

Procurement Card Data Review

The Department of Internal Audit completed a procurement card data review for the period October 1, 2018 through June 30, 2021.

Objectives

To identify:

- cardholders with no procurement card activity in FY2020 and FY2021, as of June 30, 2021;
- procurement cards that were not canceled in a timely manner, and had purchasing transactions after the cardholders' employment termination dates;
- cardholders who exceeded monthly spending limits; and,
- procurement card spending limit increases.

What We Found

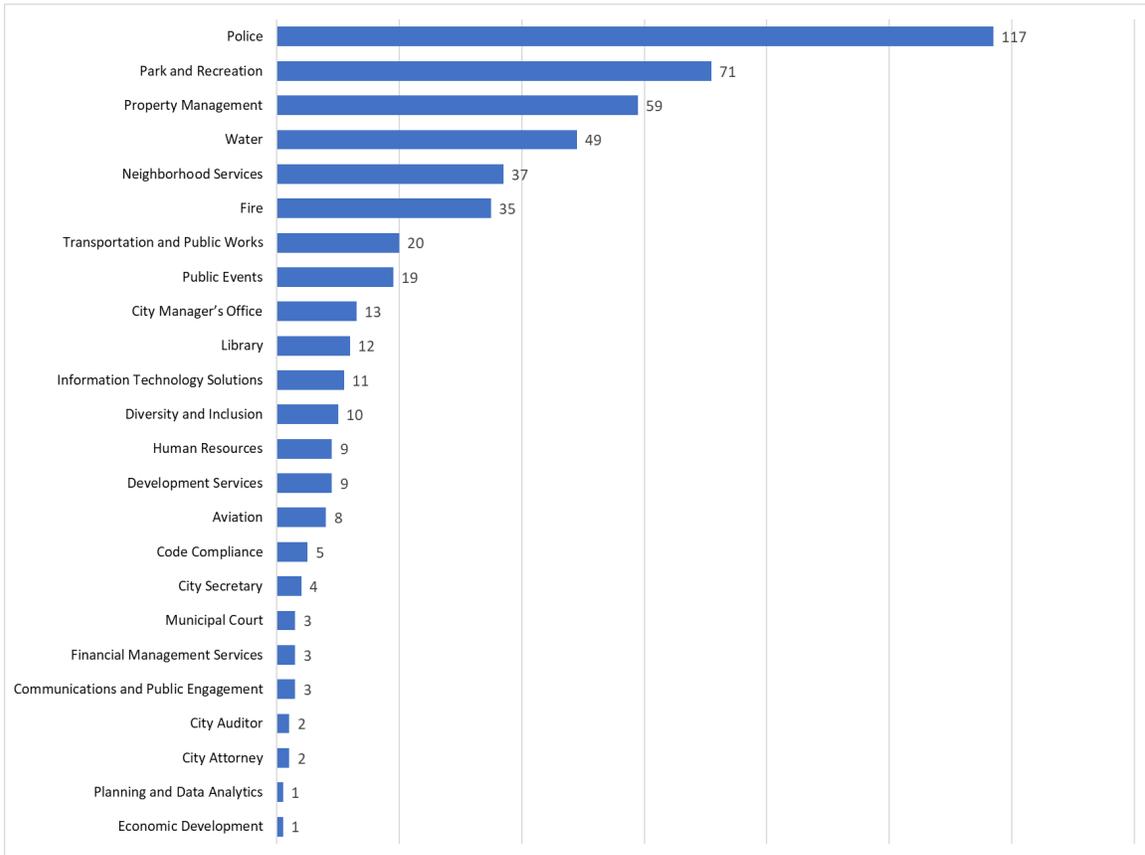
-  A total of 503 p-cards were active as of June 30, 2021. (Exhibit I)
-  Thirty-four cardholders had no p-card activity in FY2020 or FY2021. One p-card was issued to a cardholder in FY2018. However, there was no activity on that p-card as of June 30, 2021. (Exhibit II)
-  We noted activity on p-cards assigned to two cardholders, after the cardholders' employment termination dates. We concluded that both purchases were business-related. (Exhibit III)
-  We identified some instances where cardholders exceeded their monthly limits. Documentation supporting limit increases was provided in most cases. However, there were some instances where documentation was not available or did not provide a clear indication as to whether the limit increases were properly approved or the period for which the limit increases applied.
-  The City's p-card policy states that each cardholder is given a \$10,000.00 permanent monthly limit. However, the policy is unclear as to whether the monthly limit refers to calendar year month or billing cycle month. Based on our test results, some cardholders exceeded the \$10,000.00 limit when based on a calendar month, but not when based on the billing cycle month, and vice versa.

