



The Executive Summary should be interpreted within the context of the complete engagement report.

October 2019

BACKGROUND

The Purchasing Services Division is responsible for acquiring goods and services through a competitive bid process. Internal Audit reviewed the division's activities to ensure they possess sufficient capacity to handle City needs in a timely fashion.

Purchasing Operations Review – Part 1

SCOPE

Our audit work covered the period of January 1, 2017 through December 31, 2018.

OBJECTIVES

During part 1 of this engagement, Internal Audit assessed the:

- Culture of the Purchasing Services division
- Purchasing process controls' efficiency and effectiveness
- Purchasing risks in IT, governance, and fraud

OBJECTIVE CONCLUSIONS

- The Purchasing division has a positive working culture. City staff are very satisfied with the services provided by the Purchasing division.
- There are efficient and effective controls in place for the significant purchasing processes.
- We did not identify any IT risks. We assessed the governance level as good. We did not identify any significant fraud risks.

KEY RECOMMENDATIONS AND RESPONSE

RECOMMENDATION HIGHLIGHTS

Internal Audit recommends that Purchasing Services:

- Review and update the Purchasing Procedure Letters (PPLs)
- Enhance the use of the Purchasing Administrative Lead Time (PALT) performance measure
- Increase City staff training on the purchasing processes
- Have purchasing staff complete an annual conflict of interest/disclosure statement
- Pursue a system that automates purchasing activities and contract management

RECOMMENDATION CONCLUSIONS

Management has agreed to implement the Internal Audit recommendations.

View complete audit report: [Link](#)