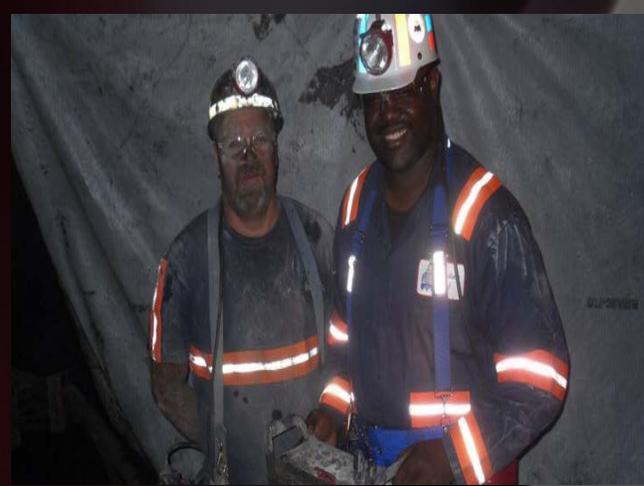


WHAT'S AUDIT GOT TO DO....GOT TO DO WITH IT????

Presented by: Thomas Bland Jr., Senior Internal Auditor,
Virginia Department of Corrections

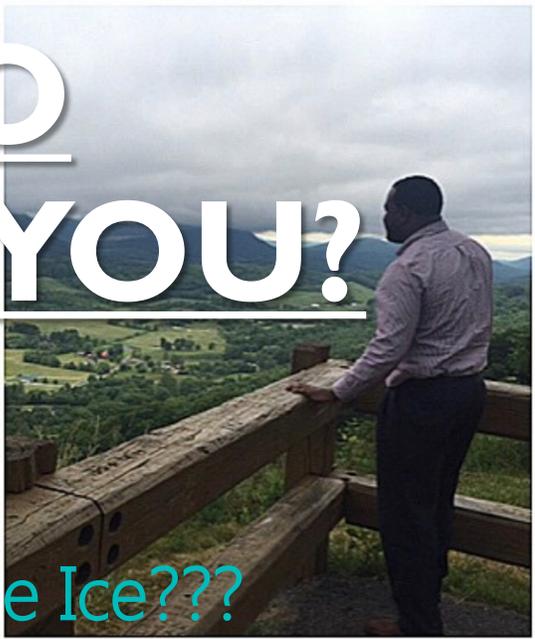




**TAKE
YOU?**

Breaking the Ice???





https://www.heraldcourier.com/news/abingdon-native-says-getting-mental-health-treatment-for-her-mother/article_bf4b28a7-a666-52a4-ae34-4168bd59b61a.html

<https://vadoc.virginia.gov/facilities/western/wise/>

<https://www.paynelawpllc.com/violated-probation-now-2/>



Agenda



- Objectives
 - To share some different audits for P-Cards
 - Discuss the lack of P-Card Controls Examples
 - Complete a brief case study
 - Share and discuss past Audit Observations
 - End with take-aways

- Have fun today!!!!

LEVEL SET

Why Are You Here?

- What Are Auditors Looking For and Why?
- No circumvention.....No No and No!
- Stress the review process and oversight

- External vs. Internal Auditing



INTERNAL AUDITING

- Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

EXTERNAL/INTERNAL

EXTERNAL AUDIT

- An external audit is an examination that is conducted by an independent accountant. This type of audit is most commonly intended to result in a certification of the financial statements of an entity. This certification is required by certain investors and lenders, and for all publicly-held businesses.

