

**THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS  
BOARD ACTION SUMMARY**

DEPT: Auditor-Controller

BOARD AGENDA: 4.B.6  
AGENDA DATE: June 2, 2026

**SUBJECT:**

Acceptance of Purchasing Card Compliance Reports for Fiscal Years 2024 and 2025

**BOARD ACTION AS FOLLOWS:**

**RESOLUTION NO. 2026-0269**

On motion of Supervisor B. Condit ----- Seconded by Supervisor Withrow -----  
and approved by the following vote,

Ayes: Supervisors: B. Condit, Withrow, Grewal, C. Condit, and Chairman Chiesa -----

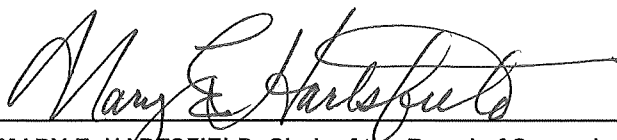
Noes: Supervisors: None -----

Excused or Absent: Supervisors: None -----

Abstaining: Supervisor: None -----

- 1)  Approved as recommended
- 2)  Denied
- 3)  Approved as amended
- 4)  Other:

MOTION:



ATTEST: MARY E. HARTSFIELD, Clerk of the Board of Supervisors

File No.

**THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS  
AGENDA ITEM**

DEPT: Auditor-Controller

BOARD AGENDA:4.B.6  
AGENDA DATE: June 2, 2026

CONSENT:

CEO CONCURRENCE: YES

4/5 Vote Required: NO

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**SUBJECT:**

Acceptance of Purchasing Card Compliance Reports for Fiscal Years 2024 and 2025

**STAFF RECOMMENDATION:**

1. Accept the Purchasing Card Compliance Reports for Fiscal Years 2024 and 2025.

**DISCUSSION:**

On September 27, 1994, the Board of Supervisors authorized the County's Purchasing Card Program in order to streamline payment processes for small dollar, high volume transactions. The Purchasing Card program is administered by the Auditor-Controller's Office, which oversees the issuance and maintenance of purchasing cards and ensures the purchasing card transactions are properly recorded in the County's financial records.

On August 7, 2001, the Board of Supervisors directed the Chief Executive Office and Auditor-Controller to provide an annual compliance report of the Purchasing Card Program including department specific findings and recommendations.

In September 2021, the Auditor-Controller's Office began contracting with Brown Armstrong Accountancy Corporation (Brown Armstrong) to perform the annual compliance testing of the County's Purchasing Card Program. Brown Armstrong performs the engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and is independent of the County.

Due to staffing challenges at Brown Armstrong and at the Auditor-Controller's Office, the testing schedule fell behind, and the Purchasing Card Compliance Reports for Fiscal Years 2021, 2022, and 2023 were not completed until Fiscal Year 2025, which delayed the testing schedule for Fiscal Year 2024. With this report, the testing schedule is back on the normal annual schedule. The annual review criteria included testing a minimum of 2,500 transactions for compliance with the Purchasing Card Policy. Departments were selected by the Auditor-Controller's Office based on factors such as the time elapsed since the last review, the volume of purchasing card transactions, the total dollar value of purchases, and prior year findings. The testing sample from the selected departments was chosen through a random selection process.

The agreed upon procedures performed for compliance testing by Brown Armstrong were as follows:

1. Review the purchasing card transactions against the County Purchasing Card

Policy.

- a. Test a minimum of 2,500 transactions across selected departments.
  - b. Review the departments that had findings in the previous purchasing card testing.
  - c. Verify that the departments identified in “b” above implemented corrective action plans.
1. Survey department personnel regarding purchasing card controls as necessary.
  2. Review additional department policies and procedures needed by the County.
  3. Obtain the annual purchasing card transaction list from the Bank of America WORKS program and/or JP Morgan Chase One Card Portal.
  4. Obtain the purchasing cardholder list from the Bank of America WORKS program and/or JP Morgan Chase One Card Portal.
  5. Review the purchasing card applications and maintenance forms from the Accounts Payable Division of the Auditor-Controller’s Office.
  6. Review the purchasing card records of the departments selected to determine that monthly reconciliations of the purchasing card transactions are performed. The monthly reconciliations need to be performed in a timely manner and approved by the appropriate department staff.
  7. Perform other procedures considered necessary.

