



OFFICE OF THE CITY AUDITOR COLORADO SPRINGS, COLORADO

Denny L. Nester, City Auditor
MBA CPA CIA CFE CGFM

16-18 City of Colorado Springs Purchasing Card Audit

August 2016

Purpose

The purpose of this audit was to evaluate the adequacy of the City's internal control environment as it relates to Purchasing Card transactions, and to determine that purchases were made in accordance with policies and procedures.

Highlights

We conclude that overall, Purchasing Card related internal controls were adequate and purchases were made in accordance with City policies and procedures.

We performed an audit of the City of Colorado Springs Purchasing Card (P-Card) program. Our audit period was October 1, 2015 through March 31, 2016. The prior audit report 13-26 was issued in December 2013. That report included two recommendations to strengthen controls. Management agreed with those recommendations, which were subsequently implemented as reported in our 2014 follow up audit report.

During our audit period, the P-Card program was administered by the City's Accounts Payable group within the Finance Department. Department managers from various departments were responsible to ensure all P-Card purchases for their direct reports were reconciled, proper support was on file, and that the purchase was in accordance with policy. The Accounts Payable group reviewed selected P-Card purchases on a monthly basis to help ensure compliance with policies and procedures.

During our audit period, there were approximately 14,000 P-Card transactions on 665 P-Cards that totaled approximately \$5,000,000. The City participated in a P-Card rebate program. The City received a rebate of approximately \$150,000 for purchases that occurred between May 2014 and April 2015.

We tested adherence to P-Card policies and procedures for a sample of transactions during our audit period. We performed analytical tests to review for any unusual transactions and ensure compliance with required transaction limits.

We appreciate the support and assistance provided by the Accounts Payable group during our review.

This audit was conducted in conformance with the International Standards for the Professional Practice of Internal Auditing, a part of the Professional Practices Framework promulgated by the Institute of Internal Auditors.