



A Tradition of Stewardship
A Commitment to Service

**County-Wide Internal Audit Review
Amazon Capital Services, Inc.
e-Commerce Account**

For the period of
July 1, 2025 to December 31, 2025

Tracy A. Schulze
Auditor-Controller
Internal Audit Section
February 6, 2026

Table of Contents

	<u>Page</u>
Executive Summary	3
Background and Authority.....	4
Objectives and Scope	4
Procedures	4
Results and Observations.....	5
Recommendations.....	5
Conclusion	5
Exhibit A – Amazon e-Commerce Spend by Department.....	6

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February 6, 2026

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Executive Summary

The Internal Audit Section of the Napa County Auditor-Controller's Office (Internal Audit) has completed a county-wide review of Napa County's Amazon Capital Services Inc. (Amazon e-Commerce) account activity for the period of July 1, 2025, through December 31, 2025 (review period).

The primary objectives of this review were to assess departmental use of the Amazon e-Commerce platform and its associated subaccounts for compliance with Napa County's Purchasing Policy and to evaluate whether internal controls over the procurement process were properly designed and operating effectively. Based on our review of transactions during the review period, we found that County departments are adhering to the Purchasing Policy.

This review was conducted in accordance with professional auditing standards applicable to the public sector, which require that engagements be performed with integrity, objectivity, competence, due professional care, and confidentiality.

This report is a matter of public record and is intended for the information and use of the Napa County Board of Supervisors, County Executive Officer, Purchasing Manager, and department heads. We extend our appreciation to the Purchasing Manager and departmental staff for their cooperation and professionalism throughout this engagement.

Sincerely,

A handwritten signature in blue ink that reads "Tracy A. Schulze".

Tracy A. Schulze
Auditor-Controller

Background and Authority

The County of Napa utilizes the Amazon e-Commerce platform for procurement purposes in accordance with all applicable state laws, the Napa County Code, and the Napa County Purchasing Policy.

Participation in the Amazon platform is made possible through a cooperative purchasing agreement facilitated by OMNIA Partners, a group purchasing organization. By leveraging the collective buying power of public agencies, OMNIA Partners secures competitive pricing and favorable contract terms for a wide range of goods and services.

Administration of the County's Amazon e-Commerce account is managed by the Purchasing Manager, acting as the designee of the County Purchasing Agent. The Purchasing Manager is authorized to create and manage departmental subaccounts to support purchasing needs across County departments.

The Amazon e-Commerce platform was implemented to streamline the procurement process, enhance purchasing efficiency, and ensure the timely delivery of supplies, particularly during emergency situations.

Objectives and Scope

The primary objective of this review was to assess the use of Napa County's Amazon e-Commerce account to determine compliance with the County's Purchasing Policy and procedures. Additionally, the review evaluated the administration and oversight of departmental subaccounts to ensure that appropriate internal controls were in place and functioning effectively. The scope of the review covered transactions and supporting documentation for the period of July 1, 2025 through December 31, 2025.

Procedures

To achieve the review objectives, Internal Audit performed the following procedures:

1. Reviewed Napa County's Purchasing Policy and the vendor contract governing the Amazon e-Commerce account.
2. Analyzed the Accounts Payable Detail report to identify all Amazon e-Commerce transactions within the review period.
3. Selected a sample of transactions and reviewed corresponding invoices and supporting documentation to assess compliance with the County's Purchasing Policy.
4. Engaged with departmental staff to obtain clarification on purchases and to evaluate the effectiveness of internal controls in preventing fraud, waste, and abuse.
5. Reviewed the approval workflow in Tyler-Munis for internal controls.

Results and Observations

During the review period, Napa County departments made a total of \$142,226 in purchases through the Amazon e-Commerce account. A detailed breakdown of departmental spending exceeding \$1,000 is provided in **Exhibit A**.

Internal Audit selected and reviewed a sample of 40 transactions along with associated documentation to evaluate compliance with the County's Purchasing Policy. This included a review of the invoice to verify requisitioner, shipping address, supporting documentation to the invoice, and the workflow approval levels to confirm that the requisitioner was not the final approver. Where the reason for a purchase was not clear on the invoice, Internal Audit reached out to the department for clarification and back up documentation.

Internal Audit identified three transactions in which the same individual served as both the requisitioner and the final approver. This condition is not consistent with the Tyler Munis workflow business rules for journal entries or with best practices, which emphasize appropriate segregation of duties to promote independent review and approval of transactions and to reduce the risk of error or inappropriate authorization. These transactions were isolated to a single department, and the approval process has since been updated to ensure appropriate segregation of duties as of the date of this report.

Recommendations

1. User Authorization and Accountability

- Due to the ease and convenience of making purchases through the Amazon e-Commerce platform, we recommend requiring all assigned users to sign an acknowledgment form outlining their responsibilities and accountability. This process would mirror the authorization and acknowledgment procedures currently in place for the County's P-Card program and is considered a best practice.

2. Internal Control Enhancement

- In order to maintain an effective control environment, each transaction should include at least two levels of approvals in the originating department.

Conclusion

Based on our review, Internal Audit is satisfied that all tested transactions during the review period were in compliance with the Napa County Purchasing Policy and were supported by appropriate documentation, approvals, and evidence of adherence to established purchasing requirements.

Exhibit A

Amazon e-Commerce Spending by Department