The Purchasing Card Compliance Reports for Fiscal Years 2024 and 2025 received from Brown Armstrong are attached and provide the specifics of the testing procedures and the departments included in testing.

### **Purchasing Card program transition from Bank of America to JP Morgan Chase**

In October 2022, the County transitioned its primary banking services from Bank of the West to JP Morgan Chase (JPMC). As part of this transition, JPMC offered a new purchasing card program that could integrate with the County’s financial system. At that time, the County’s purchasing card program was through Bank of America.

Implementation of the new JPMC purchasing card program was initially delayed due to required updates to County Purchasing Card procedures maintained by the Auditor-Controller’s Office. As previously noted, the Auditor-Controller’s Office was experiencing staffing shortages and was simultaneously supporting County departments with the new financial system that also commenced in October 2022. These factors limited the Auditor-Controller’s Office’s capacity to complete the necessary Purchasing Card procedure revisions.

In Fiscal Year 2025, the Auditor-Controller’s Office finalized the updated Purchasing Card procedures and began transitioning departments from the Bank of America program to the new JPMC program. All County departments were fully transitioned as of December 1, 2025.

The JPMC purchasing card program enables next-day import of transactions directly into the County’s financial system, improving the timeliness of transaction recording. It also supports the attachment of transaction documentation and approval workflows directly

within the financial system, enhancing internal controls and overall efficiency.

### **Purchasing Card Compliance Report for Fiscal Year 2024**

In Fiscal Year 2024, the County had 30,805 purchasing card transactions with a combined value of \$7,423,454. Over 2,500 transactions were tested across ten departments. Compliance review findings and department response are noted below.

#### **Public Works**

**Finding:** The department had 161 purchasing card transactions tested. One transaction was missing documentation including the receipt and the related work statement for the transaction. The total value of the transaction with a finding amounted to \$120.

**Public Works Response:** Public Works acknowledges the audit finding regarding the missing receipt and related work statement for the referenced transaction. At the time of the audit, the original supporting documentation could not be located due to administrative oversight. Since identifying this issue, the department has taken the following steps to reinforce internal controls and ensure compliance with purchasing card policies:

- Reminded all cardholders and approving supervisors of the requirements to retain and upload complete supporting documentation for all transactions
- Reinforced timely reconciliation and review procedures to ensure missing documentation is identified and addressed promptly
- Implemented additional internal tracking measures to verify that receipts and supporting documents are properly maintained.

Public Works is committed to maintaining strong financial controls and ensuring full compliance with established policies and will continue to monitor adherence to these procedures to prevent similar occurrences in the future.

#### **Consolidated Emergency Dispatch Agency (SR 9-1-1)**

**Finding:** The department had 99 purchasing card transactions tested. The cardholder listing could not be obtained due to the transition from the former Bank of America Purchasing Card system to the JP Morgan Chase purchasing card system. Additionally, one transaction was missing the receipt or a completed Missing receipt Form. The total value of the transaction with a finding amounted to \$2.

**SR 9-1-1 Response:** SR 9-1-1 acknowledges the limitation noted regarding the cardholder listing during the audit period. The issue was the result of a system transition that occurred before Fiscal Year 2025 which impacted the Department's ability to retrieve a complete and accurate listing at the time of the audit. Since that time, the system transition has been completed, and controls have been re-established to ensure that cardholder listings are maintained and can be readily produced upon request. SR 9-1-1 does not anticipate this issue occurring in future audit periods.

SR 9-1-1 acknowledges that documentation was not available for the noted transaction. To address this, staff have been reminded of the requirement to retain receipts or complete a Missing Receipt Form when documentation is unavailable. Additional internal review procedures have also been reinforced to ensure compliance moving forward.

## **Purchasing Card Compliance Report for Fiscal Year 2025**

In Fiscal Year 2025, the County recorded 31,998 purchasing card transactions with a combined value of \$7,671,524. Over 2,500 transactions were tested across ten departments. Compliance review findings and department responses are noted below.

### **Office of Emergency Services (OES)**

The department had 186 purchasing card transactions tested and received three findings.

**Finding 1:** The department was missing pre-approval documentation for 12 transactions with a total value of \$7,684.

**OES Response:** At the time of the transactions noted, OES had recently transitioned to a standalone department after previously operating under the Sheriff's Office. During this transition period, purchasing card transactions were routinely preapproved by supervisors either verbally or via email; however, those approvals were not consistently documented within the Oracle system as required by the County Purchasing Card Policy.

