



OFFICE OF THE CITY AUDITOR COLORADO SPRINGS, COLORADO

14-11 Colorado Springs Utilities Purchasing Card Audit

May 2014

Purpose

The purpose of this audit was to evaluate the internal control environment related to Purchasing Card (P-Card) transactions, and determine if disbursements were being made in accordance with policies and procedures. P-Card operations were reviewed for effectiveness and efficiency. The audit period was January 2013 through January 2014.

Conclusion

The P-Card Program was efficiently and effectively run, internal controls were adequately strong to safeguard resources, and transactions complied with policies and procedures. Process changes put in place by Colorado Springs Utilities after our last audit, along with other control improvements, have significantly improved the control environment for P-Cards. During the audit, we identified three opportunities for improvement to further strengthen internal controls. There were no recommendations made that required management response.

We recognized the efforts made by the P-Card Administrator to improve training and processes based on industry best practices. These efforts were commendable.

We would like to thank Colorado Springs Utilities staff for the assistance provided during the audit. Their assistance was appreciated and allowed us to complete the audit in a timely manner.

Respectfully,

Denny L. Nester, MBA CPA CIA CFE CGFM CGAP
City Auditor

Opportunities

1. Managers should consider transaction usage patterns during the annual card limit review and ensure the lowest individual credit limits necessary for business usage.
2. Consider additional items when conducting annual internal testing on policy compliance such as modifying the sample composition, reviewing terminated employees against active card holders and including tests for compliance with account opening policies.
3. Maintain a complete list of policy violations to help identify repeat violators.

This audit was conducted in conformance with the International Standards for the Professional Practice of Internal Auditing, a part of the Professional Practices Framework promulgated by the Institute of Internal Auditors.