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Issue 2

Audit Spotlight

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Internal Audit Hosts HASDIA Meeting!

The Internal Audit Department hosted the quarterly HASDIA (Houston Area School District Internal Auditors) meeting on May 8th. Internal Audit showcased the Central ILC Building and all attendees were impressed with our meeting place. This meeting included guest speakers from Jefferson Wells International, Brian Pate and Merry Wright, who spoke on the American Recovery and Reinvestment Act (ARRA) Funds or Stimulus Funds.

The HASDIA group was established in July 2002 to offer members an opportunity to network with other local internal auditors, discuss problems and concerns and share ideas and best practices. Meetings are held quarterly and typically include guest speakers and roundtable discussions on pertinent subjects. These meetings provide support and benefit to all involved, since most of the members are from small audit departments (typically one to two people).



Currently HASDIA has about 20 members from various school districts and local community colleges (a few of these members are pictured above). Visit us at www.hasdia.org

Pcards – Things to Remember

The recent Channel 13 news investigation relating to Pcard expenditures at a local university identified what some might consider extravagant and unnecessary expenditures with taxpayer dollars. This type of report reminds us that while the use of Pcards is an effective method of purchasing goods and services, there are inherent risks to utilizing this type of purchasing method.

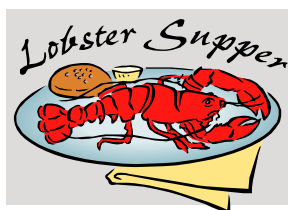
The Internal Audit Department has recently completed a Pcard Audit at the College. In general, we found that the internal controls established are operating as intended; however, we have provided management with recommendations for improvements. While management is in the process of making needed improvements to the Pcard process, below are reminders for every Pcard user and approver:

”all purchases made via a Pcard are subject to review”



- Pcard purchases are for college business only. Use of the card for personal purchases is strictly prohibited.
- Certain commodities, regardless of the amount, are specifically disallowed from Pcard use. (These commodities are listed in the MasterCard Program Procedures).
- Detailed documentation must be provided for all Pcard purchases, including itemized receipts from restaurants.
- The College is tax exempt; therefore, the Pcard user must ensure that state sales tax is not charged.
- If you are responsible for approving Pcard purchases, you are responsible for scrutinizing these charges. As an approving authority, you are signing off on the fact that you have reviewed all charges and no violations have occurred.

We are accountable to both our taxpayers and our students to ensure that all funds are spent appropriately. While using Pcards can certainly add efficiency to the purchasing process, we must ensure that sound controls are present which will demonstrate to the public that we are good stewards of our funds. It is important to remember that all purchases made via a Pcard are subject to review by management, internal auditors, individuals from the public, etc. With this in mind, Pcards users should make prudent decisions when making purchases with college funds. For example, it is best to save the extravagant meals (i.e. caviar and lobster) for your next personal vacation.





Internal Audit Awareness Month

The Institute of Internal Auditors has designated the month of May as Internal Audit Awareness Month. In fact, Texas Governor Rick Perry recently proclaimed the week of May 11-17, 2009 as “Internal Audit Week” in Texas, as a way to increase public awareness of the internal audit profession.

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