

INTEROFFICE MEMORANDUM



TO: Anthony Nicks, County Auditor

FROM: Felicia Strong-Whitaker, Chief Purchasing Agent *FSW*
Department of Purchasing & Contract Compliance

DATE: August 23, 2022

SUBJECT: FY2021 Purchasing Card Follow-up Audit

Thank you for the opportunity to review and respond to the FY2021 Purchasing Card Follow-up Audit Report dated August 3, 2022.

The Department of Purchasing & Contract Compliance has reviewed the findings and recommendations and our responses are provided below:

FINDINGS AND RECOMMENDATIONS

Finding 1 – Lack of Supporting Documentation

Purchasing Response:

The Department of Purchasing & Contract Compliance concurs with the response provided by Renee Kendall, Finance Department.

Finding 2 – Untimely Payment of Invoices

The Department of Purchasing & Contract Compliance concurs with the finding. The P-Card Administrator has provided instruction to the Cardholder(s) and Purchasing Card Liaisons during the P-Card Refresher Training, Quarterly and One-on-One Trainings that use of the purchasing card to pay for outstanding invoices is an improper use of the card and will be noted as a policy violation. The Purchasing Card Manual will be revised to include this as a unauthorized purchase and policy violation.

Finding 3 – Failure to Obtain Proper Signatures for Reconciliation Reports

The Department of Purchasing & Contract Compliance concurs with the response provided by Renee Kendall, Finance Department.

Finding 4 – Failure to Approve Reconciliation Reports by Evidence of Signature

Purchasing Response:

The Department of Purchasing & Contract Compliance does not concur with the finding. The P-Card Administrator does conduct a thorough assessment of all reconciliation documents submitted. The P-Card Administrator reviews and cross references the purchasing reconciliation report package submitted and the PRCC entry in AMS to verify the following information is provided:

- Allowable object code

- Invoice/receipt attached
- Amount on invoice/receipt matches billing statement
- Purchase description matches invoice/receipt
- Any additional supporting documentation that maybe required based on the purchase is provided.

The P-Card Administrator must electronically hit the “Approve” button in AMS for each cardholders PRCC in order for the PRCC to move forward to Accounts Payable for payment processing. Purchasing will review the language in the Purchasing Manual to ensure that it is not requiring two forms of approval for the same process.

Finding 5 – Failure to Submit Timely Reconciliation Packets

Purchasing Response:

The Department of Purchasing & Contract Compliance concurs with this finding. The Department has enacted the following process in order to reduce the number of untimely submittals of reconciliation reports.

The following notices are emailed monthly to the User Department P-Card Liaisons:

1st Notice: Courtesy Reminder provided 2 weeks prior to the end of monthly billing cycle (see Attachment 1)

2nd Notice: Courtesy copy of the billing statement on 27th of each month, two days after close of the billing cycle

3rd Notice: Reminder Notice on the 1st day of the month after the close of the billing cycle that P-Card Reconciliation Reports are due.

4th Notice: After the 3 day Grace Period, notice to the User Departments that a P-Card Reconciliation Report was not received, and the department’s card(s) will be temporarily suspended until the Reports are received and are current.

Finding 6 – Separation of Duties not Enforced for Cardholders and Liaisons

Purchasing Response:

The Department of Purchasing & Contract Compliance concurs with the finding. This continues to be a major issue due to staffing shortages experienced by many User Departments. Some user department/divisions only have two employees, thereby making it difficult for compliance. This issue was addressed and included in the Purchasing Card Manual revision of 1/2021, page 14, Monthly Reconciliation Process, Item 5:

“After reconciling and reviewing all purchase transactions, the monthly reconciliation form and monthly cardholder statement must be approved by the authorized cardholder, Department Purchasing Card Liaison, and Department Head. **Note:** Any deviations or special circumstances regarding the signature approval process will require approval from the Chief Purchasing Agent.”

The revised language was presented to and approved by the Internal Auditor prior to revising the Purchasing Card Manual.

