

November 17, 2006  
AUD 07-047

## An Internal Audit Report by the Office of Auditor General On

### Review of FY 2006 Purchase Card Program

We performed a follow up review of WMATA's Purchase Card Program.

During FY 2006 from July 1, 2005 to January 31, 2006, we ascertained that 187 cardholders spent \$5.9 million.

We reviewed these transactions to determine if proper internal controls were in place, that there was a proper review and approval process, whether cardholders were allowed to make purchases beyond the scope of their authority, whether items were purchased that were inappropriate or unauthorized and whether the issues and recommendations raised in our prior audit report had been addressed and implemented.

We ascertained that 15 of the 16 recommendations from our last audit report have been implemented. The remaining recommendation pertaining to establishing Blanket Purchase Orders for vendors where there are frequent purchases is being evaluated by PRMT.

There has been improvement in the administration and enforcement of the program in that we only had internal control issues with \$102,811 out of the \$5.9 million in total purchases or only 1.7%

We found that several cardholders did not follow the purchase card policies and guidelines, which made the program vulnerable to abuse. Some of the observations made during the review included the following:

- Some transactions did not have supporting documentation
- 16 Split purchases were made to avoid the small purchase policy
- 34 transactions paid sales taxes totaling \$1,009. \$400 of this amount has been recovered.

We made 8 recommendations to improve the administration of the program.

**SUBJECT: Review of FY 2006 Purchase  
Card Program**

**DATE: November 17, 2006**

**FROM: AUDT - James C. Stewart**

**IN REPLY**

**REFER TO: AUD 07-047**

**TO: PRMT - Lucy T. Jackson**

### **Background**

The Office of Procurement and Materials (PRMT) has the responsibility to manage the Commercial Purchase Card Program. In accordance with that responsibility, PRMT established internal controls to mitigate the business risks in the program. All Departments/Offices that use purchase cards have the responsibility to abide by the program's policies and procedures and safeguard the program's integrity. Departments/Offices are responsible for providing reasonable assurances that (1) the goals and objectives of the program are met and (2) safeguards against fraud and improper purchases are in place and followed.

The program has 198 purchase cardholders. This is the ninth Audit report pertaining to WMATA's purchase card program.

### **Objectives, Scope and Methodology**

We performed the review to determine if: (1) proper internal controls were in place and were followed; (2) there was a proper review and approval process; (3) cardholders were allowed to make purchases beyond the scope of their authority; (4) items were purchased that were inappropriate or unauthorized; (5) the Purchase Card Manual was being followed and (6) the issues and recommendations raised in our prior Audit Report (AUD 05-041) were addressed and implemented.

Our audit period was July 1, 2005 to January 31, 2006. During that time 187 cardholders conducted 12,696 purchase card transactions valued at \$5.9 million. We reviewed 100 percent of the purchase card transactions that occurred in our audit period.

We reviewed the supporting documentation for transactions to determine if they were valid and appropriate for WMATA business. We reviewed the Purchase Card Logs, interviewed selected cardholders and when necessary the cardholders' Approving Officials. We also interviewed the Purchase Card Administrator and staff in the Office of Accounting (ACCT) and the Office of Marketing (MKTG). We obtained transaction data from SunTrust Bank and performed data analysis with the Audit Command Language (ACL) software.

**Status of Recommendations in Our Previous Audit Report (AUD 05-041)**

The following table lists the 16 recommendations and actions taken on the recommendations in our previous audit report:

