

# COUNTY OF SACRAMENTO

DEPARTMENT OF FINANCE - AUDITOR-CONTROLLER DIVISION – INTERNAL AUDIT UNIT

## INTERNAL AUDIT REPORT

### AGREED-UPON PROCEDURES FOR PROCUREMENT CARD PROGRAM

### SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION

FOR THE PERIOD FEBRUARY 1, 2020 TO  
JUNE 30, 2023



Audit Committee Submittal Date: 02/15/2024

## **SUMMARY**

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### **Background**

The Sacramento Metropolitan Cable Television Commission (Cable TV Commission), a Joint Powers Authority, participates in the County of Sacramento Procurement Card Program (Program). The Program for Cable TV Commission was previously reviewed for the period of February 1, 2018 to January 31, 2020, with a report date of May 28, 2020. The Department of Finance, Internal Audit Unit selected the Cable TV Commission for a current Program agreed-upon procedures.

### **Audit Objective**

To verify that the Cable TV Commission's Program activities are in compliance with the County of Sacramento (County) Program Guidelines and Procedures Manual, Program Policy, County Travel (Travel) Guidelines and Procedures, and Travel Policy for the period February 1, 2020 to June 30, 2023.

### **Summary**

Based on our procedures, we noted one exception related to a purchase of a contracted item from a non-contracted vendor.

**Department of Finance**

Chad Rinde  
Director



**County of Sacramento**

**Divisions**

Auditor-Controller  
Consolidated Utilities Billing &  
Service  
Investments  
Revenue Recovery  
Tax Collection & Licensing  
Treasury

January 9, 2024

Robert A. Davison, Interim Executive Director  
Sacramento Metropolitan Cable Television Commission  
799 G Street, 4th Floor  
Sacramento, CA 95814

**INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

Dear Mr. Davison:

In accordance with the County of Sacramento (County) Procurement Card Program (Program) Guidelines and Procedures Manual, County Program Policy, County Travel Guidelines and Procedures, and County Travel Policy, we have performed the procedures enumerated below related to Sacramento Metropolitan Cable Television Commission's (Cable TV Commission) participation in the Program for the period February 1, 2020 to June 30, 2023.

Cable TV Commission's management is responsible for establishing and maintaining effective internal controls, and compliance with the Program and Travel's guidelines, policies and procedures, and all other applicable laws, regulations, and statutory requirements. The sufficiency of the procedures is solely the responsibility of the Cable TV Commission. Consequently, we make no representation regarding the sufficiency of the procedures described below, and on the following page, either for the purpose for which this report has been requested or for any other purpose. This report is applicable solely to the procedures referred to below, and on page 2, and is not intended to pertain to any of the Cable TV Commission's other operations, procedures, or compliance with laws and regulations.

Our procedures and the results are summarized as follows:

- We inspected the Cable TV Commission's records to identify any non-compliance with the above cited guidelines, policies, and procedures.

Result: We did not note any non-compliance with the above cited guidelines, policies, and procedures.

- We selected and tested all 24 procurement card purchases for the months of June 2020, May 2021, March 2022, November 2022, and February 2023 to identify any non-compliance with the previously cited guidelines, policies, and procedures.

Result: We noted an exception related to a purchase of a contracted item from a non-contracted vendor. See ATT 1 - *Current Finding and Recommendation*.

- We determined the current status of prior findings and recommendations reported on Cable TV Commission's procurement card agreed-upon procedures report for the period February 1, 2018 to January 31, 2020, dated May 28, 2020.

Result: It appears that the prior recommendations have been implemented. See ATT 2 - *Current Status of Prior Findings and Recommendations*.

This agreed-upon procedures engagement was conducted in accordance with attestation standards contained in *Generally Accepted Government Auditing Standards*, issued by the Comptroller General of the United States of America. We were not engaged to, and did not perform an audit or examination, or review, the objectives of which would be the expression of an opinion or conclusion, respectively, on the Cable TV Commission's accounting records, compliance, or results of our procedures referred above. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. This report relates only to the results of our procedures referred to above and on the previous page, and does not extend to the Cable TV Commission's operations as a whole.

Cable TV Commission's response to the finding identified during our procedures is described in ATT 1 – *Current Finding and Recommendation*. We did not perform procedures to validate the Cable TV Commission's response to the finding and, accordingly, we do not express an opinion on the response to the finding.

