

Department of Central Services

Audit Unit

2006 Audit Cycle

DCS ANNUAL AUDIT SUMMARY

☒ Total Audit Findings: 422

☒ Total Audits Completed: 35

- Purchase Card Audits 25
- Procurement Audits 10

PROCUREMENT AUDITS

We audited 10 agencies' purchasing programs totaling \$162 million.

The average dollar amount tested per Agency was 69% of their total acquisitions.

Procurement Audit Finding Summary

(Each category stated in order of significance.)

The most common procurement audit findings:

- An evaluation of professional contract services was not performed.
- Agencies reviewed were missing or filed an unsigned affidavit certifying those persons who developed the contract would not perform the contract.
- For the \$2,501-\$10,000 and \$10,001-\$25,000 thresholds, agencies reviewed did not include a non-collusion affidavit signed by contracting vendor.

The highest error rate associated with procurement findings:

- Applicable agencies did not have validation from Oklahoma Tax Commission or State Purchasing Director of vendor disbarment.
- Applicable agencies did not contain an audit clause in professional services contracts.
- Applicable agencies did not have the appropriate documentation of a vendor's valid sales tax permit.

Findings associated with highest questioned cost:

(All agencies were reviewed for questioned cost; however, the highest questioned costs reported below were noted from one agency.)

- Acquisitions totaling \$179,745.25 appeared to be split purchasing.
- Acquisitions in the amount of \$182,534.04 were paid based on a fixed rate price when the Agency did not have an approved fixed rate contract.
- A projected questioned cost of \$59,106.00 in the \$10,001- \$25,000 threshold was reported for the lack of required number of bid solicitations.
- A projected questioned cost of \$41,919.09 in the \$2,501 - \$10,000 threshold did not have the proper documentation to show price quotes or delivery dates from two or more vendors.