Recommendations	Action Taken
1. Since this is the third year of repeated violations of policy, the cardholders that are repeat offenders pertaining to lack of receipts, having split purchases or had their cards used by others should have the purchase card privilege revoked.	The recommendation was implemented. A memo was sent to cardholders/approving officials.
2. The Deputy General Managers, Assistant General Managers and/or General Superintendents should evaluate the recommendations as it relates to employees in their Division, Departments and/or Offices and in conjunction with the PCA ensure that each of the recommendations in the report are implemented.	The recommendation was implemented.
3. The PCA should interview cardholders who were cited for split purchases and for not having receipts (at least \$1,200). Strong consideration should be given to whether the purchase card should be cancelled or if other action should be taken and report their decision and reasons to us.	The recommendation was implemented. The PCA met with cardholders cited for split purchases. A zero tolerance policy was communicated to all Departments/Offices.
4. The PCA should continue to offer periodic refresher courses to cardholders and approving officials (especially those who are specified in the report) to ensure compliance with the Program Manual. The refresher course should emphasize the following: <ul style="list-style-type: none"> <li>• Cardholders are required to maintain receipts or other supporting documentation for purchases</li> <li>• Cardholders and approving officials should sign the purchase card log</li> <li>• The prohibition against split purchases</li> <li>• Accountable property items are required to be recorded and WMATA property decals attached</li> <li>• Cardholders should not permit other employees to use their cards</li> </ul>	The recommendation was implemented.
5. The PCA should advise purchase cardholders, approving officials and Department/Office Directors of the concerns found in this review and request that action be taken to prevent future occurrences of a similar nature subject to elimination of purchase card privileges.	The recommendation was implemented. Cardholders and approving officials were notified of the audit findings.
6. Departments/Offices reduce the Approving Officials' span of control to provide better oversight and control of the program.	The recommendation was implemented. The policy was changed to limit the span of control to no more than seven cardholders per Approving Official.
7. The PCA should ensure that cardholders and Approving Officials know that their signatures are required on the Purchase Card Log before they are submitted to ACCT, the authority to use purchase cards should be withdrawn from these cardholders and approving officials, if they do not follow this essential internal control.	The recommendation was implemented. Cardholders and Approving Officials were notified of the requirement that they both had to sign the Purchase Card log.
8. The PCA should report SONCO and U.S. Couriers to the Visa Credit Card Company because they assessed WMATA a surcharge for their services. Also, if the practice continues, the PCA should prohibit cardholders from using their services.	The recommendation was implemented.
9. The PCA should require Approving Officials to attend purchase card training with emphasis placed on their role in the process.	The recommendation was implemented.
10. The PCA should inform cardholders to record the WMATA	The recommendation was implemented. Cardholders and

barcode number on the monthly Purchase Card Log under the description column for all accountable property.	Approving Officials were notified that bar code numbers should be recorded on the purchase card log.
11. The PCA should determine why cardholders' transactions appeared on the ProCard Statement of Account but not on the monthly Visa statement.	The recommendation was implemented. The PCA discussed this issue with Sun Trust bank. Sun Trust stated this was an isolated issue, which was caused by a policy change regarding purchase from a foreign source. WMATA no longer has a contract with Sun Trust bank.
12. The PCA should determine why one cardholder's transactions appeared on the monthly Visa statement but not the monthly ProCard statement of Account.	The recommendation was implemented. The PCA discussed this issue with Sun Trust bank. Sun Trust stated this was an isolated issue, which was caused by a policy change regarding purchase from a foreign source. WMATA no longer has a contract with Sun Trust bank.
13. The PCA should pursue obtaining a credit for the county taxes paid to the Holiday Inn in Silver Spring. If the county taxes are not credited to the cardholder's account, all cardholders should be prohibited from using purchase cards when staying at the hotel.	COUN wrote an opinion that WMATA was responsible for the taxes paid.
14. The PCA should ensure that the cardholders who had overpayments seek reimbursement for the charges.	Refunds for the overpayments were obtained.
15. PRMT should evaluate whether if it is feasible or cost effective to establish Blanket Purchase Agreements with vendors that have done business with purchase cardholders in excess of \$25,000.	This recommendation has not been implemented. PRMT stated they will discuss this issue with vendors who are in this population. PRMT has in the past contracted with vendors for discounts.
16. ACCT should review its current procedures to ensure that submitted PTRs are accounted for and entered into FAMS in a timely manner.	ACCT has taken action to ensure that the PTRs are entered into FAMS timely.

**Summary of Results of Review**

The Purchase Card Program has an internal control structure, which includes a review and approval process. However, the overall control environment can be improved. The Commercial Purchase Card program manual provides a policy and procedure for the review and approval of purchases, but it was not followed in all cases. As a result, there are business risks in the purchase card program, which makes it vulnerable to abuse. Cardholders and approving officials need to comply with the program's policies and procedures and exercise diligence to ensure that the program is effective.

We relied on receipts and other documentation to determine if the purchase card program was operating as it should. However, documentation alone does not assure that all purchase card transactions supported WMATA's goals and objectives. Conceivably, cardholders could commingle personal and WMATA related purchases. Our audit would not necessarily detect these occurrences because receipts or other supporting documentation were generally not detailed enough to disclose if commingling occurred. Therefore, management within every Department/Office has to be involved in the purchase card program to ensure that only WMATA business is transacted with a purchase card.

Our audit found exceptions in FY 2006 transactions that had been cited in previous audits as follows:

- 101 missing receipts valued at \$53,292
- 16 split purchase transactions, valued at \$21,749

## AUD 07-047

- 24 accountable property items valued at \$20,224 were purchased and were not included in the Fixed Asset Management System (FAMS)
- 34 transactions paid sales taxes, which totaled \$1,009
- 2 transactions were processed that exceeded the single purchase limit of \$2,500
- 2 unauthorized employees used purchase cards
- 2 purchase cardholders' files were destroyed

Even though these transactions total \$102,811 out of \$5.9 million in total purchases and represents only 1.7 percent of the total, we have concerns about the business risks associated with transactions that did not have supporting documentation. Supporting documentation was needed to provide assurance that the goods and services purchased supported WMATA's mission and were not purchased for personal gain.

