



City of Virginia Beach

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VIRGINIA BEACH, VA 23456-9012

August 6, 2014

James B. Ricketts, Director
Convention and Visitors Bureau
TowneBank Building, Suite 500
Virginia Beach, VA 23451

Subject: Results of the Agreed-Up Procedures for Convention and Visitors Bureau FY 2014 Procurement Card Transactions

Dear Mr. Ricketts,

We have performed the procedures listed below, which were agreed to by management from the Convention and Visitors Bureau (CVB) solely to review their procurement card transactions generated during FY 2014.

This agreed-upon procedures engagement was conducted in accordance with Government Auditing Standards (GAS). GAS incorporates financial and attestation standards established by the American Institute of Certified Public Accountants. These standards also provide guidance for performing and reporting the results of agreed-upon procedures. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described herein either for the purpose for which this report has been requested or for any other purpose.

The Office of the City Auditor reports to City Council through the Audit Committee and is organizationally independent of all City Departments. This report will be distributed to the City's Audit Committee, City Council, City Manager, and appropriate management within the City.

We were not engaged to perform and did not perform an examination or GAS review of the subject matter, the objective of which would have been the expression of an opinion or limited assurance. Had we performed additional procedures, other matters may have come to our attention that would have been reported to you. We completed the agreed-upon procedures on July 17, 2014.

This report is intended solely for the information and use of the Audit Committee and management of CVB. It is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

The procedures we agreed to perform were a review of CVB's procurement card transactions during FY 2014 for reasonableness and compliance with the City's procurement card policies and procedures as well as the City's administrative directives governing travel and purchases. The procedures we performed were as follows:

Procedures:

- (1) We obtained all 2,669 procurement card transactions from June 28, 2013 through June 27, 2014 totaling \$443,333.03 and printed out each month's transactions;
- (2) Examined each CVB cardholder's transaction log to:
 - A) Agree the cardholder's Pro Card billing statement with his/her transaction log;
 - B) Determine if the cardholder, immediate supervisor and the program manager signed the transaction log and billing statement;
 - C) Determine if applicable backup documentation of each transaction is included with the transaction log (including detailed receipts for meals);
 - D) Determine if transactions comply with VII. Credit Card Application and Use Procedures, of the Virginia Beach Pro Card Manual;
 - E) Further review transactions for meals at local restaurants, large purchase amounts, and other reasonableness criteria.

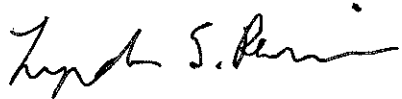
Results:

Overall, we found the CVB procurement card transactions for FY 2014 to be in compliance with the City's policies and procedures and minor exceptions were verbally discussed with management and considered closed.

James B. Ricketts, Director, Convention and Visitors Bureau
Results of the Agreed-Upon Procedures for Convention and Visitors Bureau FY 2014
Procurement Card Transactions
August 6, 2014
Page 3 of 3

We would like to thank CVB management for their courteous assistance during the course of our engagement. Should you have any questions, please do not hesitate to contact me at 385-5872 or via e-mail at lremias@vbgov.com.

Sincerely,



Lyndon S. Remias, CPA, CIA
City Auditor

cc: City Council Members
Audit Committee Members
Douglas Smith, Deputy City Manager, City Manager's Office
James Ricketts, Director, Convention and Visitors Bureau
Patricia Phillips, Director, Department of Finance



City of Virginia Beach

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INTER-OFFICE MEMORANDUM

DATE: August 5, 2014

TO: Lyndon Remias, City Auditor

FROM: James B. Ricketts, Director Convention and Visitors Bureau *JBR*

SUBJECT: Results of Agreed-Upon Procedures for Convention and Visitors Bureau
FY 2014 Procurement Card Transactions

The City Auditor's staff is to be commended for their time and efforts in conducting, at my request, the FY 2014 Convention and Visitors Bureau agreed-upon procedures engagement. This engagement was a very thorough and extensive examination of 100% of CVB's credit card transactions during the period of June 28, 2013 to June 27, 2014.

The positive results of the engagement show that the CVB is adhering to City policies and that our enhanced and additional internal control procedures are effective and working as intended to mitigate fraud, waste and abuse.

I want to thank you and your staff for their dedicated efforts in performing this engagement and in discussing the outcome at the exit conference. As discussed, we will look forward to next year's Pro Card agreed-upon procedures engagement.

C: Douglas Smith, Deputy City Manager