



Final Audit Follow-Up


Period Ending March 31, 2020
Report #2009 | August 20, 2020



Audit of StarMetro P-Card Purchases

Summary from Original Report #1907 (Issued September 27, 2019): The purpose of our audit of StarMetro Purchasing Card (P-Card) Purchases was to determine whether the internal controls provided for in the departmental P-Card procedures were adequate to reasonably ensure P-Card purchases served an authorized public purpose and were made in compliance with relevant Commission, City, and departmental policies and procedures.

The audit determined the internal controls provided for in StarMetro’s Departmental P-Card Procedures were, for the most part, consistent with the requirements of the City’s overall P-Card policy and could be relied upon to provide reasonable assurance P-Card purchases served an authorized public purpose and were made in compliance with relevant City policies and procedures. We did however identify several areas where improvements could be made. Those areas included documentation, review, and approval of P-Card transactions. The audit also identified a few P-Card purchases in which the public purpose was not readily discernable from associated documentation, and instances where associated P-Card documentation did not demonstrate StarMetro’s compliance with one or more procedural requirements.

Summary of Action Plan: In response to the audit recommendations described above, management established three action plan steps. All three steps were due for completion by March 31, 2020, and are being addressed as part of this follow-up audit. This report is the first and final follow-up on audit report #1907. The status of the three action plan steps is discussed in the table below.

Action Plan Steps	Status as of March 31, 2020
<p>1. We concur with the Auditor’s recommendation. StarMetro (department specific) P-Card Procedures will be developed and incorporated into StarMetro’s updated Accounting Policies and Procedures. In developing the policies and procedures, we will ensure they are compliant and fall within the framework of the City’s Administrative Policies and Procedures No. 603 (APP 603) P-Card Procedures. Our upcoming training module will address P-Card training.</p> <p><i>(Management’s Original Estimated Completion Date: 12/16/2019)</i></p>	<p>Complete. During the period covered by this audit follow-up, StarMetro developed P-Card guidelines compliant with the APP 603. Management reported these P-Card guidelines have been incorporated into their departmental Accounting Policies and Procedures. Accordingly, this action plan step is complete.</p> 

Action Plan Steps	Status as of March 31, 2020
<p>2. StarMetro’s Accounting and Administrative Department has already scheduled training on the proper account coding of expenditure transactions that originated from purchase orders and contracts. This training will be expanded to address expenditures made via P-Cards.</p> <p><i>(Management’s Original Estimated Completion Date: 12/16/2019)</i></p>	<p>Complete. During the period covered by this audit follow-up, StarMetro enhanced their training on proper account coding of transactions to include expenditures made with P-Cards. Two training sessions were held last fall and an additional training session is planned for this summer. Accordingly, this step is complete.</p> 
<p>3. StarMetro’s P-Card Procedures shall include duties and responsibilities of staff members (positions) involving the P-Card process. This process will be flow charted to reflect the sequence of approval and the level of authority of approving officials. Also, the policies and procedures will address common terms, definitions and acronyms.</p> <p><i>(Management’s Original Estimated Completion Date: 12/16/2019)</i></p>	<p>Complete. During the period covered by this audit follow-up, StarMetro developed P-Card guidelines to describe the duties and responsibilities of staff members involved in the P-Card process. The P-Card process documented the sequence of approval and the level of authority of approving officials through a flow chart. Additionally, these guidelines defined commonly used P-Card terms and acronyms. Accordingly, this action plan step is complete.</p> 

CONCLUSION

This is the first and final follow-up on action plan steps related to our Audit of StarMetro P-Card Purchases. We commend management and staff in StarMetro for completing all three action plan steps developed to address our recommendations in the original audit report during this first follow-up period. The actions taken will improve the management of P-Card activities in StarMetro.

We congratulate StarMetro’s management for timely completing all the action plan steps designed to address the risks and issues identified in the audit. We thank StarMetro management and staff for their cooperation and assistance during this audit follow-up.

APPOINTED OFFICIAL’S RESPONSE

We are pleased to see that the follow-up audit of StarMetro P-Card purchases shows that substantial progress has been made to the department’s procedures and internal controls related to its purchasing card transactions. The results indicated that StarMetro has completed all action plan steps and continues to enhance its purchasing card procedures and internal controls therein, to provide reasonable assurance that such transactions are made in compliance with relevant City policies and procedures. The department’s mission is to continue to ensure accessible, efficient, and equitable public transit and this audit and responsiveness to its findings help to achieve that mission. We want to thank the audit team for the professional analysis and detailed process that was utilized. We appreciate StarMetro staff for its commitment to providing the best possible financial management and stewardship for the City and its residents.

STATEMENT OF ACCORDANCE

The Office of the City Auditor's mission is to provide the City Commission an independent, objective, and comprehensive auditing program of City operations; to advance accountability through the provision of assurance and advisory services; and to actively work with Appointed Officials in identifying risks, evaluating controls, and making recommendations that promote economical, efficient, and effective delivery of City services.

We conducted this audit follow-up in accordance with the International Standards for the Professional Practice of Internal Auditing and Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit follow-up to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our objectives. We believe the evidence obtained provides a reasonable basis for our conclusions based on our audit objectives.

Please address inquiries regarding this report to the Office of the City Auditor at (850) 891-8397.

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