The following table shows our audit findings by Department/Office:

Department	No Receipt	Sales Tax	PTR Needed	Split Purchase
APAS		\$68	\$1,693	
BEMR			533	
BMNT	\$3,631	8	3,506	
BPPD		14		
BTRA		4		
CENV	303			
CMNT	11,075	105	1,300	8,176
CONS	1,141			
CMCS	189			
ELES	266	131	605	3,320
EMIH	869			
HRMS	7,196	23	2,946	7,587
LAND		9		
MACS	4,330	132		
MKTG	200			
MTPD	18,965	136		
ODEV		23	7,215	
OLIA	3	20		
OMBS		6		
OPAS	1,202	11	752	
PLJD				2,666
PLNT		49		
RAIL	14	6	695	
SSRM	2,718			
SMNT	330	4		
ACCT	65	143		
TRST	790	116		
WFDA			979	
<b>Total</b>	<b>\$53,292</b>	<b>\$1,009</b>	<b>\$20,224</b>	<b>\$21,749</b>

## Audit Findings Explained

### Missing Receipts

We found 101 purchases that did not have receipts or other supporting documentation. These unsupported transactions were valued at \$53,292. According to the Commercial Purchase Card Program manual, any time a purchase is made using the purchase card, a charge slip/invoice and a packing slip/receipt must be retained as proof of purchase. These documents should be obtained and retained to verify the purchases shown on the Monthly Cardholder Statement.

During the course of our review, cardholders obtained receipts for 67 purchases valued at \$37,587 that were not supported at the time of our initial contact. The supporting documentation should have been obtained at least by the time the Purchase Card Log was completed. We consider this to be a breach of internal controls.

### Split Purchases

We found 16 split purchase transactions that totaled \$21,749. Split purchases are unauthorized purchases that were made to circumvent the purchase card single transaction limit of \$2,500. The Commercial Purchase Card Program provides guidance that states a single purchase may be comprised of multiple items but it cannot exceed the authorized single purchase limit. Purchases should not be split in order to stay within the single purchase limit. We deemed split purchases as another breach of purchase card policy.

### Accountable Property

Twenty-four transactions that included accountable property items were not included in the Fixed Asset Management System (FAMS). These transactions totaled \$20,224. The Property Accounting/Control Policies and Procedures Manual stated that expendable property costing \$500 or more, which are susceptible to theft or loss should have a PTR completed. The Commercial Purchase Card Program manual states that all accountable property items purchased with the purchase card should be reported to the Approving Official for recording and inclusion in FAMS. PTRs were subsequently completed for 12 items valued at \$11,562. Cardholders should ensure that PTRs are completed for all purchases of accountable property and the assigned barcode number should be included on the Purchase Card Log.

Also, missing, lost or stolen property should be reported immediately to the Metro Transit Police Department. During April 2006, we noted that a DVD player was missing from the Office of Organizational Development (ODEV). However, it was not reported missing to MTPD until August 2006.

### **Sales Taxes**

There were 34 transactions that included sales taxes, which totaled \$1,009. WMATA is not subject to federal, state, District of Columbia, municipal and local taxation. WMATA received \$400 in credits for the sales taxes paid.

### **Single Purchase Limit Exceeded**

Two cardholders' transactions were posted with charges that exceeded the single purchase limit of \$2,500. The transactions were \$3,109 and \$3,125. Sun Trust Bank was the contractor when these transactions occurred. WMATA has issued a new contract for purchase card services with Citigroup Global Transactions Services and the contract with Sun Trust Bank has ended.

### **Unauthorized Use of Purchase Cards**

We noted two cardholders' purchase cards or purchase card numbers were given to other employees. In both examples, the Department/Office Directors condoned the policy violations. The Purchase Card Administrator (PCA) can delegate Contracting Officer Authority to cardholders. This delegation of authority allows cardholders to purchase supplies and services with the WMATA purchase card. Cardholders and managers are not authorized to re-delegate Contracting Authority.

### **Purchase Card Files Destroyed**

Two cardholders' files in Business Planning and Business Development (BPPD) and the Office of Vehicle Engineering (CENV) were destroyed. The BPPD files were reconstructed and made available for audit. The CENV files were not reconstructed. Therefore, they have not been audited.

### **Charges for Products not Ordered**

One purchase cardholder in BMNT was charged for several products not ordered. The cardholder contacted the vendor and requested a credit in the amount of \$3,142, which represents the cost of the items. The PCA was informed and he contacted the vendor to determine if these charges were billed deliberately or through error. The PCA determined that the erroneous billings were not deliberate.

