

PROCUREMENT CARD PROGRAM
AUDIT CHECKLIST

Contact the agency's Program Coordinator approximately one month in advance of the audit fieldwork date to confirm that the agency has no serious conflicts with the scheduled audit fieldwork date. Request that the agency designate a staff member to serve as primary contact during audit.

Prepare an audit notification letter / e-mail approximately two weeks in advance of audit fieldwork.

Schedule and hold entrance conference with the agency being audited. Determine the transaction period to be audited and notify the agency. Secure a place from which to conduct the fieldwork portion of the audit.

Determine whether the agency has been provided any special program exemptions.

Obtain a current cardholder listing for the agency.

Perform the following procedures before the beginning of audit fieldwork.

1. Obtain a copy of the agency's P-card policies and procedures. Review the internal document control system. Include points of control such as system of approvals, authorizations, segregation of duties, reconciliation, and exception reports.
2. Identify the transaction population to be reviewed and notify agency.
3. Using data stored in the Data Warehouse, run a report that includes the agency's p-card transactions for the most recent billing period(s) for which payment should have previously been made to UMB Bank.
4. Supporting documentation (logs, receipts, card company statements, vouchers, reconciliation schedules, associated travel vouchers and out-of-state travel requests, etc.) supporting purchases should be available for review.

OPENING CONFERENCE

1. Discuss the purpose/objectives of the review.
2. Identify P-Cards that you will be reviewing.
3. Discuss procedures for documenting audit findings.
4. Request that audit findings corrections be returned to you prior to the closing conference, if at all possible.
5. Request agency management to identify the agency's primary contact responsible for responding to audit findings.

Agency Contact(s): _____

Schedule a closing conference. Time: _____ Date: _____

Document individuals who attend the opening conference.

Notes:

Audit Fieldwork

Agencies are requested to have transaction documentation

Verify that all transactions on the testing schedule are supported by detailed receipt documents and are for official state business

Verify that all transaction amounts, vendors and transaction dates on the testing schedule are consistent with information included on receipt documents.

Verify that transaction descriptions (if any) by the agency are consistent with receipt documents and are adequate to support the funding and account numbers assigned to transactions.

Agencies are required to provide good description information in this field. If there is no description, or if the description is unintelligible or inadequate, note this as an exception.

Be aware of fraud indicators, including the following:

- Does the merchant name appear outside of the cardholder's area of responsibility?
- Has the cardholder disputed transactions on a regular basis?
- Are transaction authorizations occurring on other than a workday?
- Is the cardholder unable to provide proof of purchases, such as receipts?
- Does the cardholder have transactions with two merchants with different names, but the same address and owner?

Verify that cardholder agreements are on file at the agency for the agency's P-Cards and contract card less accounts.

Determine whether the agency has a formal (but concise) written agency P-Card Procedures document.

Prepare Audit Findings Worksheets for audit exceptions.

Compile copies of all supporting documents (receipts, etc.) supporting the audit finding.

Provide the audit findings and supporting documents to the agency contact to obtain the agency's written response to individual audit findings. (Be sure to keep a copy of these documents.)

Make sure the agency has returned all audit findings to you, with the agency's written response to the findings attached.

Attach any work papers to the Audit Checklist and file.

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CLOSING CONFERENCE

Date: _____

Provide an overall summary of audit findings and allow agency management an additional opportunity to clarify their responses to specific audit findings

If there are a large number of audit findings, it is important that agency management understand that the number of findings will be of concern to the management of Office of Purchasing and Travel, even if the significance of individual findings is not considered to be serious.

Note whether additional follow-up is to be performed by either the agency or yourself on specific issues/concerns.

Document management's specific comments.

Inform management that a draft letter of audit findings will be provided for their review, prior to issuance of a final letter.

The letter of audit findings will be addressed to the agency's chief financial officer.

The agency will be asked to provide its written comments regarding the draft to Audit Services within two weeks of the date of the cover letter.

A copy of the final letter of audit findings will be signed by the Director of the Office of Purchasing Travel and Fleet Management and sent to the executive director of the agency being audited.

Document individuals who attended the closing conference.

File closing conference notes in audit work paper files.

Department Audited _____

Audit Date(s) _____

Agency Coordinator _____

Documentation

Split orders – splitting invoice to circumvent the purchasing laws _____

State tax _____

Back orders _____

Travel related expenses _____

Entertainment _____

Equipment _____

Exceptions Found

Audit materials not provided by due date _____

Receipts missing _____

Failure to notify vendor of tax exempt status _____

Split purchases _____

Food, hotel or membership dues form _____

Equipment purchased (incomplete documentation) _____

Items purchased for personal use _____

Prohibited purchases _____

Attach a list of cardholder names for any exceptions _____

No exceptions noted _____

