

PURCHASING AUTHORITY COMPLIANCE AUDITS

The following information provided below highlights program areas within a departments business and management functions that are subject to be audited for ensuring that state policies are followed. The first section describes the field audit program performed whose volume of delegated procurements justifies an in-depth onsite audit. The second section describes the desk audit program performed at the agencies whose volume of delegated procurement transactions do not justify the significant commitment of audit resources necessary to perform a full scope compliance audit. In general, these agencies have a low volume and dollar amount of individual transactions and do not widely use leverage procurement agreements.

DELEGATED PURCHASING AUTHORITY PROGRAM – FIELD AUDITS

SURVEY

- To gather information needed to conduct audit tests.
- To identify internal control weakness and areas of non-compliance.
- To document the system as needed for understanding.
- To identify issues that may influence testing or audit emphasis.
- To determine the audit resources needed to complete the tests in this section of the audit.

TEST OF NON-IT GOODS PURCHASE ORDERS

- To determine the effectiveness of controls for compliance with purchasing criteria applicable to acquisitions of non-IT goods that has been granted by DGS-PD.

TEST OF IT GOODS/SERVICES TRANSACTIONS

- To determine the effectiveness of controls for compliance with contracting and purchasing criteria applicable to acquisitions of IT goods/services that has been granted by DGS-PD.

TEST OF LEVERAGED PROCUREMENT AGREEMENTS (LPA) FOR GOODS & SERVICES

- To determine whether both the agency and the supplier have complied with the terms and conditions of the LPA by limiting acquisitions to authorized goods and/or services at a price that did not exceed the maximum price per the LPA.

TEST OF PROMPT PAYMENTS TO VENDORS

- To determine whether vendor invoices are being paid promptly.
- To determine if late payment penalty fees are paid, if applicable.

TEST OF ACQUISITIONS PAID BY CAL-Card

- To determine if non-IT goods and IT goods/services paid by charges on the CAL-Card are acquired in accordance with contracting and purchasing criteria.
- To determine if the Statement of Account is properly authorized by the cardholder and the approving official.

DELEGATED PURCHASING AUTHORITY PROGRAM – DESK AUDITS

In general, OAS' desk audit program involves the conduct of telephone interviews of agency procurement staff, a review of written procurement policies and procedures, and tests of a sample of transactions based on documentation obtained from the agency and reviewed at OAS' office. Auditor desk audit transaction tests have the same objectives as those discussed above for the field audit program.

The results of the desk audit are reported to the agency and any findings monitored until resolution. In addition, if significant findings are noted, the agency may be added to the field audit program discussed above.