



# Purchasing Card Audit Procedure

## 1. Guiding Principles

In line with the WA Country Health Service (WACHS) [Purchasing Card \(P Card\) Guidelines](#), and to improve the governance and controls associated with the use of Purchasing Cards; WACHS Central Office Finance has implemented a periodic centrally controlled P Card audit check procedure.

The audit check is based on a random sample of WACHS P Card holders and focuses on issues raised in Department of Health and Office of the Auditor General audits such as inappropriate transactions, missing or unclear transaction descriptions, appropriate delegation approvals and the timeliness of coding and approval of P Card transactions.

The audit check procedure is outlined in the following sections.

## 2. Procedure

- 2.1** Once every quarter, in the first week following the end of the quarter, a WACHS Hub P Card Administrator is to extract a list of active P Card holders from the NAB FlexiPurchase System.
  - 2.2** From this population of P Card holders, a total WACHS sample size of 30 P Card holders per quarter is to be split proportionally and randomly by region based on their share of the total population. For example, if 100 of a presumed 300 population are Central Office P Cards, then of the total required sample size of 30, 10 of the P Card holders randomly selected will be from Central Office. As at September 2018, this should equate to a range of about two (2) to six (6) P Card holders per region depending on the region.  
**Note:** P Card holders will only be audited once in a given financial year unless determined necessary by the Director Finance due to serious adverse findings for an individual.
  - 2.3** Once the sample of P Card holders has been selected, the WACHS hub Pcard team will:
    - a)** for the quarter, perform a 100% audit of that P Card holder's transactions. Where there are more than 10 transactions in a given quarter for any card holder, the 10 largest transactions are to be sampled. Test steps to carry out are outlined in the [Purchasing Card Spot Check Tool Appendix 1 Audit Checklist Tool Summary](#)
    - b)** keep copies of evidence to support any findings
    - c)** carry out any actions required to mitigate and address the impact of any adverse findings for the cardholder and across their region.
- 2.3. a) and c) are to be summarised on the relevant worksheets (Purchasing Card Spot Check Tool Appendix 1), signed and endorsed by the regional Finance

Manager, and submitted along with 2.3. b) to the Principal Accountant Financial Accounting, Analysis and Reporting.

## 2.4 Significant Findings

- a) Where an exception rate greater than that stipulated for the relevant test step in the subsequent sample matrix is encountered (see [Purchasing Card Spot Check Tool Appendix 3 Risk Rating](#)), the Hub P Card Administrator, will extract additional samples as per the matrix.
- b) Using this additional sample, the WACHS hub Pcard team is to perform the same test as the noted exceptions, in order to determine whether the findings noted are pervasive or an exception.
- c) Any findings and actions to mitigate and address the findings are to be evidenced, documented, see [Purchasing Card Spot Check Tool Appendix 2 Actions Summary](#) and submitted in line with section 3) above.

**Note:** As these additional samples are only subject to the audit test steps where there were significant exceptions, they are not exempted from the population of possible samples in subsequent quarterly spot checks.

## 2.5 Timelines

- a) The sample referred to in step 2.2 is to be carried out by the 10th of the month following the end of a quarter.
- b) The WACHS hub Pcard team must arrange for the regional audit to be completed, with the final endorsed Audit Checklist Tool Summary and Actions Summary to be completed and endorsed by regional Finance Managers within 21 days of receiving the sample. If an additional sample is required the audit must be completed and summary reports submitted within 5 working days of receiving the second sample.
- c) The Principal Accountant Financial Accounting, Analysis and Reporting is to collate all regional findings for review by the Director Finance, and a report is to be prepared for tabling at the next Monthly Executive meeting.

## 3. Definitions

<b>WACHS Hub P Card Administrator</b>	Officers who are registered as such with the National Australia Bank and responsible for administering the P Card hierarchy and FlexiPurchase system.
<b>Random selection</b>	Each P Card holder is to be given a number. A random number generator is then used to generate a number corresponding to this P Card holder and then randomly selects a P Card holder for auditing.
<b>Monthly Executive meeting</b>	The monthly meeting of WACHS Executive chaired by the WACHS Chief Executive Officer.

### 4. Roles and Responsibilities

#### 4.1 Principal Accountant Financial Accounting, Analysis and Reporting

- Is to receive and collate all regional submissions of findings and actions, for presentation to the Director Finance and tabling at the monthly Executive meeting.

#### 4.2 Regional Finance Manager

- Responsible for endorsing
  - a) the Audit Checklist Tool and Actions Summary.

The Finance Manager is responsible and accountable for the findings and actions through their endorsement of the regional submission.

#### 4.3 WACHS Hub P Card Administrator and Team

- Responsible for deriving and producing any required samples for each quarterly spot check; and
- Responsible for performing the audit from sample to source documents.

#### 4.4 WACHS Director of Finance

- Responsible for overall management of the WACHS P Card process and recommending action for any serious breaches of P Card policy, Terms and Conditions or identified fraudulent behaviour.

#### 4.5 WACHS Executive:

- Oversee and review the quarterly consolidated P Card Audit Check report.

### 5. Compliance

WA Health Finance Management Manual (FMM) s625  
WACHS Purchasing Card Guidelines

Failure to comply with this policy document may constitute a breach of the WA Health Code of Conduct (Code). The Code is part of the [Employment Policy Framework](#) issued pursuant to section 26 of the [Health Services Act 2016](#) (HSA) and is binding on all WACHS staff which for this purpose includes trainees, students, volunteers, researchers, contractors for service (including all visiting health professionals and agency staff) and persons delivering training or education within WACHS.

WACHS staff are reminded that compliance with all policies is mandatory.

### 6. Records Management

All WACHS corporate records must be stored in the approved Electronic Documents and Records Management System.

[Records Management Policy](#)

## 7. Evaluation

Monitoring of compliance with this procedure is to be carried out by the WACHS Director Finance every quarter through endorsement of the submission to the WACHS Executive.

## 8. Standards

[EQulPNational Standards - 15.8](#)

## 9. Legislation

[Financial Management Act 2006 \(WA\)](#)  
[Treasurer's Instruction 321](#)

## 10. References

[Public Sector Commissioner's Circular 2009-18](#)

## 11. Related Policy Documents

WACHS [Purchasing Card \(P Card\) Guideline](#)  
WACHS [Purchasing Card Spot Check – Checklist Tool](#)

## 12. Related WA Health System Policies

WA Health Financial Management Manual (FMM) [Purchasing Card Guidelines](#)

## 13. Policy Framework

[Financial Management](#)

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<b>Contact:</b>	Principal Accountant, FAAR (W. Lam)	<b>TRIM Record #</b>	ED-CO-15-79667
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