Since that time, OES has implemented internal procedures to ensure that all purchasing card transactions receive documented pre-approval and are maintained within the Oracle system or supporting documentation. Department management has also reinforced the requirement with staff that all purchasing card approvals must be formally documented to ensure compliance with County policy. These corrective measures have been implemented to prevent similar exceptions in the future.

**Finding 2:** The department was missing approval for four transactions with a total value of \$385. In addition, the transactions were not recorded in the County's financial records due to the missing approvals.

**OES Response:** The transactions identified in this finding occurred during the early stages of OES establishing its independent administrative processes following separation from the Sheriff's Office. While supervisory approvals were provided verbally or through informal communication, the approvals were not always finalized within the Oracle system prior to fiscal year-end.

OES management has since taken steps to strengthen internal controls related to purchasing card transaction approvals. Staff responsible for purchasing card reconciliation and approval have been reminded of the requirement to complete approvals within the Oracle system in a timely manner, particularly prior to fiscal year-end closure. Additionally, OES has implemented monthly internal reviews to ensure that all purchasing card transactions are fully approved and documented in accordance with County Purchasing Card Policy.

**Finding 3:** One cardholder was not included on the approved cardholder list.

**OES Response:** The cardholder is not currently part of OES. The cardholder is part of the Sheriff's Office and made purchases for OES when OES was part of the Sheriff's Office. At Fiscal Year 2025 Adopted Budget, OES was made a separate department. Sheriff's Office provided support for OES while OES established business practices separate from the Sheriff's Office. OES has completed transitioning to a separate department, all cardholders are now OES staff, and cardholder lists are reviewed annually in compliance with the Purchasing Card Policy.

## **Prior Year Findings**

The Fiscal Year 2021 and Fiscal Year 2022 Purchasing Card Compliance Reports resulted in findings for Stanislaus Animal Services Agency (SASA) and Public Defender. Both SASA and Public Defender were tested again in the Fiscal Year 2025 purchasing card compliance testing to confirm corrective actions were implemented under more recent management. For SASA, 155 transactions were tested and for Public Defender, 91 transactions were tested. No exceptions were noted for both SASA and Public Defender and no findings were issued.

### **POLICY ISSUE:**

Board Resolution No. 2001-593 and Section 1.4.D.5 of the Stanislaus County Purchasing Card Policy requires the Auditor-Controller to perform an annual audit of all Department purchasing card activity on a three-year rotation cycle. The results of the audit are to be communicated to Department Heads, Grand Jury, Board of Supervisors and the Chief Executive Office.

### **FISCAL IMPACT:**

The contract with Brown Armstrong is funded from the Auditor-Controller budget. The cost for the Purchasing Card Program Compliance testing was \$24,975 for each fiscal year, totaling \$49,950 for the Fiscal Years 2024 and 2025.

### **BOARD OF SUPERVISORS' PRIORITY:**

Acceptance of the Purchasing Card Compliance reports will support the Board Priority of *Delivering Efficient Public Services* by providing information to the Board and the public on County department compliance with the Stanislaus County Purchasing Card Policy and providing recommendations to departments on improvements to internal controls and processes.

### **STAFFING IMPACT:**

There are no staffing impacts associated with this action.

### **CONTACT PERSON:**

Mandip Dhillon, Auditor-Controller

Telephone: (209) 525-6398

Christopher Barnes, Assistant Auditor-Controller

Telephone: (209) 525-5787

### **ATTACHMENT(S):**

1. 2024 Report
2. 2025 Report

**COUNTY OF STANISLAUS, CALIFORNIA**  
**REPORT ON AGREED-UPON PROCEDURES**  
**APPLIED TO PURCHASING CARDS**  
**FISCAL YEAR ENDED JUNE 30, 2024**

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

To the Honorable Board of Supervisors  
County of Stanislaus, California

We have performed the procedures enumerated in Attachment A to this report to assist the management of the County of Stanislaus (the County) in determining whether certain County Departments were in compliance with the County's policy and procedures over the purchasing card transactions for the fiscal year ended June 30, 2024. The County's management is responsible for being in compliance with the County's policy and procedures regarding the purchasing card transactions.

The County has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of determining whether particular County Departments were in compliance with the County's policy and procedures regarding the purchasing card transactions for the fiscal year ended June 30, 2024. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

Our procedures and results are listed in Attachment A.

