

OFFICE OF AUDITOR GENERAL



Joseph C. Wilson Foundation Academy
Purchasing Card Audit

March 2016



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Objective:

To assess school compliance with established protocols, procedures, documentation and oversight for District Procurement Cards (P-Cards).

Background:

The Rochester City School District utilizes a P-Card program to streamline the procurement process. Purchases made with P-Cards are completed faster as they are not subject to the purchase order process. P-Cards are corporate Visa credit cards which are assigned to authorized District employees. Purchases made with P-Cards must be for allowable educational and operating goods and services and must be tax exempt. The Purchasing Department has developed a P-Card Procedures Manual outlining procedures and requirements for having a P-Card. All cardholders and P-Card supervisors are required to attend a training session before the card will be issued.

Scope:

We identified all P-Card holders at Wilson Foundation. We evaluated P-Card records to assess the validity of expenditures, sales tax payments, and single transaction limits to ensure compliance with District protocols and procedures. We assessed the timely preparation and approval of P-Card expense reports. Transactions for the 2015-16 school year, through January 20, 2016, were evaluated.

Conclusion:

Wilson Foundation has three P-Card cardholders with 125 P-Card transactions for the 2015-16 school year. Overall, Wilson Foundation maintained adequate controls over P-Card; however, our audit identified two split transactions, two instances where sales tax was charged and four transactions which did not have documentation to support the expenditure. Although all expense reports tested were prepared, submitted and approved in CenterSuite, approval was not consistently completed in a timely basis within the District's deadline.



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Rec #	Recommendations
1	<i>Retain P-Card expense reports, supporting receipts and invoices for all P-Card transactions for six years plus the current year.</i>
2	<i>Ensure expense reports are uniquely named and the name used accurately reflects the period or activity reported.</i>
3	<i>Ensure sales tax is not paid on P-Card purchases as the District is exempt from paying sales tax.</i>
4	<i>Recoup any sales tax paid on P-Card purchases.</i>
5	<i>Discontinue splitting single orders into multiple P-Card transactions.</i>
6	<i>Comply with Purchasing and P-Card procedures and submit a purchase requisition for all purchases from a single vendor for orders in excess of \$1,000.</i>
7	<i>Ensure P-Card expense reports are prepared, reviewed and approved by the twelfth of each month.</i>