurement requests related to COVID-19 (Attachment 1). Specific Funds were established by the Finance Department that clearly designated all purchases related to the County's COVID-19 Response. The Purchasing Card Manual prescribes the procedures when utilizing the Purchasing Card for the purchase of goods and services. The funding source is provided during the reconciliation process on the Purchasing Card Reconciliation Form.

The use of the Emergency Procurement provision is not outside of purchasing processes, however DPCC will revise the Purchasing Card Manual to include specific language regarding the emergency procurement process for any future emergency events.

cc: Sharon Whitmore, CFO