



Office of Internal Audit

Procurement Card Follow-Up (A2022-03F)

October 2023

Internal Audit Director
Rose Rasmussen

Internal Auditor
Christina Zimmerman

OUR MISSION

Provide independent, objective assurance and consulting services designed to add value and improve the City of Fayetteville’s operations.

Internal Audit Director

Rose Rasmussen

Internal Auditor

Christina Zimmerman

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Date: October 26, 2023

To: Jody Picarella, Chief Financial Officer
Kimberly Toon, Assistant Chief Financial Officer - Procurement

From: Rose Rasmussen, Internal Audit Director

Cc: Audit Committee
Douglas J. Hewett, City Manager

Re: Procurement Card Follow-up Audit (A2022-03F)
Originally Issued January 26, 2023

The Office of Internal Audit completed a follow-up audit on the Procurement Card Audit approved by the Audit Committee on January 26, 2023.

The original report can be found through the Office of Internal Audit website at:
<https://www.fayettevillenc.gov/city-services/city-manager-s-office/internal-audit/internal-audit-reports>.

Objective and Scope

Determine whether management implemented corrective actions to the audit recommendation reported by the Office of Internal Audit.

The scope of the follow-up audit was limited to the findings and accepted recommendation in the original audit of procurement cards. This included review of Procurement Card Policy #312 with a revised date of August 1, 2023 and associated annual refresher training.

Background

The original audit report, dated January 2023, had one agreed upon recommendation. The audit provided improvements for management in compliance (policy, procedures and training).

As of the August 31, 2023 Corrective Action Plan provided to the Audit Committee, the Department reported the accepted recommendation was fully implemented.

Summary Results

Based on review of the updated City of Fayetteville Procurement Card Policy #312 with a revised date of August 1, 2023 and annual refresher training, Internal Audit determined the Department fully implemented the recommendation.

Conclusion

The Office of Internal Audit has concluded the Procurement Card Follow-up Audit and expresses appreciation for the assistance provided by Department staff.

Appendix A:

DEPARTMENT: Finance

AUDIT: Procurement Card (A2022-03)

ORIGINALLY ISSUED: January 26, 2023

The Office of Internal Audit has completed follow-up on the Procurement Card Audit approved by the Audit Committee on January 26, 2023. Internal Audit’s objective was to determine whether management implemented corrective actions to the audit recommendation reported by the Office of Internal Audit.

Results

<i>IMPLEMENTED</i>
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Finding Number	Summary of Original Recommendation Dated January 26, 2023	Current Observation	Implementation Disposition:		
			Initial Implementation Date	Reported Implementation Date	Status as of October 26, 2023
<i>1. Procurement Card Program Revision 2 Policy #312 was not updated.</i>					
1	Finance Department management should update Policy #312 along with corresponding training materials and include but not limit the update to: <ul style="list-style-type: none"> Use of the Oracle online purchasing platform; 	Procurement Card Program Policy #312 with a revision date of August 1, 2023 addressed all topics listed in the original recommendation. Associated annual refresher training was updated and distributed to COF procurement	<i>July 01, 2023</i>	<i>July 2023 CAP DATE August 31, 2023</i>	<i>Implemented</i>

	<ul style="list-style-type: none">• Restrictions on use of personal online shopping accounts;• Restrictions on shipping to home addresses;• Requirements and definition of business purpose with examples provided;• Documentation requirements and restrictions for food purchases;• Current business processes, i.e. changes due to Oracle HUB implementation; and• A formal process for card and transaction limit increase requests.	cardholders via PowerDMS on October 1, 2023.			
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