



Date: August 29, 2013
To: Thomas Bonfield, City Manager
From: Germaine Brewington, Director of Audit Services
Subject: Transmittal of Procurement Card Performance Audit (June 2013)

Executive Summary

The Audit Services Department completed the report for the Procurement Card Performance Audit dated June 2013. The purpose of the audit was to ensure the City of Durham was in compliance with the Procurement Card Program and Procedures Manual. Tests were designed to ensure that adequate internal controls existed over the use of procurement cards.

Background

The Purchasing Division of the Finance Department manages the Procurement Card Program. The City's *Procurement Card Program and Procedures Manual* describes the individual responsibilities of each party involved in the process. Procurement cards are assigned to individual employees and each employee is responsible for his/her card. Employees may use their procurement cards to execute purchase transactions on behalf of the City of Durham for legitimate City business

The scope of this audit covered the period July 1, 2012 to April 23, 2013. For this period, a total of \$2,193,492 was spent by City employees using procurement cards. Three departments accounted for approximately 51% of the total purchases. These three departments were: Department of Water Management (27%), Fire Department (13%) and Department of General Services (11%).

Overall, adequate controls exist at the City of Durham over the use of procurement cards.

Issues and Analysis

The attached report details the objectives, observations, and results of the Procurement Card Performance Audit dated June 2013.

Recommendation

The Department of Audit Services recommends the City Council receive and accept the Procurement Card Performance Audit dated June 2013 as presented and approved at the August 26, 2013 Audit Services Oversight Committee meeting.

Attachment