

<b>Procedure Title:</b>	SPOTS Card Program Review and Audit		
<b>Procedure Number:</b>	DHS-040-019-08	<b>Version:</b>	1.0
<b>Effective Date:</b>	10/01/2010		

Approved By: Jim Scherzinger, Deputy Director of Finance

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### Procedure

The agency's participation in the statewide SPOTS card program is subject to compliance reviews and audits. Periodic reviews and audits help ensure that appropriate controls are updated to minimize the potential for fraud, misuse or abuse of the SPOTS card.

This procedure emphasizes the importance of the SPOTS card program compliance reviews and audits.

### Applicability

This procedure is applicable to all employees who are directly or indirectly responsible for approving card issuance, authorizing SPOTS card purchases, documenting and logging SPOTS card transactions, providing training on SPOTS card use or ensuring that SPOTS cards are safeguarded.

**Compliance is not optional.**

<b>Step</b>	<b>Responsible Party</b>	<b>Action</b>
1. Weekly and Monthly Reviews	SPOTS Card Coordinator, Manager, Approving Officer	<p>Weekly review: The SPOTS card coordinator will conduct a weekly compliance review of SPOTS card transactions of \$5,000 or more. The compliance review shall include but is not limited to:</p> <ul style="list-style-type: none"> <li>▪ Scanning the vendor names and dollar amounts for reasonableness;</li> <li>▪ Contacting the manager or designee to confirm the appropriateness of the purchase(s);</li> <li>▪ Requesting copies of the written authorization or other supporting documentation, if necessary.</li> </ul> <p>Monthly review: At the request of the approving officer or designee, Internal Audits, or the Department of Administrative</p>

		<p>Services, the SPOTS card coordinator will conduct a full monthly review of all SPOTS card transactions. The full review shall include but is not limited to:</p> <ul style="list-style-type: none"> <li>▪ Scanning all vendors with transactions of \$5,000 or more;</li> <li>▪ Randomly sampling vendors with transactions under \$5,000;</li> <li>▪ Examining cardholder documentation;</li> <li>▪ Confirming that a properly signed <i>SPOTS Card Application and Agreement</i> form, DHS 0134, is on file for all cardholders.</li> </ul> <p>Corrective actions: The SPOTS Card Coordinator will confer with the approving officer or designee to initiate corrective actions when the review demonstrates:</p> <ul style="list-style-type: none"> <li>▪ The SPOTS card transactions are in conflict with or violate public contracting rules or relevant agency policies and procedures;</li> <li>▪ The supporting documentation is unavailable or not provided.</li> </ul>
<p>2. Annual Program Review</p>	<p>SPOTS Card Coordinator, Manager, Approving Officer</p>	<p>The approving officer will coordinate with internal and external auditors in the annual SPOTS Card program review. The review may include but is not limited to:</p> <ul style="list-style-type: none"> <li>▪ SPOTS card training attended by cardholders, managers and employees who have expenditure decision authority;</li> <li>▪ Verification that the SPOTS card coordinator has an updated and current <i>SPOTS Card Application and Agreement</i> form on file for each cardholder;</li> <li>▪ Documentation that weekly or monthly reviews were conducted and any corrective actions that were initiated;</li> <li>▪ Documentation that supporting corrective actions were completed;</li> <li>▪ Individual cardholder activity;</li> <li>▪ Deactivation of cards;</li> <li>▪ Status of actions taken to correct misuse, abuse or fraudulent use of a SPOTS card;</li> <li>▪ Assessment of SPOTS card credit limits;</li> <li>▪ Overall agency SPOTS card transaction volume, the number of cards issued, the frequency of use;</li> <li>▪ Modifications to agency office business requirements;</li> <li>▪ Assessment of changes to improve the control and efficiency of the agency's SPOTS card program;</li> <li>▪ Other activities as determined appropriate.</li> </ul> <p>The approving officer will provide written notification of any changes that will be implemented.</p>

3. Desk Manuals	Manager	<p>Managers may elect to develop and use desk manuals as a tool to guide employees through the intricacies of the public contracting rules, procurement priorities and all relevant agency policies and procedures.</p> <p>Managers are cautioned that the use of desk manuals:</p> <ul style="list-style-type: none"> <li>▪ Must be in compliance with public contracting rules, procurement priorities and all relevant agency policies and procedures;</li> <li>▪ May subject their SPOTS card activities to audit against the desk manual instructions;</li> <li>▪ Are not encouraged or supported by the approving officer, internal auditors or agency SPOTS Card Program policies and procedures.</li> </ul>
4. Audit	SPOTS Card Coordinator, Manager, Approving Officer	<p>The use of the SPOTS card, <i>Procurement Card Activity Logs</i>, billing statements and all supporting documentation are subject to periodic announced and unannounced audits by internal and external auditors to ensure that proper controls are maintained.</p> <p>The manager and cardholder shall ensure that the proper documentation is available for audit at all times. Recurring audit findings may result in the suspension or cancelation of a SPOTS card and other appropriate corrective actions.</p>

**Policies that apply:**

- [DHS-020-001](#): Public Contracting Authority and Overview for Supplies and Services Contracts
- [DHS-040-010](#): Delegation of Expenditure Decision Authority
- [DHS-040-006](#): Refreshment, Meals, Hospitality
- [DHS-040-013](#): Receipting of Checks and Other Negotiable Instruments
- [DHS-040-018](#): Agency Objects
- [DHS-040-019](#): Small Purchase Order Transaction System (SPOTS) Card
- [DHS-070-014](#): IT Asset Management Policy

**Procedure(s) that apply:**

- [DHS-040-010-01](#): Exercising Expenditure Decision Authority
- [DHS-040-010-02](#): Inappropriate Actions
- [DHS-040-006-01](#): Refreshment, Meals, Hospitality
- [DHS-040-019-01](#): SPOTS Card Program Authority
- [DHS-040-019-02](#): SPOTS Card Application and Issuance
- [DHS-040-019-03](#): SPOTS Card Security
- [DHS-040-019-04](#): SPOTS Card Purchases
- [DHS-040-019-05](#): SPOTS Card Documentation Reconciliation
- [DHS-040-019-06](#): SPOTS Card Abuse and Misuse
- [DHS-040-019-07](#): SPOTS Card Training
- [DHS-070-014-01](#): IT Acquisition Procedure
- [DHS-070-014-02](#): Managing IT Equipment Procedure
- [DHS-070-014-04](#): Request for Exception to 'Asset Management Policy' Procedure

## Form(s) that apply:

DHS 0075: OIS IT Purchase Request [PDF](#) [WORD](#)

DHS 0114: Purchase Requisition [WORD](#)

DHS 0115A: Procurement Card Activity Log - Low Volume [PDF](#) [EXCEL](#)

DHS 0115B: Procurement Card Activity Log - High Volume [PDF](#) [EXCEL](#)

DHS 0134: SPOTS Purchase Card Application and Agreement [PDF](#) [WORD](#)

DHS 0286: Signature Authorization for Budgetary Expenditures [PDF](#) [WORD](#)

DHS 1496: Wireless Communication Device Order [PDF](#) [WORD](#)

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## Procedure History:

- **Version 1.0:**
  - 10/01/2010 (Initial Release)