### **Purchase Card Log Certifications**

We reviewed a sample of 122 purchase card logs to determine if they were completed in accordance with purchase card policies and procedures and found the following:

- 52 purchase card logs did not contain a statement that prices were determined to be fair and reasonable.
- 3 individuals other than the cardholder signed the purchase card log.
- 1 cardholder signed as the approving official.



### Other Observations

The following observations were noted during the audit:

- PRMT has written a disciplinary policy that addressed actions that would be implemented when exceptions to the purchase card policy were found.
- The PCA provides ongoing training for cardholders, approving officials and budget analysts.
- PRMT has a zero tolerance policy, whereby no exception to the purchase card policy is accepted.
- PRMT requested that AUDT inform them of every exception to policy found during the audit so that PRMT could initiate corrective action.
- Cardholders spent \$11,272 at Kinko's during the audit period. The services provided by Kinko's duplicates the capabilities that exist in the Print shop within the Office of Marketing (MKTG). MKTG has the capability to print business cards, copy documents and create brochures and timetables among other services provided. We interviewed the production manager for the Replication and Digitizing Services (RADS). According to the production manager, he does not receive inquiries about the services that RADS provides. He stated that generally, he can provide the same services offered at Kinko's at a lower cost.

Improved utilization of services and better planning could lower our costs for the types of services provided by Kinko's and other companies that provide copying services. Every Department/Office should evaluate their transactions with Kinko's to ensure that their transactions are cost effective and economical.

### Recommendations:

We recommend the following actions:

1. Cardholders who were cited for lack of receipts or split purchases in this report should receive disciplinary action in accordance with the purchase card program policy. Also, the Departments/Offices Approving Officials that sanctioned the use of purchase cards by employees without contracting authority should receive disciplinary action in accordance with program policy.
  
2. The PCA should continue to offer periodic refresher courses to cardholders and approving officials (especially those who are cited in the report) to ensure compliance with the Program Manual.

3. Since CMNT, HRMS and MTPD had the largest dollar value of no receipts, no PTR and split purchases combined, we recommend that the PCA provide additional training to the cardholders and approving officials in these Departments/Offices to ensure that these issues do not occur again.
4. The PCA should advise purchase cardholders, approving officials and Department/Office Directors of the concerns found in this review and request that action be taken by them to prevent future occurrences of a similar nature subject to elimination of purchase card privileges.
5. The PCA should ensure that cardholders and Approving Officials know that their signatures are required on the Purchase Card Log before they are submitted to ACCT; and the Purchase Card Logs should contain a statement that the prices obtained are fair and reasonable.
6. The PCA should inform cardholders to record the WMATA barcode number on the monthly Purchase Card Log under the description column for all accountable property.
7. PRMT should evaluate whether it is feasible or cost effective to establish Blanket Purchase Agreements with vendors that have done business with purchase cardholders in excess of \$25,000.
8. Departments/Office Directors should direct their cardholders to contact MKTG when they have requirements for printing and copying services prior to going to Kinko's or other copying services. If MKTG can not provide the requested services, MKTG should provide a written explanation to cardholders, which would be retained in cardholders' files.

The Purchase Card Administrator and staff reviewed the audit report and provided their comments. Their comments were addressed and incorporated in the report.

James C. Stewart  
Auditor General

cc:	GMGR	Jack Requa
	CHOS	Emeka Moneme
	OPRS	James J. Hughes
	RAIL	Steven A. Feil
	BUS	Phillip C. Wallace
	CMCS	Raymond C. Feldman
	SSRM	Fred C. Goodine
	WFDA	Brender Gregory
	CFO	H. Charles Woodruff

PLJD	Edward L. Thomas
COUN	Carol B. O’Keeffe
CTS	Steve Yaffe
CEPM	James Haggins
MTPD	Polly Hanson
PRMT	Raymond Griswold
ACCT	Kathleen V. Smith
CMNT	Eugene Garzone
ELES	David Lacosse
OMBS	Richard Harcum
TRES	Alvin W. Doehring
OIT	J. Rod Burfield
OPAS	Robert Orr
BTRA	Steve Petrucelli
BMNT	Phillip C. Wallace
PLNT	Paul C. Gillum
LABR	D. Richard Froelke
TSSM	David Knights
CENF	Colin Myers
CENV	Dan E. Hanlon
CENS	Harry Lupia
IRPG	David W. Couch
HRMS	Trayce King
ADAP	Glenn D. Millis
APAS	Gregory Boykin
BPPD	John Bottigheimer
LAND	Gary Malasky
OLIA	Bea Hicks
CONS	John Thomas
EMIH	Joan LeLacheur
SECT	Debra Johnson

### Cardholders Cited for Internal Control Breakdowns

The following employees had split purchases during FY 2006. (All names in Exhibit One have been withheld).

