

# 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. Materials Management made \$1.5 million in P-Card purchases between October 2009 and December 2010. We reviewed 24 transactions totaling \$82,424 from this period.

## What We Recommended

We recommended that Materials Management strengthen compliance with County P-Card policies and procedures. Management concurred with the recommendation and plans to remedy an inconsistency in policies. The Certified Agency Procurement Aide policy requires preapproval on procurement transactions conducted under the policy but the P-Card policy does not contain this same requirement.

## Auditing Standards

We conducted this performance audit in accordance with generally accepted government auditing standards.



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

# Purchasing Cards (P-Cards) Materials Management Department

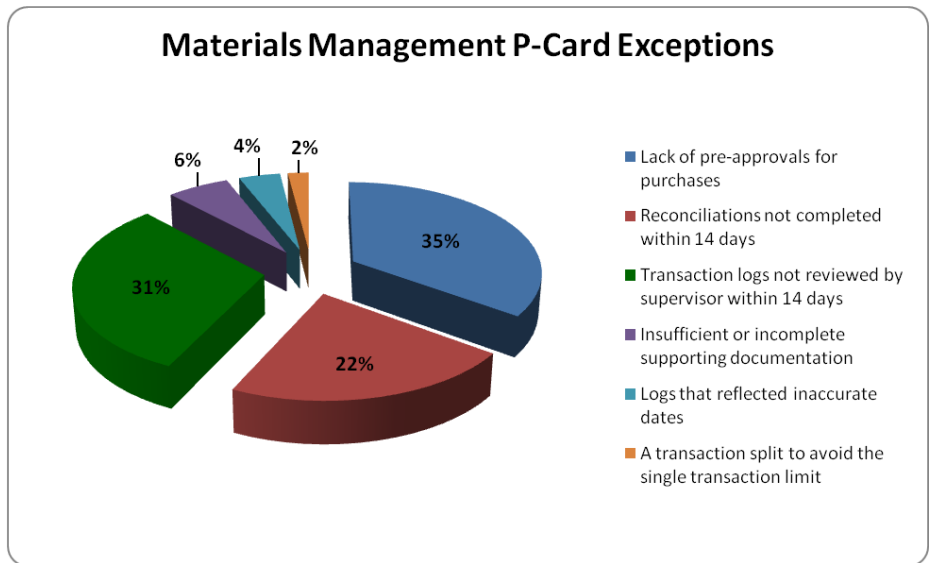
## Transactions Reviewed were Appropriate; Internal Procedures Need Improvement

### What We Found

We reviewed supporting documentation for 24 P-Card transactions from three cardholders within Materials Management. We found all of the transactions were for business-related or other appropriate purchases; however, 21 of the 24 transactions reviewed contained exceptions to County P-Card procedures including:

- Lack of pre-approvals for purchases
- Reconciliations not completed within 14 days
- Transaction logs not reviewed by supervisor within 14 days
- Insufficient or incomplete supporting documentation
- Logs that reflected inaccurate dates
- A transaction split to avoid the single transaction limit

Strengthening these procedures and improving management oversight could protect against undetected overcharges or other types of fraud, waste, or abuse.



**88% of the Exceptions Are Attributed to Lack of Pre-Approvals and to Late Reconciliations**

We appreciate the excellent cooperation received from Materials Management leadership and staff while conducting this audit.