

**Post-Audit Review 21-01:
Purchase Card Process**

February 2022

City Auditor

Stan Sewell, CPA, CGFM, CFE

Senior Auditor

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OFFICE OF INTERNAL AUDIT

Stan Sewell, City Auditor

February 9, 2022

To: Mayor Tim Kelly
City Council Members

Subject: Post-Audit Review of Purchase Card Process (Report #21-01)

Dear Mayor Kelly and City Council Members:

Attached is a summary report on the status of audit recommendations in our 2021 Purchase Card Process report. The purpose of this report is to confirm whether, and to what degree, management has implemented the recommendations made in the original audit.

The original audit concluded:

1. A review and update of the policies & procedures is needed;
2. Consideration of ways and implementation of practices to increase the City's annual P-Card spend is needed in order to enhance the rebates received.

The audit had 2 recommendations to improve efficiency and effectiveness of the purchase card process. At the time of this Post-Audit Review all of the recommendations have been implemented

This Post-Audit Review consisted principally of inquiries of City personnel and examinations of various supporting documentation. It was substantially less in scope than an audit in accordance with generally accepted government auditing standards. The evidence obtained provided a reasonable basis for our conclusions; however, had an audit been performed, other matters might have come to our attention that would have been reported to you and our conclusions may have been modified.

Sincerely,

Stan Sewell, CPA, CGFM, CFE
City Auditor

Attachment

cc: Audit Committee Members
 Joda Thongnopnua, Chief of Staff
 Ryan Ewalt, Chief Operating Officer
 Julia Bursch, Deputy Chief Operating Officer
 Brent Goldberg, Chief Financial Officer
 Kevin Bartenfield, Chief Procurement Officer
 Jim Arnette, TN Local Government Audit

RECOMMENDATIONS FULLY IMPLEMENTED (2)

Recommendation

We recommended the Purchasing Department review and update the *City of Chattanooga Purchase Card Policy and Procedures*.

We recommended the Purchasing Department explore ways and implement practices to increase the City's annual P-Card spend in order to enhance the rebates it receives.

Actions Taken

The purchasing department reviewed and updated the policies and procedures effective February 2, 2022.

The finance department and purchasing department now require all purchases under \$1,000 to be paid by P-Card. Not only is it more efficient and effective, it also increases the rebate through the P-Card program. The purchasing department will also continue to explore and evaluate ways to increase the P-Card spend.

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