We were engaged by the County to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not, conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on certain County Departments' compliance with the County's policy and procedures regarding the purchasing card transactions. 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.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of management and the Board of Supervisors of the County and is not intended to be, and should not be, used by anyone other than those specified parties.

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

*Brown Armstrong  
Accountancy Corporation*

Stockton, California  
March 27, 2026

**COUNTY OF STANISLAUS  
AGREED-UPON PROCEDURES AND RESULTS – PURCHASING CARDS TESTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
ATTACHMENT A**

1. Review the purchasing card transactions against the County purchasing card policy:

a. Test a minimum of 2,500 transactions across ten departments.

Results: We tested over 2,500 transactions across ten County departments identified by the County Auditor-Controller's Office. The results of our testing are as follows:

1. Community Services Agency: We selected and tested 1,611 purchasing card transactions. No exceptions were noted.
2. County Counsel: We selected and tested 40 purchasing card transactions. No exceptions were noted.
3. District Attorney: We selected and tested 320 purchasing card transactions. No exceptions were noted.
4. Health Services Agency: We selected and tested 246 purchasing card transactions. No exceptions were noted.
5. Law Library: We selected and tested 5 purchasing card transactions. No exceptions were noted.
6. Planning & Community Development: We selected and tested 37 purchasing card transactions. No exceptions were noted.
7. Public Works: We selected and tested 161 purchasing card transactions. One exception was noted as the receipt and related work statement could not be located by the department for one transaction.
8. SR-911: We selected and tested 99 purchasing card transactions. Exceptions were noted as the cardholder listing could not be provided by the department for all selected transactions. Also, a receipt could not be located by the department for one transaction.
9. UC Cooperative Extension: We selected and tested 19 purchasing card transactions. No exceptions were noted.
10. Workforce Department: We selected and tested 80 purchasing card transactions. No exceptions were noted.

b. Review the departments that had findings in the previous purchasing card testing.

Results: The step did not apply since we performed the year ending June 30, 2024 and 2025 purchasing cards testing concurrently. We will perform this step during the year ending June 30, 2026.

c. Verify that the departments identified in "b" above implemented corrective action plans.

Results: The step did not apply since we performed the year ending June 30, 2024 and 2025 purchasing cards testing concurrently. We will perform this step during the year ending June 30, 2026.

2. Survey department personnel regarding purchasing card controls as necessary.  
Results: We surveyed personnel in the ten selected departments regarding purchasing card controls relating to our testing as necessary.
3. Review additional department policies and procedures as needed by the County.  
Results: We reviewed and gained an understanding of additional department policies and procedures relating to our testing as needed by the County.
4. Obtain the annual purchasing card transaction list from the Bank of America WORKS program and JP Morgan One Card program.  
Results: We obtained the annual purchasing card transaction list from the Bank of America WORKS program and JP Morgan One Card program from each department selected for testing.
5. Obtain the purchasing cardholder list from the Bank of America WORKS program and JP Morgan One Card program.  
Results: We obtained the purchasing cardholder list from the Bank of America WORKS and JP Morgan One Card program for each department selected for testing. Exceptions were noted for one department as the cardholder listing could not be provided by the department for all selected transactions.
6. Review the purchasing card applications and maintenance forms from the Accounts Payable Division.  
Results: During our purchasing cards testing process, we obtained and reviewed the purchasing card applications and maintenance forms from the Accounts Payable Division. No exceptions were noted.
7. Review the purchasing card records of the departments listed in "1a" above to determine that monthly reconciliations of the purchasing card transactions are performed. The monthly reconciliations need to be performed in a timely manner and approved by the appropriate department staff.  
Results: We reviewed the purchasing card records of the departments listed in "1a" above to determine that monthly reconciliations of purchasing card transactions are performed. The monthly reconciliations need to be performed in a timely manner and approved by the appropriate department staff. No exceptions were noted, except the findings stated in "1a-7" and "1a-8" above.
8. Perform other procedures considered necessary.  
Results: We performed other necessary procedures over the purchasing cards as necessary. No exceptions were noted.

**COUNTY OF STANISLAUS, CALIFORNIA**  
**REPORT ON AGREED-UPON PROCEDURES**  
**APPLIED TO PURCHASING CARDS**  
**FISCAL YEAR ENDED JUNE 30, 2025**

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

To the Honorable Board of Supervisors  
County of Stanislaus, California

We have performed the procedures enumerated in Attachment A to this report to assist the management of the County of Stanislaus (the County) in determining whether certain County Departments were in compliance with the County's policy and procedures over the purchasing card transactions for the fiscal year ended June 30, 2025. The County's management is responsible for being in compliance with the County's policy and procedures regarding the purchasing card transactions.

