

AUDIT OF PROPRIETARY CARDS AND AMAZON ACCOUNT

Audit Findings and Recommendations



Audit Team

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AUDIT TEAM AND MANAGEMENT

The audit team, composed of experienced professionals, provided a thorough examination designed to offer reasonable assurance of compliance with auditing standards.

ABOUT THIS AUDIT REPORT:

- The audit identified opportunities for improvement in oversight and adherence to policies.

The audit of Proprietary Cards and Amazon Purchases was conducted for fiscal year 2023.

The objective was to provide reasonable assurance of the adequacy of internal controls and compliance with fiscal ordinances, policies, and procedures.



KEY AUDIT FINDINGS

The findings highlighted opportunities to improve the tracking and safeguarding of gift cards to ensure they are effectively managed and distributed to customers and clients. Additionally, the audit identified instances where access to the Amazon Business account was not promptly removed for terminated employees, emphasizing the need to enhance account management practices.

- **Opportunities to Enhance Oversight and Training Procedures**
- **Improvement Needed in Gift Card Management Practices**
- **Addressing Appropriate Use of the Amazon Business Account**
- **Enhancing Management of Account Access Controls**
- **Ensuring Proper Tracking of Controlled Asset Purchases**

GIFT CARD MANAGEMENT

Agencies purchased 1,221 gift cards for a total of \$23,237

- *Health Department - maintained an inventory of 424 gift cards, valued at \$4,230, with some cards remaining unused for over **15 months**.*
- *The Office of Regional Development- purchased 23 **gift cards for employees or volunteers**, which did not align with the Purchasing Card policy.*

AMAZON BUSINESS ACCOUNT

- Use of Non-County Purchasing Cards and Email Address
 - 41 orders, totaling \$4,063, were processed without a County PCard.
 - 32 orders, totaling \$667, were made using a personal Hotmail email address, which does not align with policy.
- Three credits were issued for returned items instead of processing refunds to the original payment card, which does not align with policy.

Table 5: Purchases through the County Amazon Business Account using Non-County Payment Cards. *Three agencies made purchases totaling \$4,063 using non-county payment cards.*

Agency	Total of Orders	Total Non-County Payment Cards Used	Total Of Employees	Total Purchase Amount
Aging and Adult Services	11	3	2	\$608
Public Works Operations	1	1	1	\$60
Youth Services	29	1	9	\$3,395
Totals	41	5	12	\$ 4,063

Sources: Amazon Business Analytics and Contracts and Procurement listing of County PCards.

AMAZON BUSINESS ACCOUNT

Unsupported Shipment Locations

- 13 agencies with 393 orders, totaling \$28,176, shipped to 45 non-county locations
- We identified instances where there was missing supporting documentation for shipments to non-County addresses.

Table 6. Amazon Purchases Shipped to Non-County Facilities. This table details 393 Amazon orders shipped to 45 non-county facilities. No supporting documentation or approval was provided as required by policy.

Agency	Total of Orders	Total of Non-County Locations	Total of Employees	Total Purchase Amount
Aging and Adult Services	16	4	4	\$720
Animal Services	3	1	1	\$145
Contracts & Procurement	7	4	2	\$3,557
Council	1	1	1	\$32
Criminal Justice Services	1	1	1	\$40
Facilities Management	2	2	2	\$184
Health Department	10	5	5	\$1,181
Library Services	4	2	2	\$127
Mayors Finance	9	6	1	\$911
Parks & Recreation	1	1	1	\$55
Public Works Administration	5	3	1	\$63
Public Works Operations	2	1	1	\$19
Youth Services	332	14	11	\$21,141
Totals	393	45	33	\$28,176

Sources: Amazon Business Analytics and Contracts and Procurement listing of County PCards.

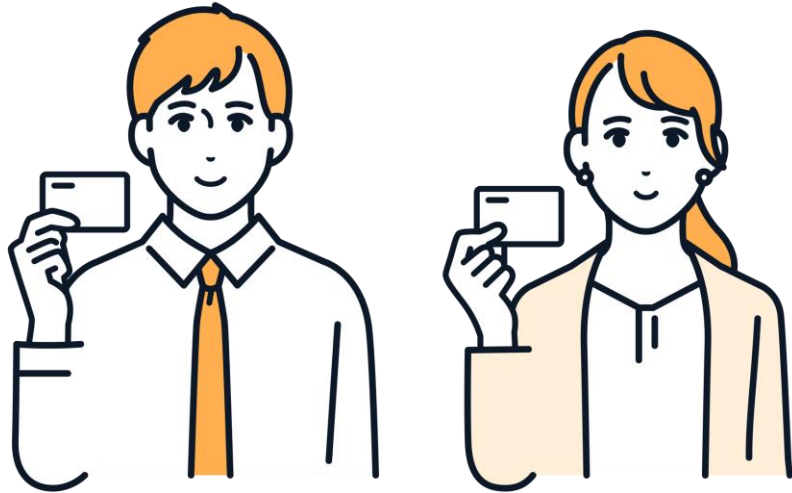
AMAZON BUSINESS ACCOUNT

Lack of Training and Monitoring

- Since the program's inception in 2020, additional training has not been provided.
- This limited training and monitoring may have contributed to challenges in identifying unauthorized purchasing and ensuring compliance with County policy.



Repeal Policy



Proprietary Cards

Management has expressed that they will be repealing the policy allowing proprietary cards.



RECOMMENDATIONS FOR IMPROVEMENT

Re-evaluate

Proprietary Card Policy

Our understanding is that this policy will be recommended to be repealed.

Enhance County Gift Card Purchase Policy & Procedures

We recommend developing and implementing a Countywide policy that clearly defines procedures for purchasing, tracking, reconciling, safeguarding, and promptly distributing gift cards intended for customers or clients.

Annual Training

We recommend implementing a comprehensive annual training program on the Amazon Business Account. This training should cover key areas such as authorized users, generating customizable reports, and effective transaction monitoring.

Monitoring

We recommend that agency management conduct regular, documented reviews of Amazon Business Account purchases to ensure the use of appropriate purchasing methods and authorized user accounts.

THANK YOU



Audit of Salt Lake County Proprietary → Cards and Amazon Purchases

The Auditor's Office recently completed an audit of Salt Lake County Proprietary Cards and Amazon Purchases.