



The University of Michigan

Plant Operations

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To: All approvers

RE: New P-Card audit requirement

As a result of the University Audit Report dated April 17, 2007, **Plant Operations** is required to perform random monthly audits of P-Card purchases. To comply with this audit requirement, the audit process described below is enacted effective with the November 2007 P-Card statements.

- Approximately the 20th of each month, the Administrative Specialist in the Plant Operations Executive Director's (ED) office will send out a notice to all reconcilers to print the P-card statements. The same day, the Secretary Intermediate in the ED's office will send an audit request to the unit Associate Directors (AD) for a randomly selected group of P-Card statements within Plant Operations. **Reminder:** Prior to signing any P-Card statement, insure that the items purchased are consistent with the Plant Operations P-Card purchasing guidelines and that they match the scope of work performed on the work request, if applicable. Note: P-Cards are only to be used for travel, publications, memberships, emergency purchases, and on occasion, hosting charges.
- Upon request from the ED's office, the AD will review and approve (if applicable) the requested P-Card Statement(s) and then forward to their designated department auditor for completion of the random audit. This audit will include review of all receipts and items purchased, and vendor verification of randomly selected items. To verify the purchases, the department auditor will contact the vendor and request a copy (faxed copy is acceptable) of the original receipt(s). (It is suggested that up to 10% of the receipts be reviewed and compared).
- The department auditor will compare the obtained receipt(s) from the vendor with the receipt(s) submitted by the P-Card holder. These receipts must match 100%.
- Once verified, the department auditor will complete the form below. One copy of the form will be retained in the Associate Director's office, and one copy will be sent to the unit Executive Director's office. The original purchase receipt(s) will accompany the original P-Card statement and forwarded via the appropriate chain of command for processing. *(The specific chain of command will be followed according to the Plant Operations P-Card Roles and Responsibilities for Reconciliation of P-Card statements.)*

I have reviewed the attached receipt(s) submitted by _____ (P-Card holders name) with the reconciled statement dated _____ and compared it to the receipt(s) received from the vendor.

_____/_____/_____
Print name, and sign

_____/_____/_____
Date

- No apparent discrepancies were found during this audit.
- This audit revealed the following discrepancies. (See comments section).
- Original statement w/audit verification forwarded via Plant Operations chain of command
- Copy of packet retained by AD's office Copy of packet sent to ED's office

Comments (if applicable attach an additional sheet) _____