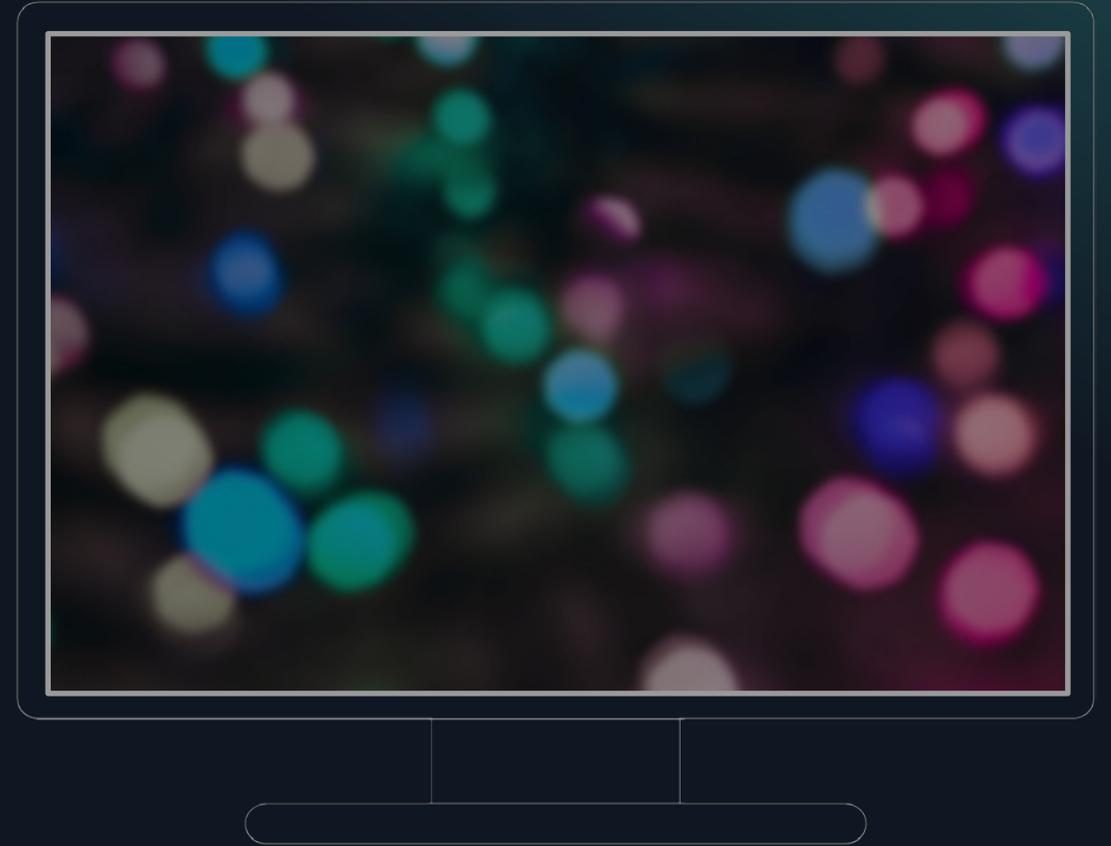
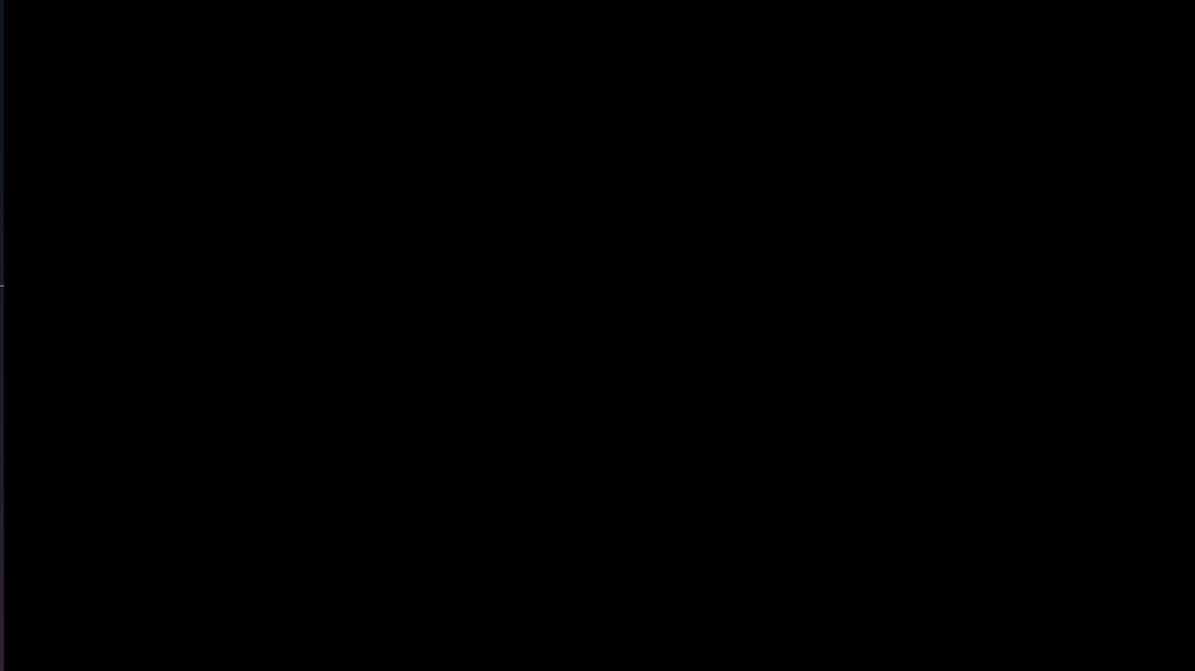
I SEE YOU LOOKING....



- What Are "They" Looking For?
- External Auditors???
- Internal Auditors????
- CAPP Manual 20355

FOCUSING...





FEEDBACK FROM KASIM REED'S P-CARD SPLURGING



- Was there anyone reviewing?
- City Council involved (Top down issues)
- Quality Reviewer
- Integrity for the TaxPayers – None
- Review of P-Card Log and Bank Statements
- Internal vs. External
- Controls anyone???

Nice Nice and More....Nice



Georgia....Ol' Georgia

Introducing the Famous James

1

James G. Maloney

2

James J. Acree

3

James D. Fraley

SO...WHAT WENT WRONG AT GOOD OL' GEORGIA TECH????

- EXTERNAL AUDITORS – Smith & Howard (not big 4)
- INTERNAL AUDITORS – “Something gave an itch/hunch”
- Reference to the CAPP 20355

\$600,000

\$250,000



Some Other P-Carders Enjoying Life Too Much

The IRS (1)

Federal Mediation and
Conciliation Service (2)

Bureau of Land Management (5)

Job Corps (6)

Environmental Protection
Agency (3)

Veterans Affairs (4)

Pentagon (7)

Department of Transportation
(8)

MINI CASE STUDY

LET'S SEE HOW YOU DO?

PUT ON YOUR AUDITOR'S HAT

SKEPTICAL EYES/MINDSET



<https://giphy.com/explore/you-can-do-it>

PAST AUDIT OBSERVATIONS

- P-Cards not being secured
- Used by individuals other than cardholder
 - Georgia Tech situation again
- Lack of signature of cardholder on back of card
- Used for unauthorized purposes (a lot of what we discussed)
- Lack of complete supporting documentation of purchase
 - Document Document Document
- Not recording transactions at the time of occurrence
 - Very important – timing
- No submission of reconciliation documentation when there are no transactions
- Reconciliation documents without appropriate signatures

Before The Take-Aways (a “WAPA” video)

We're wrapping up....





SUMMARY

TAKE AWAYS....

- What did we learn?
- Can we take anything with us?

THANK YOU!

Thomas A. Bland Jr.

Phone:

(804) 887-8276

Email:

Thomas.bland@vadoc.Virginia.gov

