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To: The Honorable Mary Sue Rich, President of the Council  
The Honorable John McLeod, President Pro Tem  
The Honorable Suzy Heinbockel  
The Honorable Jay Musleh  
The Honorable Daniel Owen  
The Honorable R. Kent Guinn, Mayor  
Matthew Brower, City Manager

Date: October 31, 2013

Re: External Audit Assistance – Procurement Cards

Internal Audit assists the external financial auditors, Purvis Gray and Company, LLP, with specific audit procedures for the Financial Statement Audit for the Fiscal Year Ending September 30, 2013. We have completed procedures for Procurement Cards. The objectives were to ensure procurement cards are used appropriately for valid business purposes, transactions are appropriately recorded in the financial records, and to review the controls over the procurement card process. Procurement card transactions totaled \$3.1 million for FY 2013.

We selected 40 transactions for testing and examined documentation authorizing the cardholder, the card limits, the validity of the transaction, approval of the transaction, and recording of the transaction in the City's general ledger. The City uses the SunTrust Enterprise Spend Platform (ESP) to review, code, and approve transactions. Monthly, transactions are recorded in the EDEN Financial System.

Based upon our procedures, we conclude that procurement card transactions are used appropriately for valid city business.

We appreciate the assistance of all personnel involved in the procurement card process.

*Generally Accepted Government Auditing Standards and the Institute of Internal Auditors Standards require that we plan and perform our audits to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. The evidence obtained provides a reasonable basis for our observations and conclusions.*

A handwritten signature in blue ink that reads "Jeanne Covington".

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Jeanne Covington, Internal City Auditor

c: Diane Reichard, Assistant City Manager and CFO  
Mary Ann Davis, Director, Finance  
Cindy Kelley, Deputy CFO  
Tiffany Kimball, Director, Procurement and Contracts