



# Office of the County Auditor

Internal Audit Division

## Utah County Purchasing Card Audit

March 10, 2023

Rodney Mann, Utah County Auditor  
100 East Center Street Suite 3611  
Provo, UT 84606

Dear Mr. Mann:

The Internal Audit Division (“Division”) performed an audit of Utah County purchasing card (“P-card”) transactions for the period of October 1, 2022, through December 31, 2022. We performed the following procedures:

1. Sampled 20 transaction ID numbers and tested for split transactions.
2. Sampled 20 transaction ID numbers and tested for cash equivalents.
3. Sampled 20 transaction ID numbers and tested for personal purchases.
4. Sampled 20 P-card numbers and tested all associated transactions for accurately enforced temporary single use, daily, and monthly limits.
5. Sampled 20 transaction ID numbers and tested for proper reconciliation.
6. Interviewed Purchasing Agent regarding any observed instances of noncompliance.

We discovered one finding involving a P-card exceeding its daily limits. The Division appreciates the courtesy and assistance extended to us by Purchasing Division personnel during the audit process, especially their efforts to communicate with our P-card vendor. We look forward to a continuing professional relationship.

Sincerely,

Utah County Internal Audit Division

# **Utah County Purchasing Card Audit**

## **Finding(s) and Other Matter(s)**

### **Finding: P-card Daily Limit Exceeded**

#### **Condition**

Two transactions (M931415603 and M931415604) processed on 10/11/2022 with P-card ending in 0579 summed to \$3,539, exceeding the P-card temporary and original daily limit.

#### **Criteria:**

P-card ending in 0579's original daily limit (\$2,500) was increased to a temporary daily limit (\$3,500) for the period of 10/7/2022 through 10/12/2022.

#### **Cause:**

Unknown. The P-card vendor has not provided a conclusive and verifiable explanation as to why its control system that enforces P-card limits failed to enforce a daily limit.

#### **Effect:**

Without universally and consistently enforced P-card limit control environment, the likelihood of inherent risks already present within the P-card system increase. The likelihood increases that P-card users will potentially (1) make many and/or high value purchases and misappropriate those assets before the P-card is reconciled, (2) exceed department budgetary limits, and (3) bypass Utah County purchasing policy requirements for written quotes, contracts, and sealed bids for higher value transactions.

#### **Recommendation**

We recommend the Division of Purchasing (1) research other vendors that provide commercial P-card services to determine if a viable P-card vendor alternative exists and (2) implement a detective control to continuously monitor P-card transactions for reasonableness, especially following P-card temporary limit increases, before P-cards are reconciled.

#### **Management Response**

We agree with this finding and have reached out to Wells Fargo requesting a detailed explanation for how this systemic control appears to have failed. We will continue to monitor transactions to ensure that limits are within standard and temporary limits. We also request that the internal audit team consider transactions where maximum limits are temporarily increased as a separate and higher risk transaction classification for future p-card testing.