

Highlights

Internal Audit Report to the Board of Supervisors

Why We Did This Review

Internal Audit monitors P-Card activity annually to deter abuse and increase management awareness. P-Card expenditures averaged \$28.2 million over the past four years. For this engagement, we selected and reviewed FY09 and FY10 P-Card transactions.

What We Recommended

We recommended that agency management continue to strengthen compliance with County P-Card policies and procedures.

Auditing Standards

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives.

We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Scope limitation: We were denied access to Sheriff's Office records.



For more information, please contact Eve Murillo, Deputy County Auditor, at 602-506-7245 or emurillo@mail.maricopa.gov

Purchasing Cards (P-Cards)

Although Transactions Reviewed Appear to be Appropriate, Internal Procedures are Weak

What We Found

We reviewed supporting documentation for 69 P-Card transactions from 14 agencies. Although we did not find any non-business or inappropriate purchases, 33% of the transactions reviewed contained exceptions to the County's approved P-Card procedures, such as incomplete or late reconciliations, or insufficient supporting documentation. Strengthening these procedures could protect against undetected overcharges or other types of fraud, waste, or abuse.

P-Card Exceptions	Number of Exceptions (out of 69)	Exception Rate
Inappropriate Purchases	0	0%
Incomplete Reconciliations	8	11%
Insufficient Support Documentation	4	6%
Late Reconciliations	4	6%
Other Miscellaneous Exceptions	7	10%

Source: Audit Analysis of Agency P-Card Records

We also conducted limited testing of certain system safeguards and found that cardholders are prevented from obtaining PIN numbers for cash advances or receiving cash back on purchases. In addition, some cards are set to exclude certain Merchant Category Codes (such as dating and escort services, bars, and amusement parks); however, cards cannot be limited by individual commodity or product (such as liquor or cigarettes).

We appreciate the excellent cooperation received from agency leadership and staff while conducting this audit. We notified agencies with exceptions.

Agencies With Internal Procedures Exceptions: County Attorney, County Manager, Emergency Management, Equipment Services, Flood Control, Government Relations, Human Services, Integrated Court Justice Information System, Public Health, and Solid Waste

Agencies With No Exceptions: Clerk of the Superior Court, Facilities Management, Juvenile Probation, and Risk Management