<b>ELES</b>	<b>purchases totaled \$102,367</b>
<b>Split Purchases</b> <ul style="list-style-type: none"><li>The cardholder had one split purchase that included 2 transactions (\$3,320).</li></ul>	
<b>Sales Taxes</b> <ul style="list-style-type: none"><li>Two transactions included sales taxes (\$97). The cardholder received a \$90 sales tax credit.</li></ul>	
<b>Action Taken</b> <ul style="list-style-type: none"><li>The purchase card was suspended for 60 days.</li></ul>	
<b>PLJD</b>	<b>purchases totaled \$16,837</b>
<b>Split Purchases</b> <ul style="list-style-type: none"><li>The cardholder had one split purchase that included 3 transactions (\$2,666).</li></ul>	
<b>Action Taken</b> <ul style="list-style-type: none"><li>The purchase card was suspended for 60 days.</li></ul>	
<b>CMNT</b>	<b>purchases totaled \$83,118</b>
<b>Split Purchases</b> <ul style="list-style-type: none"><li>The cardholder had one split purchase that included three transactions (\$2,719).</li></ul>	
<b>Sales Taxes</b> <ul style="list-style-type: none"><li>The cardholder had one transaction that included a sales tax (\$105).</li></ul>	
<b>Action Taken</b> <ul style="list-style-type: none"><li>The purchase card was suspended for 60 days.</li></ul>	
<b>CMNT</b>	<b>purchases totaled \$104,178</b>
<b>Split Purchases</b> <ul style="list-style-type: none"><li>The cardholder had one split purchase that included two transactions (\$2,680).</li></ul>	
<b>Internal Control Issues</b> <ul style="list-style-type: none"><li>The cardholder had one purchase that did not have a receipt (\$973).</li></ul>	
<b>Action Taken</b> <ul style="list-style-type: none"><li>The purchase card was suspended for 60 days.</li></ul>	
<b>CMNT</b>	<b>purchases totaled \$17,887</b>
<b>Split Purchases</b> <ul style="list-style-type: none"><li>The cardholder had one split purchase that included two transactions (\$2,777).</li></ul>	
<b>Internal Control Issues</b> <ul style="list-style-type: none"><li>The cardholder had three transactions that did not have receipts (\$713). Two receipts were obtained during the audit (\$635).</li></ul>	
<b>Action Taken</b> <ul style="list-style-type: none"><li>The cardholder no longer has a purchase card.</li></ul>	

**AUD 07-047  
EXHIBIT ONE**

<b>HRMS</b>	purchases totaled \$118,489
<b>Split Purchases</b> <ul style="list-style-type: none"><li>The cardholder had two split purchases that included four transactions (\$7,587).</li></ul>	
<b>Internal Control Issues</b> <ul style="list-style-type: none"><li>Fifteen transactions did not have receipts (\$7,196). Five receipts were obtained during the audit (\$1,293).</li></ul>	
<b>Accountable Property</b> <ul style="list-style-type: none"><li>Three transactions included accountable property and a PTR was not completed (\$2,946). The PTR was completed during the audit.</li></ul>	
<b>Sales Taxes</b> <ul style="list-style-type: none"><li>Two transactions included sales taxes (\$23).</li></ul>	
<b>Action Taken</b> <ul style="list-style-type: none"><li>The cardholder's purchase card was revoked.</li></ul>	

**The following employees did not obtain receipts for their purchases at the time of the transaction or when the transaction was approved by the approving official.**

<b>MACS</b>	purchases totaled \$20,847
<b>Internal Control Issues</b> <ul style="list-style-type: none"><li>The cardholder had six purchases that did not have receipts (\$4,330).</li></ul>	
<b>Sales Tax</b> <ul style="list-style-type: none"><li>The cardholder paid sales taxes on three transactions (\$132).</li></ul>	
<b>Action Taken</b> <ul style="list-style-type: none"><li>The cardholder's purchase card was revoked.</li></ul>	

<b>CMNT</b>	purchases totaled \$52,422
<b>Internal Control Issues</b> <ul style="list-style-type: none"><li>The cardholder had one purchase transaction that did not have a receipt (\$2,496).</li></ul>	

<b>CONS</b>	purchases totaled \$3,278
<b>Internal Control Issues</b> <ul style="list-style-type: none"><li>The cardholder had five purchases that did not have receipts (\$1,141). Two receipts were obtained during the audit (\$294).</li></ul>	

