



BOARD OF SUPERVISORS – AUDIT COMMITTEE
August 4, 2015 @ 2:00PM
BOARD CONFERENCE ROOM
(INSIDE THE BOARD MEETING ROOM)
GOOCHLAND COUNTY ADMINISTRATION BUILDING
1800 SANDY HOOK RD., GOOCHLAND, VA 23063

- I. CALL TO ORDER
- II. APPROVAL OF MINUTES FROM MAY 2015 MEETING
- III. PRESENTATION FROM PBMARES ON FY2015 AUDIT
- IV. STAFF UPDATE ON COUNTY PURCHASING CARDS
- V. OTHER BUSINESS
- VI. ADJOURNMENT

**Goochland County
Audit Committee Meeting
May 5, 2015 @ 1:30 PM
Administration Building
1800 Sandy Hook Road, Goochland VA 23063
Board Conference Room**

The Goochland County Audit Committee meeting was held on May 5, at 1:30 pm in the Board Conference Room. Present were Supervisors Peterson, Alvarez, and Lascolette, County Administrator Dickson, Deputy County Administrator Wack, Controller Barbara Horlacher, School Finance Director Debbie White, Treasurer Pamela Johnson, and School Board Member John Wright. A citizen was also in attendance.

1. Ms. Lascolette called the meeting to order.
2. After some discussion and nominations, the Committee selected Mr. Peterson as the Chair, and Mr. Alvarez as the Vice-Chair for 2015 on unanimous votes. Mr. Peterson then presided over the remainder of the meeting.
3. The minutes from the December 2014 meeting were unanimously approved as presented by staff.
4. Mr. Wack then proposed that the Committee consider approving an external audit contract with PBMares for the FY2015 audit with two optional renewals for the FY2016 and FY2017 audits. He noted that staff from the County, Schools, and Community Services all agreed that PBMares was the first choice of the three vendors interviewed during the RFP process. After some discussion, the Committee voted unanimously to recommend that the full Board of Supervisors approve the contract with PBMares. Ms. White requested that the Audit Committee consider the renewal in April, 2016.
5. Staff presented information on the current County purchasing card program including a draft of updated policies and procedures. A discussion followed during which Ms. Lascolette requested that the County report purchasing card transactions to the Board in a manner similar to the reporting used by the Schools. It was agreed that the County would work towards including detailed reconciliations of all purchasing card transactions in the August Board packet. It was also agreed that the Audit Committee would consider the updated purchasing card policies and procedures at the August meeting.
6. Adjournment until August in order to “kick-off” the FY2015 audit with PBMares.



Goochland County Policies and Procedures

Title: Purchasing Cards

Effective Date: 9/1/2015 Page: 1 of 4

I. PURPOSE

To establish procedures for departments to control the use of purchasing cards assigned to and utilized by the County of Goochland employees to purchase goods and services on behalf of the County.

II. POLICY

The County intends to provide departments with an efficient and reliable way to procure and pay for small dollar goods and services while requiring strict adherence to internal control procedures and accompanying accounting procedures.

III. PROCEDURES

1. Definitions:
 - a. Cardholder – The County employee issued the purchasing card.
 - b. Purchasing Card Administrator (“PCA”): The County employee assigned to oversee the purchasing card program for Goochland County. The Purchasing Director, or designee, will serve as the PCA. A member of the Finance Department staff will serve as the alternate PCA.
 - c. Purchasing Card (P-card): A charge card issued to an employee of the County for the purpose of making authorized purchases on behalf of the County.
2. Application for/changes to a P-card:
 - a. All requests for new cardholders or changes to current cardholders shall be made in writing by the Department Director to the PCA. The PCA has final authority to approve the issuance of or change to a P-card.
 - b. The PCA will process an application for a new card or initiate the change with the purchasing card contractor.
 - c. The cardholder shall sign the “Purchasing Card Employee Agreement” prior to receiving the card (See Exhibit 1).
3. The PCA will set the maximum dollar amount for each single purchase a total for all purchases made with a P-card within a given billing cycle. The maximum dollar amount for each single purchase will not exceed \$5,000 unless specifically authorized by the PCA.
4. Subject to any restrictions on a cardholder’s P-card and any limitations in this Purchasing Card Policy, the P-card may be used for the following:
 - a. Books, magazines, journal subscriptions, publications;
 - b. Car rental;
 - c. Conference registration;

