



# OFFICE OF THE CITY AUDITOR COLORADO SPRINGS, COLORADO

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A handwritten signature in black ink that reads "Jacqueline M. Rowland".

## 21-05 City of Colorado Springs Procurement Card Monitoring - 2020

February 2021

### **Purpose**

The purpose of this audit was to review compliance with City Procurement Card (p-card) policies and procedures on an ongoing basis during 2020.

### **Highlights**

Based on our review, we conclude that cardholders complied with City Procurement Card (p-card) policies and procedures. Incidents of non-compliance were not considered significant. These included nominal amounts of sales tax on tax-exempt purchases or instances in which supporting documents were not included. P-card holders and department management were notified of any areas needing improvement. Overall, we noted ongoing compliance with policies and procedures in place.

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. P-card 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 2020, 27,697 transactions were processed with a total spend of \$8,501,104 and the City received a rebate of \$120,005. In 2019, 32,971 transactions were processed, which totaled \$10,417,165. In 2020, the average purchase amount was \$306.93 and in 2019, it was \$315.95.

During 2020, we performed p-card transaction reviews for every cost center and department of the City of Colorado Springs. 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 reviews the Office of the City Auditor p-card transactions.

In our 2019 p-card review, it was noted that an electronic process for reconciliation and approval was to be implemented effective October 2019. The transition to an electronic process was still in progress during 2020 for some departments. Auditors will track and report the transition to electronic p-card reconciliation process for our 2021 report. Reconciliation and approval policy requirements were consistent for paper and electronic processes.

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.