



Purchasing Card Audit Procedure

1. Purpose

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

The audit check is based on a random selection sample of WACHS PCard holders and focuses on issues such as inappropriate transactions, missing or unclear transaction descriptions, appropriate financial delegations and the timeliness of coding and approval of PCard transactions.

2. Procedure

Once every quarter, WACHS Central Office Finance (usually the Coordinator – General Ledger) extracts a list of active PCard holders from the NAB FlexiPurchase system (FlexiPurchase).

2.1 Quarterly audit check procedure sample size

From this population of Pcard holders, a total WACHS sample size of 30 Pcard 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 Pcards, then of the total required sample size of 30, 10 of the Pcard holders randomly selected will be from Central Office. This should equate to a range of about two (2) to six (6) Pcard holders per region, depending on the region.

Note: Pcard holders will only be audited once every 12 months unless determined necessary by the WACHS Chief Finance Officer or Regional Finance Managers due to prior serious adverse findings or they believe the individual requires specific review.

Once the sample of Pcard holders has been selected for the quarter, WACHS Central Office Finance will perform an audit of that Pcard holder's transactions. Where there are more than 10 transactions in a given quarter for any Pcard holder, the 10 largest transactions (by transaction value) are to be sampled.

2.2 Audit check procedure test steps

The audit check procedures should be completed by General Ledger (GL) officers who will:

- a. complete test steps to carry out audit check as outlined in A - Audit Checklist in the [Purchasing Card Spot Check Tool](#).
- 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.

2.2 a and c are to be summarised in the relevant cells in A - Audit Checklist in the [Purchasing Card Spot Check Tool](#), and B - Actions Summary in the [Purchasing Card Spot Check Tool](#), signed and submitted along with 2.2 b to the Principal Accountant – FAAR.

2.3 Significant Findings

Where an exception rate greater than that stipulated for the relevant test step in the Risk Rating Matrix is encountered (see C - Actions Summary in the [Purchasing Card Spot Check Tool](#)) the WACHS Central Office Finance (usually the Coordinator – General Ledger) will select additional samples as per the matrix.

Using these additional samples, WACHS Central Office Finance will perform the same tests as the noted exceptions, to determine whether the adverse findings noted are pervasive for the region or a sampling exception.

Any findings and actions to mitigate and address the findings are to be evidenced and documented in B - Actions Summary in the [Purchasing Card Spot Check Tool](#), and submitted in line with section 2.2 above.

2.4 Timelines

This procedure is to be carried out in the month following the end of the quarter being audited.

WACHS Central Office Finance must arrange for the audit check procedure to be completed, with the final endorsed A - Audit Checklist in the [Purchasing Card Spot Check Tool](#), and B - Actions Summary in the [Purchasing Card Spot Check Tool](#), within 21 days of receiving the summary reports.

If additional samples are required, the audit must be completed, and summary reports submitted within five (5) working days of receiving the additional samples in full.

3. Roles and Responsibilities

The **WACHS Chief Finance Officer** is responsible for overall management of the WACHS PCard process and recommending action for any serious breaches of PCard Policy, Terms and Conditions or identified fraudulent behaviour.

The **Principal Accountant – FAAR** is responsible for receiving and collating all regional submissions of findings and actions, for presentation to the Chief Finance Officer.

The **WACHS Central Office Finance** staff are responsible for deriving and producing any required samples for each quarterly spot check and responsible for performing the audit from sample to source documents.

All staff are required to work within policies and guidelines to make sure that WACHS is a safe, equitable and positive place to be.

4. Monitoring and Evaluation

4.1 Monitoring

Monitoring of compliance with this procedure is to be carried out by the WACHS Chief Finance Officer every quarter. At the completion of the audit check, the Principal Accountant – FAAR will meet with the WACHS Chief Finance Officer who will be provided all regional submissions of findings and actions for assessment of recommended actions.

4.2 Evaluation

An evaluation of the effectiveness of the procedure will be undertaken through feedback from WACHS Central Office Finance staff and the WACHS Chief Finance Officer.

5. Compliance

This policy is a mandatory requirement per TI 321 (3).

Failure to comply with this procedure may constitute a breach of the WA Health Code of Conduct (Code). The Code is part of the [Integrity Policy Framework](#) issued pursuant to Section 26 of the [Health Services Act 2016](#) 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 and procedures is mandatory.

6. References

[WACHS Purchasing Card Procedure](#)

[Common Use Arrangements \(CUAs\)](#)

[s625 Purchasing Cards](#)

[s625-A Purchasing Cards: Prohibited Items](#)

[FMM s625-3 FORM Notice of Non-Compliant Transaction](#)

7. Definitions

Term	Definition
WACHS Central Office Finance	The central finance team of WACHS. In relation to this procedure, this includes the following team members: <ul style="list-style-type: none"> • GL officers • Coordinator – General Ledger • Principal Accountant – FAAR • WACHS Chief Finance Officer
Random selection	Each PCard holder is to be given a number. A random number generator is then used to generate a number corresponding to this PCard holder and then randomly selects a PCard holder for auditing.

8. Document summary

Coverage	WACHS-wide
Audience	All Staff
Records Management	Non Clinical: Corporate Recordkeeping Compliance Policy
Related Legislation	Financial Management Act 2006 (WA) Treasurer's Instruction 321
Related Mandatory Policies / Frameworks	Financial Management Policy Framework
Related WACHS Policy Documents	Purchasing Card Procedure
Other Related Documents	WA Health Financial Management Manual (FMM) Purchasing Card Guidelines Purchasing Card Spot Check Tool
Related Forms	Nil
Related Training Packages	Nil
Aboriginal Health Impact Statement Declaration (ISD)	ISD Record ID: 1868
National Safety and Quality Health Service (NSQHS) Standards	1.07c.
Aged Care Quality Agency Accreditation Standards	Nil
National Standards for Mental Health	Nil

9. Document Control

Version	Published date	Current from	Summary of changes
5.00	1 November 2023	1 November 2023	<ul style="list-style-type: none"> Ensuring compliance with updated WA Health Financial Management Manual s625 Purchasing Cards and S625A Purchasing Cards: Prohibited items Updated 'Purchasing Card Spot Check Tool' for compliance with above

10. Approval

Policy Owner	Executive Director Business Services
Co-approver	Nil
Contact	Manager, Financial Accounting, Analysis and Reporting
Business Unit	Business Services - Finance
EDRMS #	ED-CO-15-79667
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