



OFFICE OF THE CITY AUDITOR COLORADO SPRINGS, COLORADO

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20-05 City of Colorado Springs Procurement Card Monitoring—2019

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Purpose

The purpose of this audit was to review compliance with City Procurement Card (p-card) policies and procedures on an ongoing basis during 2019.

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. User departments and 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 2019, 32,971 transactions were processed with a total spend of \$10,417,165 and the City received a rebate of \$131,468. In 2018, 32,163 transactions were processed, which totaled \$9,942,653. In 2019, the average purchase amount was \$315.95 and in 2018, it was \$309.13.

During 2019, we performed reviews of transactions for cost centers and departments. 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.

During the year the p-card statements, reconciliation, and approval process changed from a paper to an electronic process. As of October 2019, departments no longer received paper statements. As of that date, all transactions were reviewed and approved online. P-card policies did not change.

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.