



Purchasing Card Audit Dr. Martin Luther King Jr. School 9

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: 3 **Transactions Audited:** 72 **Transactions with Errors:** 34

Expense Reports Reviewed: 28 **Expense Reports Not in Compliance:** 25

| | Process | Findings |
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| 1 | Security | No security issues were noted. |
| 2 | Spending Limits | Four split transactions were noted where orders were split into several transactions to avoid the spending limit or purchase order process. <u>Recommendation:</u> <i>Split transactions are prohibited and purchases greater than the cardholder's spending limit is required to follow the purchase order process.</i> |
| 3 | Purchases | Sales tax was paid on one purchase. <u>Recommendation:</u> <i>The District is tax exempt and sales tax should not be paid for any P-Card purchase. Recoup any sales taxes paid.</i> |
| 4 | Documentation | Invoices and packing slips were not consistently retained. <u>Recommendation:</u> <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 | Thirteen monthly expense reports were not completed by the 12 th . Detailed transaction descriptions were not on expense reports. Several expense reports combined transactions from multiple months and were not properly labeled to reflect the actual transactions in the reports. <u>Recommendation:</u> <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 twenty-two instances where the supervisor did not approve by the 12 th of the month. Five instances appear to be the result of untimely cardholder reconciliation. <u>Recommendation:</u> <i>Comply with policy for approving expense reports by the 12th.</i> |

Conclusion: Dr. Martin Luther King Jr. School 9 did not comply with P-Card spending limits by splitting transactions into multiple payments. Sales tax was paid on one purchase. Invoices and packing slips to support expenditures were not consistently retained. Expense reports were not completed or approved timely, expense reports lacked detailed transaction descriptions for reconciled items, and date ranges of the expense report did not align with the reconciled transactions.