What We Recommended

-  Determine whether p-cards, assigned to cardholders with no usage within the last two fiscal years, should be suspended or eliminated.
-  For p-cards that are suspended, verify that the p-cards are in the cardholders' possession.
-  Terminate p-card accounts assigned to cardholders upon the cardholders' termination of employment with the City of Fort Worth.
-  Consider the implementation of a standardized request/approval form for temporary and permanent limit increases.
-  Retain documentation that supports the authorization of permanent and/or temporary monthly limits beyond those stated within City policy.
-  Reevaluate/justify permanent monthly limits that exceed those established by City policy, on at least an annual basis.
-  Clarify the monthly limit requirement (e.g., calendar or billing cycle month) within the procurement card policy.



Exhibit I – Number of Procurement Cardholders by Department (as of August 3, 2021)



Sources: Purchasing Division

(NOTE: August 3, 2021 is the date on which the p-card data was pulled from JPMorganChase)



Exhibit II – Active Cardholders With No P-Card Activity in FY2020 or FY2021, as of June 30, 2021

Cardholder	Department	Monthly Spending Limit	Card Issue Date	Last P-Card Transaction Date
1	Water	\$10,000	6/26/2018	No Activity
2	Police	\$10,000	7/30/2020	No Activity
3	Code Compliance	\$10,000	8/31/2020	No Activity
4	Police	\$10,000	12/10/2020	No Activity
5	Police	\$10,000	12/10/2020	No Activity
6	Property Management	\$10,000	5/22/2013	2/10/2016
7	Police	\$10,000	2/22/2016	10/3/2017
8	Water	\$10,000	5/4/2006	10/11/2017
9	Police	\$10,000	2/28/2017	12/1/2017
10	Police	\$10,000	2/11/2013	12/27/2017
11	Code Compliance	\$10,000	5/19/2015	3/7/2018
12	Property Management	\$10,000	7/17/2001	6/6/2018
13	Police	\$10,000	2/28/2017	6/25/2018
14	Library	\$10,000	8/27/2013	6/26/2018
15	Police	\$10,000	2/8/2016	7/17/2018
16	Police	\$10,000	3/14/2018	7/31/2018
17	Information Technology Solutions	\$35,000	10/29/2015	8/4/2018
18	Library	\$10,000	12/29/2014	1/15/2019
19	Property Management	\$10,000	3/27/2008	1/18/2019
20	Fire	\$10,000	10/10/2016	1/23/2019
21	Parks & Recreation	\$10,000	6/2/2015	2/9/2019
22	Diversity and Inclusion	\$10,000	3/27/2002	2/12/2019
23	Parks & Recreation	\$10,000	7/17/2001	2/18/2019
24	Diversity and Inclusion	\$10,000	7/12/2016	4/10/2019
25	Parks & Recreation	\$10,000	12/5/2018	4/17/2019
26	Neighborhood Services	\$10,000	6/24/2013	4/21/2019
27	Police	\$10,000	2/14/2008	5/22/2019
28	Police	\$10,000	8/31/2009	6/19/2019
29	Police	\$10,000	10/29/2015	6/26/2019
30	Police	\$10,000	2/8/2012	7/16/2019
31	Water	\$10,000	4/24/2014	7/25/2019
32	Police	\$10,000	1/24/2013	8/4/2019
33	Property Management	\$10,000	7/17/2001	9/13/2019
34	Police	\$10,000	7/15/2015	9/26/2019

Source: PeopleSoft Financials



**Exhibit III – Cardholders with P-Card Activity After Employee Termination Date
(October 1, 2020 through June 30, 2021)**

Cardholder Employment Termination Date	Last P-Card Transaction Date	Total FY2020 P-Card Spending	Total FY2021 P-Card Spending	Spending After Employee Termination Date	Merchant
9/28/2020	10/6/2020	\$39,914.64	\$5,899.00	\$5,899.00	NTTA CALL CENTER
11/30/2020	12/1/2020	\$19,260.86	\$4,148.52	\$104.00 ¹	GRAINGER

¹ 12/2/2020 vendor invoice date, with same delivery date noted on invoice.

Source: PeopleSoft Financials

Audit Staff

Patrice Randle, City Auditor
 Brian Burkland, Assistant City Auditor
 Vanessa Martinez, Audit Manager
 Leona High-Lasker, Internal Auditor
 Sam King, Business Process Analyst II
 Joanna Ramirez, Senior Administrative Assistant



Acknowledgements

The Department of Internal Audit would like to thank the Purchasing Division of the Financial Management Services Department for their cooperation and assistance during this audit.