Concern – Workload of Purchase Card Administrator

The Department of Purchasing & Contract Compliance concurs with this finding. The Department is currently working with the Human Resources Department and has provided an updated PDQ for the Purchasing Card Program Administrator as well as update the job description for the Purchasing Card Program Coordinator positions.

cc: Sharon Whitmore, CFO

Attachment 1

Reminder

- The July 2022 Purchasing Card Reconciliation Report is due Monday, August 1, 2022.
- Deliver all reconciliation reports for your department by scanning and emailing each whole reconciliation report in PDF format only. **See the attachment included with this reminder for Subject Line Naming Convention and the pdf submittal format.**
- The PRCC document ID numbering order is 07/22-last four digits of the card account
For example: 07/22-1234.
- Create the PRCC document by copying from the card template.
- The Disbursement Priority Code is 3.
- Service Received From Date: 06/26/2022
Service Received To Date: 07/25/2022
- ALL transactions must be correctly reconciled and accounted for.
- ALL vendors must be properly registered in the AMS system.
- Provide the required detailed/itemized invoices/receipts with a zero balance for all charges made.
- **List the required detailed description of the purchase(s) in both the Description Box on the Commodity Screen and in the Line Description Box on the Accounting Screen.**
- **Do Not list a vague/general description such as office supplies, printing, hospitality, etc. The description must state specifically what was purchased/paid for.**
- Provide the required invoice information for each transaction in the required fields on the Invoice Information Tab on the Commodity Screen.
- Ensure charges are coded correctly per the Allowable Object Code List and sufficient funds are available for payment processing.
- Provide the required Pre- Approved Hospitality List and/or CFO authorized approval and identify on the list where the approval applies.
- Provide an unmarked copy of the Billing Statement.
- Include the Purchasing Card Checklist Form for each cardholder's reconciliation report.
- Non-compliance of Fulton County's Purchasing Card Program Policies and Procedures can result in suspension of your card use privileges.

Note: On time delivery of all user department's reconciliation reports and PRCC entries is required by the Department of Purchasing and Contract Compliance and the Department of Finance.

DO NOT deliver the hardcopy reconciliation report to the Department of Purchasing and Contract Compliance until further notice.

Hello,

This is to remind everyone of the process for submitting your Travel Card reconciliation reports since the usual delivery process has been adversely affected due to the COVID-19 pandemic. Submit the reconciliation reports by scanning and emailing them to me. The reconciliation report must be submitted in PDF format. Do not deliver the hardcopy reports to the Department of Purchasing until further notice. In the Subject Line of your email list the TRVL number, 2 digit month, (slash)/ 2 digit year (dash)-last four digits of the card account, MM/YY-XXXX (dash) - your Department Name.

- Email Subject Line example: TRVL 01/22-1234-Department of Payment
- PDF document naming example: TRVL 01-22-1234-Department of Payment

Scan and email the reconciliation report documents upright (not bottoms up) in the following order;

- The T-Card Checklist Form.
- The Reconciliation Form,
- The Billing Statement.
- The Bank of America Card Statement (if available).
- The itemized invoices/receipts with signature/initials sign-off.
- PVX made out to FIA CARD SERVICES for any credits.
- The Travel/Training In-Service Expense Form and any supporting documentation, if necessary.
- Make sure the TRVL is properly submitted before emailing the reconciliation report pdf.

Also, transactions related to COVID-19 should be coded to funding lines utilizing the unit 'COVID' and to mark /write on the actual invoices '**COVID-19**' to help identify these expenses for reporting.

Your assistance and cooperation is greatly appreciated.

2022 PURCHASING CARD REPORTS DELIVERY SCHEDULE

Monthly Cycle (26 th –25 th)		Report Submittal Due Date
1.	January	Tuesday, February 1st
2.	February	Tuesday, March 1st
3.	March	Friday, April 1st
4.	April	Monday, May 2nd
5.	May	Wednesday, June 1st
6.	June	Friday, July 1st
7.	July	Monday, August 1st
8.	August	Thursday, September 1st
9.	September	Monday, October 3rd
10.	October	Tuesday, November 1st
11.	November	Tuesday, December 1st
12.	December	Tuesday, January 3rd