
Executive Summary

Key Findings

This audit on the use of procurement cards finds that Clackamas County has an opportunity to improve administrative efficiency by expanding technological capabilities and the use of procurement cards. By updating administrative procedures and current policies regarding the preference for procurement cards as a method of payment, as well as reducing some of the current restrictions on card use, the County can further reduce the number of checks written to experience cost savings and increase the opportunity for higher rebates. While some controls could be improved, most procurement card controls that are currently in place generally appear to be working appropriately.

We also found the County can better utilize data available for monitoring County spending and internal controls. Better use of that data may also assist finance department's procurement division in future efforts around strategic sourcing.

Our review encompassed over 92,500 transactions from December 2009 thru February 2016. We tested for transactions prohibited by County policy and others that may signal the existence of irregularities, risks and potential fraud. While we did not find anything to indicate fraud or misuse, testing performed did identify approximately \$306,650 in questioned costs. We also had questions about a number of transactions and referred them to the finance department and/or the procurement cardholder's manager for additional review.

Key Recommendations

Our specific recommendations for management are included on page 18 of this report.



In summary, we made recommendations to:

- Take advantage of technology currently available;
- Update procurement card policies and procedures;
- Develop procurement card monitoring procedures; and
- Review procedures in place to obtain a higher rebate.

Response

County finance generally agreed with our recommendations. They are already implementing corrective action to address some of the improvements identified. Their full response is at the end of the report.