<b>ACCT</b>	purchases totaled \$18,589
<b>Internal Control Issues</b> <ul style="list-style-type: none"><li>The cardholder had one purchase transaction that did not have a receipt (\$65). The receipt was obtained during the audit.</li><li>The cardholder transferred to TRES and the purchase card was used by another employee before it was cancelled.</li></ul>	
<b>Sales Tax</b> <ul style="list-style-type: none"><li>The cardholder's purchase card was used by another employee who paid the sales tax on one transaction (\$143). The sales tax was credited to WMATA during the audit.</li></ul>	

**AUD 07-047  
EXHIBIT ONE**

<b>MKTG</b>	purchases totaled \$57,255
<b>Internal Control Issues</b>	
<ul style="list-style-type: none"><li>The cardholder had one transaction that did not have a receipt (\$200). The receipt was obtained during the audit.</li></ul>	
<b>BMNT</b>	purchases totaled \$5,207
<b>Internal Control Issues</b>	
<ul style="list-style-type: none"><li>The cardholder had one transaction that did not have a receipt (\$108). The receipt could not be obtained and the cardholder included a memo to the file with payment information.</li></ul>	
<b>BMNT</b>	purchases totaled \$45,621
<b>Internal Control Issues</b>	
<ul style="list-style-type: none"><li>The cardholder had three purchases that did not have receipts (\$2,558). The receipts were obtained during the audit.</li></ul>	
<b>BMNT</b>	purchases totaled \$15,545
<b>Internal Control Issues</b>	
<ul style="list-style-type: none"><li>The cardholder had two transactions that did not have receipts (\$965). The receipts were obtained during the audit.</li></ul>	
<b>CMNT</b>	purchases totaled \$37,235
<b>Internal Control Issues</b>	
<ul style="list-style-type: none"><li>The cardholder had five purchases that did not have receipts (\$4,844). The receipts were obtained during the audit.</li></ul>	
<b>CENV</b>	purchases totaled \$303
<b>Internal Control Issues</b>	
<ul style="list-style-type: none"><li>The cardholder's purchase card files (\$303) were destroyed. The cardholder was unable to reconstruct the files.</li></ul>	
<b>Current Status</b>	
<ul style="list-style-type: none"><li>The cardholder no longer has a purchase card.</li></ul>	
<b>CMNT</b>	purchases totaled \$73,295
<b>Internal Control Issues</b>	
<ul style="list-style-type: none"><li>The cardholder had one purchase that did not have a receipt (\$332). The receipt was obtained during the audit.</li></ul>	
<b>CMNT</b>	purchases totaled \$102,535
<b>Internal Control Issues</b>	
<ul style="list-style-type: none"><li>The cardholder had five purchases that did not have receipts (\$1,717). All of the missing receipts were obtained during the audit.</li></ul>	
<b>CMCS</b>	purchases totaled \$51,216
<b>Internal Control Issues</b>	
<ul style="list-style-type: none"><li>The cardholder had one transaction that did not have a receipt (\$189). The receipt was obtained during the audit.</li></ul>	

**AUD 07-047  
EXHIBIT ONE**

<b>ELES</b>	purchases totaled \$25,730
<b>Internal Control Issues</b>	<ul style="list-style-type: none"><li>The cardholder had one purchase transaction that did not have a receipt (\$150). The receipt was obtained during the audit.</li></ul>
<b>Sales Taxes</b>	<ul style="list-style-type: none"><li>The cardholder paid the sales tax on one transaction (\$19). A credit was obtained during the audit.</li></ul>
<b>Accountable Property</b>	<ul style="list-style-type: none"><li>The cardholder purchased a printer (\$605) and a PTR was not completed. The PTR was completed during the audit.</li></ul>
<b>ELES</b>	purchases totaled \$26,413
<b>Internal Control Issues</b>	<ul style="list-style-type: none"><li>The cardholder had two purchases that did not have receipts (\$116).</li></ul>
<b>Sales Taxes</b>	<ul style="list-style-type: none"><li>The cardholder paid the sales taxes on two transactions (\$15).</li></ul>
<b>EMIH</b>	purchases totaled \$32,527
<b>Internal Control Issues</b>	<ul style="list-style-type: none"><li>The cardholder had one purchase that did not have a receipt (\$869).</li></ul>
<b>MTPD</b>	purchases totaled \$147,797
<b>Internal Control Issues</b>	<ul style="list-style-type: none"><li>The cardholder had 21 purchases that did not have receipts (\$18,965). Receipts for 19 purchases were received during the audit (18,714).</li></ul>
<b>OPAS</b>	purchases totaled \$9,770
<b>Internal Control Issues</b>	<ul style="list-style-type: none"><li>The cardholder had four purchases that did not have receipts (\$335). Receipts for all of the transactions were obtained during the audit.</li></ul>
<b>OPAS</b>	purchases totaled \$1,495
<b>Internal Control Issues</b>	<ul style="list-style-type: none"><li>The cardholder had two purchases that did not have receipts (\$867). The receipts were obtained during the audit.</li></ul>
<b>RAIL</b>	purchases totaled \$11,498
<b>Internal Control Issues</b>	<ul style="list-style-type: none"><li>The cardholder had one transaction that did not have a receipt (\$14).</li></ul>
<b>Sales Taxes</b>	<ul style="list-style-type: none"><li>The cardholder paid sales taxes on two transactions (\$6).</li></ul>
<b>SSRM</b>	purchases totaled \$15,168
<b>Internal Control Issue</b>	<ul style="list-style-type: none"><li>The cardholder had nine purchases that did not have receipts (\$2,718). Seven receipts were obtained during the audit (\$2,515).</li></ul>
<b>TSSM</b>	purchases totaled \$18,326
<b>Internal Control Issues</b>	<ul style="list-style-type: none"><li>The cardholder had one purchase that did not have a receipt (\$210). The receipt was obtained during the audit.</li></ul>





