

**CITY OF ALLENTOWN**  
**P-CARD REVIEW**  
**For the Month: February 2020**  
**Date of Report: April 14, 2020**

**OBJECTIVE**

A purchasing card (also abbreviated as PCard or P-Card) is a form of company charge card that allows goods and services to be procured without using a traditional purchasing process.

Purchasing Cards are issued to employees who are expected to follow the City of Allentown's policies and procedures related to P-Card use, including reviewing and approving transactions according to a set schedule. The City can implement a variety of controls for each P-Card; for example, a single-purchase dollar limit, a monthly limit, merchant category code (MCC) restrictions and so on.

The objective of the monthly P-Card review is to review each cardholder's P-Card activity independent of the cardholder, to determine whether the individual payments made with the P-Card and their corresponding documentation comply with the requirements of the policies, guidelines, and procedure outlined in the AIMs and to identify any areas for improvement.

**PROCEDURES**

A review of all the P-Card transactions generated for the period tested, including a review of the invoices being paid and their corresponding documentation, approvals, compliance to AIMs and reasonableness of expenditure.

# of P-Cards statements reviewed for the period: 56

\$ Amount of the P-Card transactions reviewed for the period: \$163,352.52

**FINDINGS AND RESOLUTIONS**

1. **Inaccurate Reporting in EDEN**

We identified 1 payment for 7 (seven) FINANCE invoices ranging in date from 10/2018 – 09/03/19.

The invoices were entered in EDEN as one lump payment, using the invoice date of 02/2020.

By doing this, FINANCE eliminated EDEN system's audit trail to research by date or by invoice number. In the future any efforts to identify any of these invoices require the user to open and individually research each file and each attachment for the vendor by year and entry.

## **Resolution**

FINANCE was advised of the issues. Per FINANCE, they “are continuing to clean up old invoices” from the vendor and “can’t explain what they (the vendor) are doing” and “are surprised every time we receive one” (another invoice).

## **2. Incorrect Expense Account Used**

LAW charged \$596.05 for “LEGAL ADVERTISEMENT RE CONDEMNATION” to AC 44 – Legal Services. The expenses should be charged to AC 50 – Other Services and Charges.

HUMAN RESOURCES charged \$400.00 for a SHRM EXAM FEE” to AC 32 – Publications & Memberships. The expense should be charged to AC 34 – Training and Professional Development.

STREETS charged \$297.95 for tools to AC 54 – Repairs & Maintenance Supplies. The expense was greater than \$200.00 and should be charged to AC 68 – Operating Material & Supplies.

HUMAN RESOURCES charged \$127.15 for a “MONTHLY RENEWAL” to AC 50 – Other Services and Charges. The expense for the subscription should be charged to AC 32 – Publications & Memberships.

COMMUNITY & ECONOMIC DEVELOPMENT charged \$122.45 for an ad in the Morning Call to AC 32 – Publications & Memberships. The expense should be charged to AC 50 – Other Services and Charges.

LAW charged \$93.83 for “PAYMENT SERVICE FEE - CONDEMNATION” to AC 44 – Legal Services. The expenses should be charged to AC 50 – Other Services and Charges.

BUILDING STANDARDS AND SAFETY charged \$83.80 for “CORDLESS SCREWDRIVER” to AC 68 – Operating Material & Supplies. The expense should be charged to AC 54 – Repairs & Maintenance Supplies.

COMMUNITY & ECONOMIC DEVELOPMENT charged \$17.76 for the fee associated with “REGISTRATION FEE FOR SYMPOSIUM” to AC 50 – Other Services and Charges. The expense should be charged to the same account used for the Registration which is AC 34 - Training and Professional Development.

## **Resolution**

LAW – Journal entries were requested to correct the expense accounts.

HUMAN RESOURCES - Journal entries were completed to correct the expense accounts.

STREETS – A transfer for \$297.95 from acct 68 to acct 54 will be requested to correct this.

COMMUNITY & ECONOMIC DEVELOPMENT - Journal entries were completed to correct the expense accounts.

On behalf of BUILDING STANDARDS AND SAFETY, PURCHASING requested a journal entry to correct the expense account.

### **3. Supporting Documentation Not Attached in EDEN**

To provide a proper audit trail and document the expenditure, the hard copy of the invoice and all pertinent payment information is scanned and attached in EDEN.

For the February 2020 P-Card review the following departments did not have the proper documentation attached in EDEN:

BUILDING STANDARDS AND SAFETY - 2 instances,  
POLICE - 1 instance,  
LAW - 1 instance,  
TREASURY – 1 instance, and  
PLANNING – 3 instances.

#### **Resolution**

The departments were advised of the issue and were reminded of the proper process.

### **4. Untimely Payment of Invoices**

We identified 2 payment for 2 RISK invoices dated 11/2019 and 12/2019.

#### **Resolution**

Per RISK, the invoices were discovered to have not been processed during their end of year vendor PO closeout. It was paid on the P-card to bring their account to current since the PO had already been closed.