



# **Fairfax County Public Schools Internal Audit Office**

**Cluster IV  
Procurement (Credit) Card Audit**

**April 2007**

*"promoting an efficient & effective school division"*

# Executive Summary

Our review of Cluster IV procurement (credit) cards revealed that internal controls were adequate. In general, expenditures appeared reasonable, properly approved, and supported by appropriate documentation. The procurement (credit) cards appear to be in compliance with the Regulation 5350.2 Finance Office Procurement (credit) Card Management for Appropriate Funds (effective 06-16-03).

There were no significant issues noted during the audit and minor issues, deemed not reportable, were discussed with appropriate personnel prior to report issuance.

## Background

The purpose of the Fairfax County Public Schools' (FCPS) procurement (credit) card program is to provide an efficient, reliable method of procurement to acquire needed goods and services in a timely and efficient manner. While the use of a procurement card can simplify and expedite procurement, its use requires strict adherence to internal control procedures and a commitment to accompanying accounting procedures. In most cases, card use reduces staff procurement efforts and shortens delivery time; however, it increases the need for financial tracking and control efforts.

The Office of Finance, Accounting Section, is responsible for administering the procurement card program. These responsibilities include approval of card application, assisting departments with dispute resolution, monitoring monthly reconciliations, and reviewing and remitting payment for the consolidated bill. Procedures governing the use of procurement cards are provided by the card service vendor in conjunction with FCPS Regulation 5350.2.

## Scope and Objectives

This audit was performed as part of the fiscal year 2007 Annual Audit Plan. The audit covered the period from July 1, 2006 through March 31, 2007, and was conducted in accordance with generally accepted governmental auditing standards. Our audit objectives were to determine that:

- Procurement cards were being used in accordance with regulation 5350.2
- Adequate control procedures have been implemented and are being followed
- Monthly reconciliations are being performed and submitted in accordance with regulations

## Methodology

Audit methodology included a review and analysis of internal control procedures over card expenditures and related documentation. Our audit approach included an examination of expenditures, records maintained in the department, monthly reconciliations, interviews with appropriate employees, and a review of applicable regulations and procedures. We

evaluated the processes for compliance with FCPS Regulation 5350.2. Information was extracted from PathwayNet for sampling and verification to source documentation during the audit; however, our audit did not include an independent review of system controls. Our transaction testing did not rely on system controls; therefore, this was not a scope limitation.

The FCPS Office of Internal Audit is free from organizational impairments to independence in our reporting as defined by generally accepted government auditing standards. We are organizationally part of the Office of the Superintendent and report directly to the Audit Committee. Organizationally, we are outside the staff or line management function of the units that we audit. We report the results of our audits to the management of the department under review, the appropriate leadership team member, the Superintendent, and the Audit Committee, and reports are available to the public.

## Findings, Recommendations, and Management Response

There were no significant issues noted during the audit.