**AUD 07-047  
EXHIBIT ONE**

<b>OPAS</b>	purchases totaled \$12,298
<b>Accountable Property</b>	
<ul style="list-style-type: none"><li>The cardholder purchased a scanner (\$752) and a PTR was not completed.</li></ul>	
<b>WFDA</b>	purchases totaled \$11,293
<b>Accountable Property</b>	
<ul style="list-style-type: none"><li>The cardholder purchased a leather chair (\$979) and a PTR was not completed. A PTR was completed during the audit.</li></ul>	
<b>APAS</b>	purchases totaled \$37,476
<b>Accountable Property</b>	
<ul style="list-style-type: none"><li>The cardholder purchased two leather chairs (\$1,693) and a PTR was not completed. A PTR was completed during the audit.</li></ul>	
<b>Sales Tax</b>	
<ul style="list-style-type: none"><li>The cardholder paid the sales tax on one transaction (\$68). The sales tax was credited during the audit.</li></ul>	
<b>BEMR</b>	purchases totaled \$20,853
<b>Accountable Property</b>	
<ul style="list-style-type: none"><li>The cardholder purchased an electric stapler and a PTR was not completed (\$533). The PTR was completed during the audit.</li></ul>	
<b>BMNT</b>	purchases totaled \$39,851
<b>Accountable Property</b>	
<ul style="list-style-type: none"><li>The cardholder purchased two file cabinets and shelving (\$3,506) and a PTR was not completed. The PTR was completed during the audit.</li></ul>	
<b>BPPD</b>	FY 2006 purchases totaled \$609
<b>Sales Taxes</b>	
<ul style="list-style-type: none"><li>The cardholder paid the sales tax on one transaction (\$14). A credit for the sales tax was obtained during the audit.</li></ul>	
<b>BTRA</b>	purchases totaled \$3,808
<b>Sales Tax</b>	
<ul style="list-style-type: none"><li>The cardholder paid the sales tax on one transaction (\$4).</li></ul>	
<b>Current Status</b>	
<ul style="list-style-type: none"><li>The cardholder no longer has a purchase card.</li></ul>	
<b>CMNT</b>	purchases totaled \$48,032
<b>Accountable Property</b>	
<ul style="list-style-type: none"><li>The cardholder purchased two work storage systems (\$1,300). A PTR was not completed. The PTR was completed during the audit.</li></ul>	
<b>LAND</b>	purchases totaled \$367
<b>Sales Tax</b>	
<ul style="list-style-type: none"><li>The cardholder paid the sales tax on one transaction (\$9).</li></ul>	
<b>MTPD</b>	purchases totaled \$60,041
<b>Sales Tax</b>	
<ul style="list-style-type: none"><li>The cardholder paid the sales tax on one transaction (\$134).</li></ul>	

