



# CITY OF SAN ANTONIO

SAN ANTONIO TEXAS 78283-3966

August 24, 2009

Park E. Pearson  
City Auditor  
San Antonio, Texas

RE: Management's Corrective Action Plan for the Audit of the Purchase Card Program.

The Purchasing and General Services Department has reviewed the audit report and has developed the Corrective Action Plans below corresponding to report recommendations.

<b>Recommendation</b>					
<b>#</b>	<b>Description</b>	<b>Audit Report Page</b>	<b>Accept, Partially Accept, Decline</b>	<b>Responsible Person's Name/Title</b>	<b>Completion Date</b>
<b>A</b>	<b>Internal Controls over the Purchase Card Program</b>				
<b>A.1</b>	The Purchasing Director should assign an appropriate number of Purchasing staff to the P-card Program.	<b>6</b>	Accepted	Janie Cantu / Director	Completed - June 2009
<b>A.2</b>	The Purchasing Director should assign staff with adequate systems knowledge to instruct and support cardholders on the proper usage of the WORKS System.	<b>7</b>	Accepted	Janie Cantu / Director	Completed-Sr. DSS will provide support
<b>A.3</b>	The Purchasing Director should ensure that adequate information on WORKS and on the City's procurement policies and procedures are included in the Users Manual.	<b>7</b>	Accepted	Janie Cantu / Director	Completed - January 2009
<b>A.4</b>	The Purchasing Director should ensure cardholders are periodically surveyed to determine their satisfaction with the P-card training and support services.	<b>7</b>	Accepted	Janie Cantu / Director	Completed-Quarterly Surveys implemented July 2009

**Action plan:**

- A.1 More staff has been assigned to the program which will assist in the internal controls in the areas of administration and monitoring. The Fiscal Operations Manager for Procurement reviews all transactions by the P-card Program Administrator. New card orders are approved by the Fiscal Operations Manager, ordered by the P-card Program Administrator, and received and issued by the Purchasing Accountant II.
- A.2 General training in the WORKS system is provided as part of the Cardholder training to all Cardholders, Managers, and Site Administrators. Additional training is available and may be requested through the Program Administrator and the Sr. Department Systems Specialist. Training aides are also available through the WORKS system. A survey is provided at the end of each training session which allows participants an opportunity to grade and comment on the training provided by the System Administrator and the Sr. Systems Specialist.
- A.3 The User Manual now includes City procurement policies and procedures. The User Manual also includes basic information on the WORKS program for users. More information on the WORKS system is available upon request from the Program Administrator or from the help menu within the WORKS system.
- A.4 All card holders are surveyed upon completion of the Cardholder training. A survey has already been incorporated and sent out to all cardholders on a quarterly basis to determine satisfaction with the program and support services in regards to the program.

**B Most Procurement Related Staff not Prohibited from having Financial Interests in City Contracts**

B.1	The City Manager should ensure that purchasing agents and other employees whose primary responsibility is to purchase or contract for the City do not have a financial interest in City contracts. This effort may include submitting a proposal to the Ethics Committee to update the Ethic's Code or implementing an internal policy or Administrative Directive.	8	Accepted	Sharon De La Garza / Assistant City Manager	October 2009
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**Action plan:**

- B1 The City Manager's Office will identify applicable personnel and administratively implement a directive to address this issue.

The P-card program was implemented in March 2001 in order to provide an efficient method of procurement for small dollar purchases and to allow Purchasing to gain better control and management of low dollar expenditures.

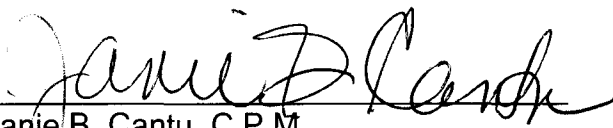
The development of the P-card program included assistance from Finance, ITSD, City Attorney, City Auditor and departments selected to participate in the pilot program. As per recommendations from the Finance Department, the program was set up as a primarily paper based program. This was also due to the number of field staff without access to computers. This allowed the capturing of signatures for transactions and manual files for historical tracking.

The P-card program is supported by a software system which is a proprietary system of Bank of America. This system is used by the City primarily for funds reallocation. In January of 2008 Bank of America changed its software system from the EAGLS to WORKS system. The audit coincided with Bank of America and the City's implementation and transition to the new system. The initial implementation resulted in a number of conversion as well as systems issues. The issues were in the process of being addressed at the onset of the audit.

The audit noted a number of exceptions. Of the 135 exceptions, 73 were due to Department reorganization/budget issues, 26 were due to Department Site Administrators failure to submit proper documentation regarding staffing status, and 27 exceptions were not in violation of our current policy. Additionally many of these exceptions had been corrected during the year of the transition and/or corrected when the audit began.

We are committed to addressing the recommendations in the audit report and the plan of actions presented above.

Sincerely,

  
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Janie B. Cantu, C.P.M.  
Director  
Purchasing and General Services Department

  
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Sharon De La Garza  
Assistant City Manager  
City Manager's Office