



OFFICE OF THE CITY AUDITOR COLORADO SPRINGS, COLORADO

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A handwritten signature in black ink, appearing to read "Denny L. Nester".

19-05 City of Colorado Springs Procurement Card Monitoring Audit—2018

March 2019

Purpose

The purpose of this audit was to review compliance with City Procurement Card (p-card) policies and procedures on an ongoing basis during 2018.

Highlights

We conclude that cardholders complied with City Procurement Card (p-card) policies and procedures. Areas of non-compliance were not considered significant. These included nominal amounts of sales tax on tax-exempt purchases or a few instances in which supporting documents were not included.

Per the p-card policy, the goal of the program is to improve efficiency of high volume, low dollar purchases, while reducing transaction costs along with maintaining integrity and control of the purchasing process. The policy also notes that record keeping is essential to ensure the success of the program.

Employees must complete an application, obtain supervisor approval, and complete on-line training to obtain a p-card. Responsibility for p-card administration resided with the City Procurement Services Department.

In 2018, 32,174 transactions were processed with a total spend of \$9,942,653. In 2017, 29,655 transactions were processed, which totaled \$10,202,986. In 2018, the average purchase amount was \$309.03 and in 2017, it was \$344.06.

During 2018, we performed reviews of two months of transactions for each cost center or department. We tested for compliance with procedures that required all statements to be properly supported and approved by the cardholder, as well as, the appropriate manager. We also verified that transactions were allowable purchases under City policy.

City Finance reviewed the Office of the City Auditor p-card transactions, noting compliance with policies and procedures.

User departments and management were notified of any areas needing improvement. Overall, we noted ongoing compliance with policies and procedures in place.

We appreciate the cooperation of City personnel during this 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.