

Department of Central Services

Audit Unit

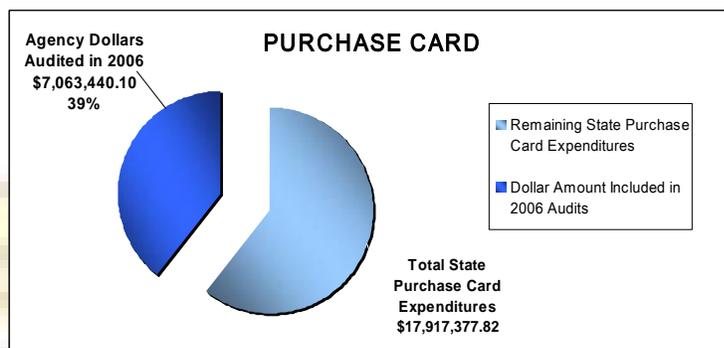
2006 Audit Cycle

PURCHASE CARD AUDITS

We audited 25 agencies that were responsible for 39% of all Purchase Card expenditures for the cycle.

On average, 42% of the expenditures for each Agency were tested.

Minimum Estimated Purchase Card Program Administrative Savings:
\$895,868.89 or 5%



Purchase Card Audit Finding Summary

(Each category is stated in order of significance.)

The most common purchase card audit findings:

- Receipts filed were not properly signed, dated, and annotated as "Received."
- Internal Procedures were not properly submitted or updated to the Department of Central Services.
- Memo Statements were not properly signed, dated, or included in the Agency's purchase documentation.
- Employee Agreements were not signed by participating employees of the Purchase Card program.

When the audit findings involved quantifiable components, the highest occurrences were:

- Applicable items that exceeded \$500 were not included on the inventory list of the Agency.
- Receipts reviewed were not properly signed, dated, and annotated as "Received".
- Employee Agreements for the agencies audited were not signed by participating cardholders in the Purchase Card program.

Findings associated with the highest dollar amounts:

- Total purchase card expenditures exceeding the amount encumbered by the agency.
- Purchase card transactions not having appropriate documentation.
- Purchase card transactions not having a detailed or itemized receipt.

The highest error rate associated with purchase card findings:

- Agencies who reported lost cards did not have Missing Lost Card Reports on file at the time of the audit.
- Inventoriable items were not included on the inventory list of the Agency.

The outcome of the continuous monitoring performed:

- 13 agency directors voluntarily deactivated cards due to lack of or inappropriate Approving Officials. 4 more agency directors deactivated their cards during our regular audits.
- 5 purchase cards were cancelled and 4 were placed on hold due to cardholders not recorded on the DCS training log.