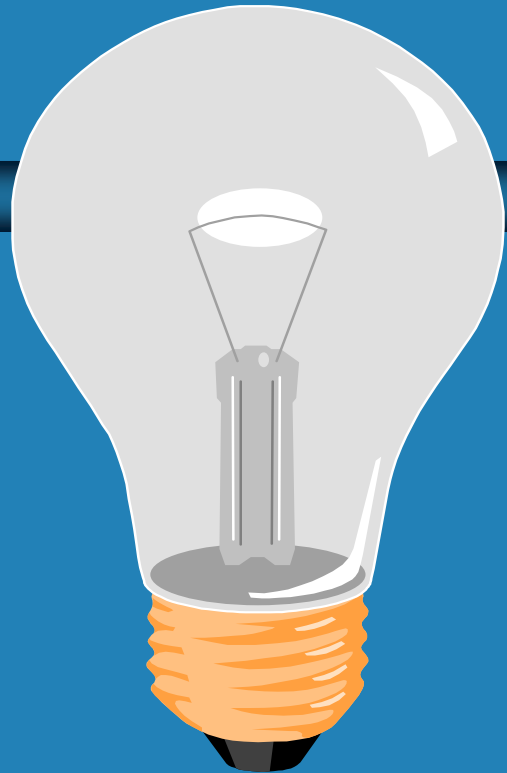
**AUD 07-047  
EXHIBIT ONE**

<b>TSSM</b>	purchases totaled \$49,395
<b>Sales Taxes</b>	
<ul style="list-style-type: none"><li>The cardholder paid sales taxes on two transactions (\$111).</li></ul>	
<b>TSSM</b>	purchases totaled \$46,392
<b>Sales Tax</b>	
<ul style="list-style-type: none"><li>The cardholder paid the sales tax on one transaction (\$5). A credit for the sales tax was received during the audit.</li></ul>	
<b>OMBS</b>	purchases totaled \$10,518
<b>Sales Taxes</b>	
<ul style="list-style-type: none"><li>The cardholder paid the sales tax on one transaction (\$6).</li></ul>	
<b>Current Status</b>	
<ul style="list-style-type: none"><li>The cardholder no longer has a purchase card.</li></ul>	
<b>OPAS</b>	purchases totaled \$57,723
<b>Sales Taxes</b>	
<ul style="list-style-type: none"><li>The cardholder paid the sales tax on one transaction (\$11).</li></ul>	
<b>Current Status</b>	
<ul style="list-style-type: none"><li>The cardholder no longer has a purchase card.</li></ul>	
<b>TSSM</b>	purchases totaled \$64,161
<b>Sales Taxes</b>	
<ul style="list-style-type: none"><li>The cardholder paid the sales tax on one transaction (\$4). A credit for the sales tax was obtained during the audit.</li></ul>	
<b>PLNT</b>	purchases totaled \$41,972
<b>Sales Tax</b>	
<ul style="list-style-type: none"><li>The cardholder paid the sales tax on one transaction (\$49). A credit for the sales tax was obtained during the audit.</li></ul>	
<b>BMNT</b>	purchases totaled \$31,378
<b>Sales Tax</b>	
<ul style="list-style-type: none"><li>The cardholder paid the sales tax on one transaction (\$8). A credit for the sales tax was obtained during the audit.</li></ul>	

<b>ACRONYM</b>	<b>DEPARTMENT/OFFICE</b>
<b>APAS</b>	<b>Office of Administrative Programs and Services</b>
<b>BEMR</b>	<b>Office of Board and Executive Management Relations</b>
<b>BMNT</b>	<b>Office of Bus Maintenance</b>
<b>BPPD</b>	<b>Business Planning and Project Development</b>
<b>BTRA</b>	<b>Office of Bus Transportation</b>
<b>CENV</b>	<b>Office of Chief Engineer, Vehicles</b>
<b>CMNT</b>	<b>Office of Rail Car Maintenance</b>
<b>CONS</b>	<b>Office of Construction</b>
<b>CMCS</b>	<b>Customer and Media Communications</b>
<b>ELES</b>	<b>Office of Elevator and Escalator Maintenance</b>
<b>EMIH</b>	<b>Environmental Management and Industrial Hygiene</b>
<b>HRMS</b>	<b>Office of Human Resources Management Services</b>
<b>LAND</b>	<b>Office of Property Development and Management</b>
<b>MACS</b>	<b>Office of MetroAccess Service</b>
<b>MKTG</b>	<b>Office of Marketing and Advertising</b>
<b>MTPD</b>	<b>Metro Transit Police Department</b>
<b>ODEV</b>	<b>Office of Organizational Development</b>
<b>OLIA</b>	<b>Office of Operations Liaison</b>
<b>OMBS</b>	<b>Office of Management and Budget Services</b>
<b>OPAS</b>	<b>Office of Operations Planning and Administrative Support</b>
<b>PLJD</b>	<b>Planning and Joint Development</b>
<b>PLNT</b>	<b>Office of Plant Maintenance</b>
<b>RAIL</b>	<b>Rail Service</b>
<b>SSRM</b>	<b>System Safety and Risk Management</b>
<b>TSSM</b>	<b>Office of Track Structures/Systems Maintenance</b>
<b>ACCT</b>	<b>Office of Accounting</b>
<b>WFDA</b>	<b>Division of Workforce Development and Administration</b>

**Internal Audit Report  
No. AUD 07-047**

Ω **Questions**



Ω **If you have any questions or comments  
pertaining to this Internal Audit Report ,  
please contact:**

Ω **James C Stewart  
962-1008**