- d. Business meals;
 - e. Gas for rental vehicles;
 - f. Lodging;
 - g. Office supplies;
 - h. Express mail service and freight service;
 - i. Professional organization dues, fees, and licenses;
 - j. Airline tickets;
 - k. Fuel for County vehicles when away from County fueling facilities.
5. Purchasing cards shall **NOT** be used for the following:
- a. Cash advances;
 - b. Personal purchases of any kind;
 - c. Purchases by non-employees;
 - d. Purchases broken into multiple transactions to circumvent the County's Procurement Policies and Procedures;
 - e. Computer hardware, software, and peripherals unless prior authorization has been granted by the Information Technology Department;
 - f. Alcoholic beverages;
 - g. Other purchases prohibited by the County's Procurement Policies and Procedures.
6. General guidelines:
- a. Sales tax – Tell the vendor the County is exempt from sales tax, and if requested, the County Purchasing Department will fax or mail a Commonwealth of Virginia, Sales and Use Tax Certificate of Exemption to the vendor.
 - b. Documentation – Save all documentation pertaining to the purchase including such items as shipping papers and packing slips. Remember to print internet pages showing confirmation of the order. If for any reason documentation has been lost or destroyed, a "Lost/Missing Receipt Verification" must be completed for each missing receipt.
 - c. Disputing charges – The County has sixty days after the billing statement to give the purchasing card contractor written notice of a disputed charge. The cardholder should attempt to resolve the issue with the vendor and get written confirmation of the credit to be issued. If the cardholder is unable to resolve the disputed charge, the cardholder must immediately notify the PCA.
 - d. Cancellation – The Director is responsible for returning a cardholder's card to the PCA when the employee terminates employment, misuses the card, transfers to another department, or no longer needs the card.
7. Internal Controls:
- a. Cardholders shall obtain and review their monthly statement for accuracy by comparing statement charges to the supporting documentation for each purchase.
 - b. Cardholder must report disputed charges as soon as possible.
 - c. For travel charges, the name of the conference and/or the purpose of the trip and the person attending must be noted near the charge.

- d. The cardholder must summarize all charges by account code on the "Purchasing Card Reconciliation Form".
 - e. Cardholders must sign the monthly statement to certify the charges.
 - f. Cardholders must ensure that the properly reconciled original signed statement, supporting documentation, and the Purchasing Card Reconciliation Form are submitted to their Director or PCA if the cardholder is a Director in a timely manner.
 - g. After the cardholder statement is approved and signed by the Director or PCA, the cardholder must deliver the original statement and all supporting documentation to the Finance Department by the deadline in the following section.
8. Payment guidelines:
- a. The Finance Department is responsible for processing payment to the purchasing card contractor for the amount certified by Directors of the PCA on the monthly cardholder statements. The Finance Department will process payment in time for payment to be included in the County's first payment cycle of each month. The original statement and all supporting documentation must be received in the Finance Department by the cutoff date for the first payment cycle of each month.
 - b. Upon receipt of the corporate monthly billing statement a representative from the Finance Department responsible for AP entry will reconcile the corporate billing statement charges with the individual cardholder statements submitted. Charges shall be coded as indicated by the department on the cardholder statement. If a cardholder fails to submit a cardholder statement with required signatures or documentation, the cardholder will be contacted directly by the Finance Department.
9. Fraud and misuse – Each Director is responsible for protecting each of its P-cards from fraud and misuse. The following guidelines must be followed:
- a. Maintain staff and department P-cards in a secure environment. Limit access to this environment to provide greater security for the P-card.
 - b. Information regarding P-cards should be protected. Reports that contain P-card numbers are to be filed in locked file cabinets.
 - c. Establishing reasonable credit limits will limit risk in the event the P-card is lost or stolen.
 - d. If fraud or misuse of a P-card is suspected or confirmed by any person, it should be immediately reported to the PCA who will conduct an investigation. If fraud is confirmed, the PCA must report the incident to the County Administrator, or designee. Failure of the cardholder to comply with these procedures could result in the revocation of card usage privileges and the employee may be subject to progressive disciplinary procedures.
 - e. The P-card program is subject to review by the Finance Department, County Administrator, and internal or external audits.

IV. RESPONSIBILITY

1. The PCA is responsible for the following:
 - a. Implementing, overseeing, and enforcing this Purchasing Card Policy;
 - b. Communicating with the purchasing card contractor;
 - c. Issuing, cancelling, terminating, or suspending any P-card;
 - d. Setting appropriate spending limits on each P-card based on the cardholder's purchasing needs and the County's Procurement Policies and Procedures;
 - e. Ensuring that at least bi-annually an analysis of the cardholder's P-card usage and credit limit is performed and documented;
 - f. Managing any P-card issues including contacting vendors when goods or services are not received or for incorrect charges;
 - g. If there be any potential, suspected or confirmed fraudulent use of any P-card, taking any steps necessary to stop the threat of any fraudulent use and to remedy any fraud that has already occurred.
2. The cardholder is responsible for the following:
 - a. Complying with the P-card Policy;
 - b. Ensuring that the P-card is not, under any circumstances, used for personal expenditures, cash advances, or to obtain store credit;
 - c. All of the cardholder's P-card activity;
 - d. Requiring and retaining all transaction or purchase documentation;
 - e. Completing the "Purchasing Card Reconciliation Form" each month and submitting any required documentation related to the purchase or transaction to the appropriate recipient(s), in a timely manner, for approval;
 - f. Complying with credit limits;
 - g. Ensuring receipt of any product and/or services purchase on the P-card;
 - h. Verifying all purchases listed on their P-card statement are correct and made for only official County purchases;
 - i. If the P-card is lost or stolen, immediately notifying the PCA;
 - j. Ensuring the security of their P-card and any document containing their P-card account number.

APPROVED:

Deputy County Administrator

Date