This report is intended solely for the information and use by the Sacramento County Board of Supervisors, Sacramento County Audit Committee, Department of Finance, Department of General Services, and the Cable TV Commission's management. It is not intended to be, and should not be, used by anyone other than those specified parties. However, this restriction is not intended to limit distribution of this report, which is a matter of public record.

Sincerely,

CHAD RINDE  
DIRECTOR OF FINANCE



By: Tae-Young Kang, CPA  
Audit Manager

Attachments:

ATT 1 – *Current Finding and Recommendation*  
ATT 2 – *Current Status of Prior Recommendations*

COUNTY OF SACRAMENTO  
SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION  
PROCUREMENT CARD REVIEW  
AGREED-UPON PROCEDURES  
CURRENT FINDING AND RECOMMENDATION

FOR THE PERIOD FEBRUARY 1, 2020 TO JUNE 30, 2023

1. **Purchase of Contracted Item from Non-Contracted Vendor**

Condition

During our testing of sample Procurement Card purchases, we noted that Sacramento Metropolitan Cable Television Commission (Cable TV Commission) used the Procurement Card to purchase a contracted item from a non-contracted vendor.

Criteria

According to the County of Sacramento (County) Procurement Card Program (Program) Guidelines and Procedures Manual (Manual), "*No contracted items are to be purchased from non-contracted sources*".

Effect

Cable TV Commission did not comply with the Program Manual. Violation of the Program Manual may result in the suspension of Procurement Card Privileges.

Recommendation

We recommend that Cable TV Commission update and implement its internal control policies and procedures over the Program processes to ensure that no contracted items are purchased from non-contracted sources when using Procurement Card.

Management Response

This laptop was purchased in May 2021 as part of the Sacramento Metropolitan Cable Television Commission (SMCTC) Admin Video Conferencing Mobile Unit project. The two SMCTC staff members that were primarily involved with the project, Previous ASO III and Previous Program Coordinator, no longer work for the Commission. Previous ASO III and Previous Program Coordinator emails were not available to us in researching whether there was a reason why this purchase was made this way. Previous ASO III was contacted but could not recall the details behind this purchase, other than the general nature of the Admin Video Conferencing Mobile Unit project. Previous ASO III was diligent and would try to understand the County Procurement Policies and Procedures to ensure such rules were abided by. In this case, it does appear that a mistake was made in ordering the laptop directly from Amazon rather than the County's vendor. It should be pointed out that numerous laptops and other computer equipment have been purchased by the Commission over the years, and to our knowledge, this is the only instance that a computer was purchased this way. This item has been discussed with the two current Commission Procurement Card holders, Current Administrative Services Specialist and Current Production Director. Both holders understand this requirement and will ensure that

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FOR THE PERIOD FEBRUARY 1, 2020 TO JUNE 30, 2023

such future purchases will be made through the County's contracted provider. In addition, all present and future SMCTC staff that hold a role in the Procurement Card Program will be educated on the County's Procurement Policies and Procedures. Also, while we are not certain this is a factor, this project was put together during the height of the COVID-19 pandemic during which procuring equipment for projects such as this was extremely difficult due to supply chain issues.

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PROCUREMENT CARD REVIEW  
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CURRENT STATUS OF PRIOR RECOMMENDATIONS

FOR THE PERIOD FEBRUARY 1, 2020 TO JUNE 30, 2023

**FROM THE PRIOR PROCUREMENT CARD AGREED-UPON PROCEDURES FOR THE PERIOD OF FEBRUARY 1, 2018 TO JANUARY 31, 2020, DATED MAY 28, 2020.**

**1. Altered Review Form**

Prior Recommendation

We recommended the Sacramento Metropolitan Cable Television Commission (Cable TV Commission) initial any hand adjustments, or edits, to official documents acknowledging and authorizing the adjustment's approval to prevent any unauthorized adjustments without be detected.

Current Status

It appears that the prior recommendation has been implemented.

**2. Locked Drawer Access**

Prior Recommendation

We recommended the Cable TV Commission store the procurement card packages in a locked drawer in a secured area other than procurement cardholders' office. In addition, we recommended at least two authorized people have access to the locked drawer.

Current Status

It appears that the prior recommendation has been implemented.