

The background of the page features a large, semi-transparent seal of the State of Oklahoma. The seal is circular with a yellow outer ring containing the text "SEAL OF THE STATE OF OKLAHOMA" and the year "1907". The center of the seal depicts a landscape with a sun, a plow, a sheaf of wheat, and a bundle of cotton, all set against a blue sky with white stars.

STATE OF OKLAHOMA

**Department of Central Services
Audit Unit**

**Statewide
Purchase Card Continuous
Monitoring**

*Report Released
October 25, 2007*

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~ OVERVIEW ~

We performed monitoring that included all state purchase card transactions for the period of April 27, 2007 through August 27, 2007 from all state agencies. Based upon the preliminary review of one state agency's transactions, we increased the scope for this agency to July 1, 2006 through August 27, 2007. During this continuous monitoring, we noted transactions that did not appear compliant with either the State of Oklahoma Purchase Card Procedures or Oklahoma State Law.

~ FINDING #1 ~

During our review of the purchases for the cardholder, we found fuel purchases for state vehicles on the individual purchase card. The receipts had messages from agency officials stating that the purchases were made out of necessity since the vendor did not accept the Fuelman Card that should have been used.

The procedures related to the finding are listed below:

State of Oklahoma Purchase Card Procedures § **6.2.5 Merchant preferences** states in part, "P/card purchases shall comply with the following preferences for certain merchants or types of contracts. The following are listed in the order of preference.

...

6.2.5.3. Mandatory statewide contracts. State entities shall make purchases from mandatory statewide contracts regardless of the purchase price unless the State Purchasing Director has issued a waiver to the entity.

State of Oklahoma Purchase Card Procedures § **6.2.3 Other prohibited purchases** states, "The p/card, Statewide Contract p/card, and Travel p/card shall NOT be used for the following types of purchases:

...

-Motor fuel or fluids.

...

Management responded that, "this [purchase] could be viewed as an 'emergency' under our Agency's current exemptions. There was no other option but to buy fuel at the location they had to stop. The exemption states 'all acquisitions related to emergency situations', which in this case was an emergency [because] they did not have enough fuel to continue on with their duties. This was discussed with the cardholder in 2006 he was advised it was not an allowable charge and told not to do it again or his privileges would be revoked."

OUTCOME: This cardholder does not have an exemption for these purchases; therefore, the cardholder and approving official were overriding purchase card controls. The DCS Audit Unit has forwarded this finding to the SW101-Automated Fleet Fuel Management System contract administrator and the State Purchase Card Administrator.