

**REPLY AND IMPLEMENTATION SUMMARY  
FOLLOW-UP REVIEW OF PROCUREMENT CARD USAGE**

#	RECOMMENDATION	RESPONSE	CURRENT STATUS	IMPLEMENTATION DATE	COMMENTS FROM AUDITEE
1.	Each Cardholder, upon receiving his or her card, should be given instruction regarding the importance of being familiar and complying with both the City Policies & Procedures for Procard and the Cardholder Agreement.	Concur	Implemented	June 2001	
2.	The Program Administrator should continue notifications and the other prescribed enforcement measures, such as suspension or inactivation of card privileges for late-filed statements, to ensure Procard statements are submitted timely and signature requirements are met.	Concur	Implemented	March 2001	
3.	City Policies & Procedures should be amended to state that, if not obvious, the business purpose of Procard expenditures, including number of individuals served, when applicable, be noted on the invoices attached to the Procard statements.	Concur	Partially Implemented	January 2003	City P&P 412.3 is currently being rewritten and is in draft form.
4.	The Program Administrator should establish in City Policies & Procedures that notifications about significant or recurring lack of compliance by Approving Officials will be sent to their respective managers.	Concur	Partially Implemented	January 2003	City P&P 412.3 is currently being rewritten and is in draft form.

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5.	The Program Administrator should enforce City Policies & Procedures regarding backorders, split purchases, capital purchases, fuel, travel, and personal expenditures, including sending notifications about lack of compliance to the appropriate City managers.	Concur	Implemented	October 2002	Enforcement is currently being applied.
6.	Accounting management should review the internally prepared compliance exception report each month to help ensure proper and timely enforcement.	Concur	Implemented	October 2001	
7.	The internally prepared compliance exception report for each bureau should be provided to the respective department management each month and periodically to the Chief Administrative Officer, to help enforce adherence to internal and City Policies & Procedures.	Do Not Concur	Not Implemented		No action planned.
8.	The Program Administrator should develop fewer or perhaps one form letter, to achieve efficiencies and fuller communication with Users.	Concur	Implemented	October 2002	
9.	The Approving Officials for all the Users should be verified in the near future, and be kept up to date.	Concur	Partially Implemented	January 2003	Contacts are currently in progress.
10.	Signatures for Approving Officials should be verified and maintained for efficient access by the Accounting Specialist Senior.	Do Not Concur	Not Implemented		No action planned.

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11.	The spreadsheet which documents the official permanent Cardholder files for the Procards should be periodically tested for accuracy and control purposes.	Do Not Concur	Not Implemented		No action planned.
12.	The Accounting Operations Manager should require documentation and cross-training for procedures performed by the Accounting Specialists.	Concur With Reservations	Implemented	October 2001	
13.	Payments for reimbursements from Cardholders should be accomplished using the Centralized Revenue System, by first having the Accounting Specialist Senior create an invoice then having the User make the payment to the cashiers.	Do Not Concur	Not Implemented		No action planned.
14.	Collection from employees for sales tax paid erroneously should be conspicuously set forth in City Policies & Procedures if this practice is continued.	Concur	Partially Implemented	January 2003	City P&P 412.3 is currently being rewritten and is in draft form.
15.	The Program Administrator should direct the update of the internal policies and procedures regarding monitoring, administration, and enforcement of Procards.	Concur	Planned for Implementation	March 2003	Internal P&P will be updated.
16.	Storage units with suitable locks and space to hold several months of statements should be provided near the Accounting Specialist Senior.	Do Not Concur	Not Implemented		No action planned.

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17.	The Program Administrator should establish a publishing schedule for the <i>Purchasing Card Bulletin</i> .	Do Not Concur	Not Implemented		No action planned.
18.	The Program Administrator should establish electronic communication to disseminate important educational information and general noncompliance issues to the appropriate Procard Users, Approving Officials, and their bureau or department management.	Do Not Concur	Not Implemented		No action planned.
19.	The Program Administrator should publicize to all Approving Officials the ability to electronically preview the Procard transactions of the Users they supervise.	Concur	Implemented	July 2001	
20.	The Program Administrator should obtain a summary of the amount of credit and number of transactions used by each of the Cardholders monthly; and request representatives from the Administrative Services Department to convene annually to review and form recommendations about the appropriateness of the credit limits with comparison to credit usage.	Concur With Reservations	Not Implemented		Cannot be done technically.
21.	The Program Administrator should annually provide the CAO, and other management as appropriate, with a list of all Procard Users and their credit limits with comparison to the average or range of monthly expenditures of each of these Users.	Concur	Not Implemented		Cannot be done technically.

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22.	The Program Administrator should explore opportunities with the current and future issuing bank vendors to eliminate the need for multiple cards per Procard User.	Do Not Concur	Not Implemented		No action planned.
23.	The Administrative Services Director should request Purchasing to evaluate possible centralized approval and purchasing for monthly recurring expenditures such as Internet, cable TV services, and E-pass usage.	Concur	Implemented	October 2002	After evaluation, it was determined that this type of contract does not fall under the Purchasing system. There are too many variables to negotiate a contract to deal with all of the City operations or facilities. Centralized approval and purchasing are not practical for these three recurring expenses.
24.	The Administrative Services Director should clarify the City Policies & Procedures regarding the use of Procard to pay in advance or arrears for recurring or other expenses, and advise Users and Approving Officials of these revised procedures.	Concur	Partially Implemented	January 2003	Current City policy 412.3 is currently under revision with some guidelines for the use of Procards.
25.	The Administrative Services Director should request the responsible parties in Accounting, Purchasing and TM to develop a cost effective and efficient system for controlling the purchase and use of cellular phones and pagers, advise on whether monthly charges may be paid by Procard, and document these policies in City Policies & Procedures.	Concur	Partially Implemented	November 2002	Separate policy provisions have been drafted to control purchases of cell phones. Pagers are coordinated through Technology Management, but invoices are paid by the using department.

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26.	The Administrative Services Director should request TM to research Internet service plans and costs before the City contracts with Internet vendors, monitor the adequacy and cost-effectiveness of these Internet services, and advise City users on these services.	Concur	Partially Implemented	Unknown	Technology Management has been upgrading network access to many City facilities and when that happens the facility is brought under the City Internet access. Number of Internet service providers should be reduced. Definite timeframe for completion of all facilities is unknown.
27.	The Administrative Services Director should review the adequacy of City Policies & Procedures related to E-pass use and initiate controls to monitor this use.	Concur	Planned for Implementation	January 2003	There is currently no formal policy regarding use of E-Pass. Separate policy will be drafted requiring departments to monitor their own usage. Informal policy requires coordination through Fleet Administrative Office and installation is completed by Fleet. Individual Procards are charged for the E-Pass usage.