



## Purchasing Card Audit Nathaniel Rochester Community School 3

**Objective:** To assess school and cardholder compliance with established protocols, procedures, documentation and oversight for District Purchasing Cards (P-Card).

**Scope:** We evaluated the existence of adequate P-Card records, the appropriateness of expenditures, and assessed compliance to ensure purchases were tax exempt, split transactions did not occur, and single transaction limits were maintained.

**Cards Reviewed:** 1                      **Transactions Audited:** 50                      **Transactions with Errors:** 38

**Expense Reports Reviewed:** 11                      **Expense Reports Not in Compliance:** 8

	Process	Findings
1	Security	The P-Card cardholder shared his card with the school secretary and a temporary secretary to make online purchases. Also, the secretary prepares the expense reports under the Principal's name. <b><i>Recommendation:</i></b> <i>Discontinue sharing the P-Card. Determine if P-Cards should be provided to other employees in the department.</i>
2	Spending Limits	There were no split transaction or spending limit findings.
3	Purchases	Sales tax was paid on two purchases. Purchases were made with vendors that were not District contracted vendors. Purchases were made for iPads which is not an allowable expenditure. <b><i>Recommendation:</i></b> <i>The District is tax exempt and sales tax should not be paid for any P-Card purchase. Recoup any sales taxes paid. Refer to the Purchasing Department SharePoint website or call Purchasing to ensure a negotiated vendor contract does not exist before making purchases. P-Cards should not be utilized to make purchases which are strictly prohibited per the P-Card Manual.</i>
4	Documentation	Sales receipts, invoices and packing slips were not consistently retained. <b><i>Recommendation:</i></b> <i>Retain original orders, sales receipts, sales credits and packing slips for all purchases and returns. Scan and upload all documentation to CentreSuite to support the transaction.</i>
5	Reconciliation – Cardholder	There were six instances in which the P-Card cardholder did not complete the monthly expense report by the 12 <sup>th</sup> of the month. Expense reports did not consistently contain detailed transaction descriptions and expense report date ranges did not align with the transaction dates in the expense report. <b><i>Recommendation:</i></b> <i>Comply with policy for completing expense reports by the deadline and include detailed descriptions for all purchases. Complete one expense report for each calendar month and name with the corresponding month and year.</i>
6	Approval – Supervisor	There were eight instances where the supervisor did not approve by the 12 <sup>th</sup> of the month. Two instances appear to be the result of untimely cardholder reconciliation. <b><i>Recommendation:</i></b> <i>Comply with policy for approving expense reports by the 12<sup>th</sup>.</i>

**Conclusion:** Nathaniel Rochester Community School 3 did not comply with P-Card security requirements by sharing the P-Card. Sales tax was paid on two purchases, non-contracted vendors were used for contracted items, and prohibited items were purchased. Expense reports were not prepared or reviewed timely, detailed descriptions on the expense reports were not entered in CentreSuite and transaction date ranges did not align with expense report date ranges. Invoices and packing slips to support the expenditure were not consistently retained.