

## MEMORANDUM

Date: June 19, 2012

To: Edward G. McEachron, Acting Director, Division of Administration

From: James D. Boyd, C.P.A., M.B.A., Inspector General

Subject: Interim Report related to Office of Inspector General Project  
No. A-1112DOH-020 - *Use of DOH's Purchasing Card, A Continuous Audit  
Project – April 2012*

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### **Background**

We identified the Purchasing Card (P-Card) process as a component of the continuous audit cycle. Continuous audits provide regular testing of controls and risks and result in timely notification of gaps and weaknesses to allow immediate follow-up and remediation. The scopes of these audits are very narrow and are performed on an ongoing basis.

### **Scope and Objective**

The scope of this project is to periodically analyze current P-Card data as it becomes available throughout the life of the audit. The length of the audit began with April 2012 data and will continue on a monthly basis for at least six months, but no longer than one year.

The objective of this continuous audit engagement is to identify whether sufficient key controls over DOH's Purchasing Cards (P-Card) are in place so that the P-Cards are used in accordance with applicable DOH policy.

### **What we observed**

We reviewed data related to all P-Card transactions statewide at DOH for the month of April 2012. We did not review data related to cardholder limits for the month of April 2012. During April there were 2,439 active P-Card holders at DOH statewide.

There were 1,066 cardholders that used their card during the month of April 2012, creating 8,836 transactions. The average number of transactions per cardholder was eight.

We analyzed data for the following types of transactions:

- By individual cardholder, including cardholders with the highest number of transactions and with large transaction amounts;
- Possible transactions split by cardholders to avoid the threshold for contract payments;
- Credit transactions.

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#### OFFICE OF INSPECTOR GENERAL

We requested the P-Card Administrator to review documentation for additional analysis for certain transactions.

We noted no exceptions for P-Card transactions for the month of April 2012 related to the scope and objective of the audit.

**Supplemental Information**

Section 20.055(2), *Florida Statutes*, charges each Office of Inspector General responsibility to provide a central point for coordination of activities that promote accountability, integrity, and efficiency in government.

We are conducting this audit engagement in conformance with *International Standards for the Professional Practice of Internal Auditing*, issued by the Institute of Internal Auditors, as provided by Section 20.055(5)(a), *Florida Statutes*, and as recommended by Quality Standards for Audits by Offices of Inspector General (*Principles and Standards for Offices of Inspectors General*, Association of Inspectors General).

The audit is being conducted by Office of Inspector General audit staff Mark H. Boehmer, Certified Public Accountant, under the supervision of Michael J. Bennett, Certified Internal Auditor, Director of Auditing.

**Closing Remarks**

We would like to thank the Division of Administration's Bureau of Finance & Accounting, Purchasing Card Administrator and her staff for providing their cooperation and assistance to us during the course of this audit.

Our next interim report, addressing May 2012 data, will be published no later than July 15, 2012.

JDB/mhb

cc: Kristina L. Wiggins, Deputy Secretary for Health  
Lynn Robinson, Acting Chief, Bureau of Finance and Accounting  
Lisa Punausua, Purchasing Card Administrator