The County has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of determining whether particular County Departments were in compliance with the County's policy and procedures regarding the purchasing card transactions for the fiscal year ended June 30, 2025. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

Our procedures and results are listed in Attachment A.

We were engaged by the County to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not, conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on certain County Departments' compliance with the County's policy and procedures regarding the purchasing card transactions. 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.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of management and the Board of Supervisors of the County and is not intended to be, and should not be, used by anyone other than those specified parties.

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

*Brown Armstrong  
Accountancy Corporation*

Stockton, California  
March 27, 2026

**COUNTY OF STANISLAUS  
AGREED-UPON PROCEDURES AND RESULTS – PURCHASING CARDS TESTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025  
ATTACHMENT A**

1. Review the purchasing card transactions against the County purchasing card policy:

a. Test a minimum of 2,500 transactions across ten departments.

Results: We tested over 2,500 transactions across ten County departments identified by the County Auditor-Controller's Office. The results of our testing are as follows:

1. Animal Services: We selected and tested 155 purchasing card transactions. No exceptions were noted.
2. Auditor-Controller: We selected and tested 50 purchasing card transactions. No exceptions were noted.
3. Behavioral Health & Recovery Services: We selected and tested 1,129 purchasing card transactions. No exceptions were noted.
4. Clerk-Recorder: We selected and tested 112 purchasing card transactions. No exceptions were noted.
5. First 5 Stanislaus: We selected and tested 110 purchasing card transactions. No exceptions were noted.
6. LAFCO: We selected and tested 10 purchasing card transactions. No exceptions were noted.
7. Library: We selected and tested 758 purchasing card transactions. No exceptions were noted.
8. Office of Emergency Services: We selected and tested 135 purchasing card transactions. Exceptions were noted for 4 transactions pending approval without documented support, 12 transactions lacking documented pre-approval, and 1 cardholder not included on the approved cardholder list due to the department's transition.
9. Public Defender: We selected and tested 91 purchasing card transactions. No exceptions were noted.
10. Treasurer-Tax Collector: We selected and tested 50 purchasing card transactions. No exceptions were noted.

b. Review the departments that had findings in the previous purchasing card testing.

Results: Procedures were performed for the Animal Services and Public Defender departments due to findings that occurred during the fiscal year ended June 30, 2022. No further exceptions were identified in the current year.

c. Verify that the departments identified in "b" above implemented corrective action plans.

Results: We verified that the department identified in "b" above implemented corrective action plans.

2. Survey department personnel regarding purchasing card controls as necessary.

Results: We surveyed personnel in the ten selected departments regarding purchasing card controls relating to our testing as necessary.

3. Review additional department policies and procedures as needed by the County.

Results: We reviewed and gained an understanding of additional department policies and procedures relating to our testing as needed by the County.

4. Obtain the annual purchasing card transaction list from the Bank of America WORKS program and JP Morgan One Card program.

Results: We obtained the annual purchasing card transaction list from the Bank of America WORKS and JP Morgan One Card program from each department selected for testing.

5. Obtain the purchasing cardholder list from the Bank of America WORKS program and JP Morgan One Card program.

Results: We obtained the purchasing cardholder list from the Bank of America WORKS program and JP Morgan One Card program for each department selected for testing.

6. Review the purchasing card applications and maintenance forms from the Accounts Payable Division.

Results: During our purchasing cards testing process, we obtained and reviewed the purchasing card applications and maintenance forms from the Accounts Payable Division. No exceptions were noted.

7. Review the purchasing card records of the departments listed in "1a" above to determine that monthly reconciliations of the purchasing card transactions are performed. The monthly reconciliations need to be performed in a timely manner and approved by the appropriate department staff.

Results: We reviewed the purchasing card records of the departments listed in "1a" above to determine that monthly reconciliations of purchasing card transactions are performed. The monthly reconciliations need to be performed in a timely manner and approved by the appropriate department staff. No exceptions were noted, except the findings stated in "1a-8" above.

8. Perform other procedures considered necessary.

Results: We performed other necessary procedures over the purchasing cards as necessary. No exceptions were noted.