

Department of Central Services
Audit Unit
2007 Audit Cycle

DCS ANNUAL AUDIT SUMMARY

- Total Audit Findings: 97

 - Total Audits Completed: 20
 - Procurement: 2
 - Procurement / Inventory: 1
 - Purchase Card: 16
 - Statewide Contract: 1
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2007 Purchase Card Summary

We audited **16** agencies that were responsible for **52%** of Purchase Card Expenditures within a floating scope.

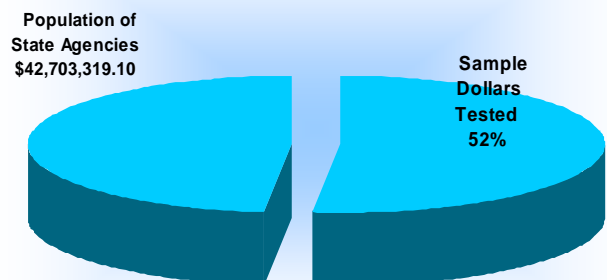
On average **26%** of the expenditures for each Agency were tested.

Fiscal Year 2007 State Agency Purchase Card Expenditures:
\$28.3 million

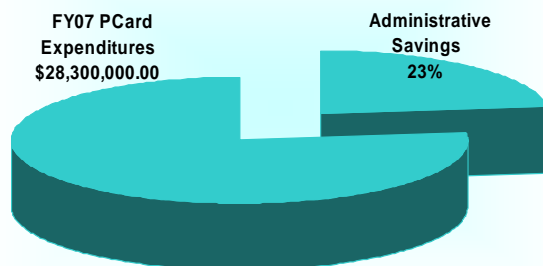
Minimum Estimated Purchase Card Program Administrative Savings for Fiscal Year 2007:
\$6.5 million

\$66.20 per transaction

Sample Dollars Tested in Relation to State Purchase Card Expenditure



Administrative Savings in Relation to FY 07 Purchase Card Expenditures



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Purchase Card Audit Finding Summary

(Each category is stated in order of significance)

The top 3 purchase card audit findings 2007:

(Applicable Agencies / Agencies Audited)

- Improperly Annotated Receipts **INCREASED BY 50%**
- Memo statements were appropriately not signed or dated appropriately **REDUCED BY 24%**
- Internal purchasing procedures were not revised **REDUCED BY 55%**

In fiscal year 2007, the trends were:

Occurrence Units Percentage

- Documents were not signed, dated, or annotated received **REDUCED BY 4%**
- Improperly signed memo statements **REDUCED BY 9%**

Findings associated with the highest dollar amounts 2007:

- Unencumbered funds (\$16,223.81 out of \$42,703,319.10) **REDUCED BY 99%**
 - Prohibited purchases (\$3,067.99 out of \$42,703,319.10) **REDUCED BY 1%**
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**2007 Statewide Purchase Card Continuous Monitoring
Finding Summary**

We detected cardholders:

- making prohibited purchases
- dividing purchases
- split purchasing.

As a result of our monitoring:

- one cardholder was terminated
- one approving official was relieved of their supervisory duties
- one cardholder's card was cancelled
- two findings were forwarded to appropriate officials for further disciplinary action.