

# MAINE STATE DEPARTMENT OF AUDIT

## 2005 Review of Government Procurement Cards

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### ***Procurement card purchases appear to be made for legitimate government purposes***

#### **Why Audit Did This Study**

The State of Maryland found state procurement cards were used to purchase janitorial supplies at exorbitant prices and gifts were provided to employees making the purchases. The Maine Department of Audit wanted to determine for citizens whether state purchase cards are used properly.

#### **What Audit Recommends**

Audit recommends that card purchases be documented by the purchasing agent and that approval by a separate reviewer be documented to prevent any misuse of purchasing power.

#### **What Audit Found**

Audit downloaded procurement card transactions from the Procurement Card System for the year 2005. This population consisted of 45,230 transactions with a total value of \$26 Million (\$26,150,260). An analysis of the entire population of transactions revealed certain purchases were made from companies with the same name as some in the Maryland review. A sampling of transactions was examined. Purchases appeared to be for legitimate government purposes and within reasonable limits. Further inquiry consisted of discussions with personnel at the Division of Purchases, a central point of control within the Office of the State Controller (OSC). Questions were also directed to Agency personnel as needed, and supporting documentation was examined for sampled transactions.

Internal control procedures of the Department of Administrative and Financial Services require approvals in an Internet-based system provided by the credit card vendor. Level one approval is the purchaser's own justification of the transaction. Level two approvals are from a supervisor. Audit found instances when required approvals were missing; however, compensating controls were present for many transactions. Agencies were informed of the need to follow established internal control requirements for all transactions.