EXECUTIVE SUMMARY
PROCUREMENT CARD (P-CARD) AUDIT #15-14

The Procurement Card Program, administered by Finance, offers a fast, flexible, and cost-effective alternative to the existing Capital Metro “micro” purchasing process for purchases of goods and services up to $3,000.

For the period of August 2014 through July 2015, P-cards were used to purchase $938,402 of goods, services, and travel-related expenses.

MANAGEMENT HAS AGREED TO:

- CLARIFY AND ENHANCE POLICIES RELATED TO P-CARD USAGE BY APRIL 2016.

- INSTITUTE ANNUAL ACKNOWLEDGEMENT AND ACCEPTANCE OF P-CARD EXPECTATIONS AND PROCEDURES BY FEBRUARY 2016.

- REFINE AND DOCUMENT OVERSIGHT MONITORING REVIEWS OF P-CARD TRANSACTIONS BY APRIL 2016.

Are controls to ensure the propriety of P-card purchases effective and operating as intended?

### Issuance

- Only current full-time employees have P-cards.

- Over half of active cardholders’ supervisors were not the supervisors who initially authorized card issuance.

- Over half of the P-card purchasing limits do not match the original requested card limit.

- There is not a process to notify the P-card Administrator of transferring employees.

- Cardholder personally identifiable information (PII) is protected.

### Usage

- P-card and other Finance policy violations were noted in the areas of food and meals, office supplies, gift cards and cash equivalent prizes.

### Monitoring

- Supervisory Review – Over half of the electronic transactions lacked evidence of supervisory review.

  - Some transactions (16%) lacked hard copy, itemized support even though the monthly receipt files were approved by the supervisor or the receipts were never submitted to Finance at all.

- Program Review – Reviews performed by Procurement are performed but are intended only to identify violations of Procurement Acquisition Policy.

  - Currently, there is no assigned responsibility to review for violations of Finance policies, including P-card, Business Meals, or Awards & Prizes Policies.

### Cancellation

- The process for Human Resources to notify the P-card Administrator of terminating employees is functioning as intended.

  - No terminated employees have an active P-card.

SIGNIFICANT IMPROVEMENTS NEEDED

SOME IMPROVEMENTS NEEDED

ACCEPTABLE CONDITIONS