

Seattle Colleges

Agency 670

Audit Report	Finding Number	Finding and Corrective Action Plan
1027742	2019-001	<p>Finding: Seattle Colleges' internal controls over purchase cards were inadequate to ensure appropriate use of public funds.</p> <p>Corrective Action: The Seattle Colleges' purchasing unit has an established purchase card audit process to identify and report deviations from internal processes to each individual college business office. However, due to staff turn-over and insufficient resources, follow-up actions were not adequate to ensure corrective actions were taken.</p> <p>To strengthen internal controls over purchase card use, Seattle Colleges:</p> <ul style="list-style-type: none"> <li>• Added resources to the purchasing unit to continue the internal audit process of reviewing and monitoring purchase card use and documentation. This includes:             <ul style="list-style-type: none"> <li>○ Reviewing proper approvals by purchase card approvers.</li> <li>○ Ensuring purchase receipts are attached.</li> <li>○ Requiring electronic purchase log to be submitted with documentation.</li> <li>○ Sending exception reports to each individual college business office.</li> <li>○ Ensuring audit reports and exceptions are adequately followed up on.</li> </ul> </li> <li>• Required each college to submit a monthly list of purchase card approvers to identify current authorized personnel.</li> <li>• Ensured monthly reconciliation of card purchases continue to be performed by card approvers at each college.</li> <li>• Required all purchase card users and custodians sign new card agreements and receive training prior to using purchase cards.</li> </ul> <p>As of February 2021, the Seattle Colleges' purchase card process was migrated to the ctcLink system. The ctcLink process has workflow routing that enables approvers to review and approve appropriate charges with the digital records of receipts that are required to be included with the submission of the charges.</p> <p>As of April 2021, the system began issuing warnings if charges are not properly and timely reviewed and approved. After two warnings, the purchasing unit will revoke card privileges for users who fail to comply with deadlines and documentation requirement.</p> <p>Completion Date: April 2021, subject to audit follow-up</p> <p>Agency Contact: Terence Hsiao            Vice Chancellor of Finance &amp; Operations            1500 Harvard Ave.            Seattle, WA 98122            (206) 419-6934  <a href="mailto:Terence.Hsiao@seattlecolleges.edu">Terence.Hsiao@seattlecolleges.edu</a></p>