

Purchase Card Audit Summary

Period	1 July – 31 December 2020	Report no:	28
Transactions			407
Audited transactions			60
Issues with audited transactions			1
Transactions with process issues identified as part of monthly review			8
Coding corrections – incorrect account and/or GST classification			20

Preamble

The audit process checked individual transaction details, specifically receipt information and user comments, including if products or services purchased were work related and in compliance with relevant policies. A random sample of 10 sensitive expenditure transactions per month were selected as all transactions are checked for accuracy of coding on a monthly basis and all account and/or GST coding errors are corrected as part of the month end process which is performed by the Financial Accountant.

Transactions were classified as having either:

- a. no issue
- b. use issue (private)
- c. process issue
 - no tax invoice for purchases > \$50
 - not in accordance with policy

The monthly review of coding identifies:

- a. GST issue; and/or
- b. account coding issue

Results

The following issues were noted:

- Twenty instances of an incorrect account and/or GST classification were noted during the monthly checks and eight transactions did not have the correct supporting tax invoice. These errors were corrected as part of the month end process and are therefore not an area of concern. P-card holders are notified of the errors with relevant explanations to minimise future errors.
- One transaction in the audit sample for catering was incorrectly coded to a capex project however this will get transferred to the P&L at year-end as part of the capitalisation review.
- One transaction in the audit sample was for personal use, but the employee notified us immediately and correctly coded the transaction to the balance sheet and it was subsequently reimbursed.
- All transactions had correct receipts, were appropriately approved given sensitive expenditure nature and any for private use were coded to the balance sheet and subsequently reimbursed.

Figure 1: Overview of Audit Results

