



Report
Staff Report
 The Corporation of the City of Brampton
 10/7/2024

Date: 2024-09-29

Subject: **Purchasing Card Audit 2024 – Issues and Recommendations**

Contact: Claire Fang Mu, Director, Internal Audit



Report number: CAO's Office-2024-808





RECOMMENDATIONS:

1. That the report titled: **Purchasing Card Audit 2024 – Issues and Recommendations**, to the Audit Committee Meeting of October 7, 2024, be received.

OVERVIEW:

- The report highlights audit issues related to the Purchasing Card (P-Card) Program management.
- The overall issues identified in the audit was rated as **“Immediate Action Required.”**
- See **Appendix 1** and **Appendix 2** for the criteria for rating findings and audit report rating.

Process	Finding	Rating
A. P-Card transactions lack adequate supporting documentation, approval and effective monitoring	<ol style="list-style-type: none"> 1. We reviewed a sample of 120 transactions and noted issues such as missing itemized receipts and attendee lists for food-related expenses. This lack of documentation weakens the ability to review and approve transactions according to City directives. 2. Additionally, post-transaction monitoring was ineffective. 	
B. Food and gift policies lack clarity	The audit identified gaps in the policies regarding food and gift-related expenses. The	

and specific guidelines	absence of specific guidelines and clarity has resulted in inconsistent application and justification of P-Card use for business purposes, leading to unclear or potentially improper spending practices.	
C. Traffic fines inappropriately charged to City P-Cards	Traffic fines were charged to the City's P-Cards and recovery were not pursued since the violations were issued against the Vehicle Registered Owner (the City). Charging traffic tickets to City P-Cards poses financial and reputational risks but also fails to address the underlying safety concerns related to City vehicles violating traffic laws.	
D. Lack of policy for tracking charitable promotional expenses and remittance	P-Cards were used for United Way promotional expenses without ensuring these costs were refunded to City specific accounts due to a policy gap.	
E. Delayed cancellation of P-Cards after employee termination or extended leave	P-Cards were not promptly canceled following employee terminations or extended leaves.	
F. IT equipment purchased bypassing IT approval	P-Cards were used to purchase IT equipment without the knowledge or approval of the IT department.	
These issues are rated as per the criteria described in Appendix 1 .		

Conclusion:

The City's management of the P-Card program requires immediate attention. We recommended that the City:

- a) Strengthen current documentation and compliance,
- b) Improve monitoring practices,
- c) Clarify food and gift policies,
- d) Implement a consistent approach for managing traffic tickets,
- e) Prohibit the use of P-Cards for traffic fines,

- f) Implement a policy for tracking charitable expenses and remittance of net proceeds,
- g) Deactivate P-Cards promptly for employees who no longer require P-Cards,
- h) Monitor IT technology purchases via P-Card.

Implementing the recommendations will strengthen the P-Card program and provide guidelines for food-related and gift purchases.

The overall report rating is determined per the audit report rating criteria explained in **Appendix 2**.

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Attachments:

- Appendix 1 – Criteria for Evaluating Audit Findings
- Appendix 2 – Criteria for Audit Report Rating