



FINANCE DEPARTMENT

INTEROFFICE MEMORANDUM

TO: Anthony Nicks, County Auditor
FROM: Hakeem Oshikoya, Finance Director
DATE: May 5, 2022
SUBJECT: Response to Findings on Gift Cards 2022 Audit

We would like to convey our gratitude to you and your staff for capably carrying out the necessary review to complete this year's Gift Card Audit. The year 2021 saw the continuation of certain concessions made during the early period of the pandemic as the Treasury unit furthered efforts to be flexible and accommodating under the circumstances. However, we acknowledge that some issues were created because of the concessions made. As a result of the 2021 audit, we adjusted our procedures and as of now we have taken additional steps to improve. These additional steps should address new findings in the 2022 audit.

Response to Audit Finding 1 – Lack of Management Review of Gift Card Logs

The current process uses several ledgers due to there being multiple lists of individual recipients. One is considered by Treasury to be the "Gift Card Log". The others are manifests of individual distributions of gift cards useful only in the reconcile stage of each gift card order. The accommodations to allow individuals rather than departments to pick up gift cards from the Treasury window has resulted in multiple sets of records being kept on hand. We believe this conflation of documents leads to the inability to directly trace the origins of each card. The Gift Card SOP has been updated with the intent of reducing confusion and allowing for only one official record. One way of accomplishing this will be to reduce the allowability, the length of time, and quantity of gift cards kept on hand that are not directly tied to inventory. For that reason, the SOP not makes explicit that inventory levels are controlled by Treasury and the time frame for departments to pickup ordered cards prior to them reverting to inventory has been thereby limited.

Response to Audit Finding 2 – Outdated Standard Operating Procedures

As mentioned, the Gift Card SOP is being updated to include new ordering, logging, and booking procedures.

Please contact me with any questions on this matter.

CC: Ray Turner, Deputy Finance Director
Kela Pryor, Controller
Bryce Riddle, Investment Officer
Philip Harden, Revenue Administrator