



OKLAHOMA
**Office of Management
& Enterprise Services**

Board of Architects
Purchase Card Program Audit

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AUDIT HIGHLIGHTS

Board of Architects – Purchase Card Program Audit

Why we conducted this audit

This report provides information on the Board of Architects' compliance with the State Purchase Card Procedures and agency defined purchase card procedures. We also reviewed the strength and execution of the agency's internal controls within the purchase card program.

What we found

We have determined the Board of Architects has significantly complied with the State Purchase Card Procedures and the agency's internal purchase card procedures. The Board of Architects has implemented internal controls that are operating effectively in relation to the agency's purchase card program. We performed analytical testwork during our planning phase, completed internal control walk-throughs and tested 45 purchases against defined compliance requirements. We reported one formal finding.



Figure 1. Oklahoma State Capitol Building

AUDIT FINDING SUMMARY

[Finding 20-045-01: IT Purchase Process:](#)

One information technology transaction totaling \$498.99 was purchased with the state purchase card and was not listed on the OMES Information Services Approved Hardware/Software list.

AUDIT OVERVIEW

This audit was performed pursuant to 74 O.S. § 85.5.E. and the State of Oklahoma Purchase Card Procedures. Our audit was to determine if the Board of Architects' purchase card program complied with the audit objectives during the period of June 1, 2018 to June 16, 2020. As of May 20, 2020, there were four purchase cardholders and one approving official.

In total, Board of Architects processed 176 purchase card transactions totaling \$66,318.83 during the audit period. Categories for purchase card transactions for the agency included purchases for airfare, lodging, under \$5,000 and IT-related purchase card transactions. We used the judgmental sampling method to select our sample for testing airfare, lodging and IT-related transactions. We used the random sampling method to select our sample for testing under \$5,000 transactions. To ensure a sound statistical sample, a random sample of 23 standard transactions, four IT transactions, four airfare transactions and two lodging transactions were extracted for testing. In addition, 12 transactions were selected for audit based upon auditor's discretion and tested against a predetermined criterion.

DETAILED FINDINGS

[Finding 20-045-01: IT Purchase Process:](#)

Condition: During the substantive testwork phase of the audit, 1 out of 4 (25% error rate) Information Technology purchase card transactions was noted containing a Microsoft Surface Go 4/64 tablet. Tablets are not listed on the Office of Management and Enterprise Services (OMES) – Information Services Approved Hardware/Software list. IT hardware and software purchases can only be performed with the purchase card if the item is listed on the Approved Hardware/Software list, per the State of Oklahoma Policy and Procedures for Purchase Card and Procurement Information Memorandum (PIM) 02262019.

During testing, we used the Approved Hardware/Software list posted on the OMES website on July 29, 2020. OMES Information Services (IS) does not archive previous Approved Hardware/Software lists; therefore, the list for items at the time of purchase is unobtainable.

| TXN NUMBER | ITEM TOTAL | VENDOR NAME | PURCHASE DATE | POST DATE | CARD LAST 4 DIGITS |
|-------------|------------|-------------|---------------|------------|--------------------|
| TXN01150353 | \$498.99 | Best Buy | 10/12/2018 | 10/15/2018 | 0218 |

Cause: The agency relied on IT account representatives for guidance through the IT process. Account representatives may not be trained or do not provide consistent guidance with IT purchasing processes.

Effect or potential effect: The incorrect purchasing process was used to buy the tablet.

Criteria: The **State of Oklahoma Policy and Procedures for Purchase Card § 7.13, Information Technology** states:

IT purchases shall be made in accordance with Title 62 O.S. § 34.12.B and the IT Standards and Policies located at omes.ok.gov/services/information-services/policy-standards-publications. All hardware and software acquisitions must be on the *Approved Hardware/Software* list located on the above website, or be approved by IT through the ePro process. **All IT purchases exceeding the statutory single transaction limit must be listed on a statewide contract.** IT acquisitions shall comply with the applicable Oklahoma Information Technology Accessibility Standards issued by OMES, also available on the above website.

Refer to Title 62 O.S. § 34.12.B. and the Central Purchasing Rules (OMES Administrative Rules, OAC 260:115-7-54) for rules and procedures regarding information technology acquisitions and exceptions at omes.ok.gov/services/purchasing/purchasing-processes-rules-statutes and to the Procurement Information Memorandum (PIM) Delegation of Authority at ok.gov/dcs/searchdocs/app/manage_documents.php?id=1482. IT & Telecom services and repairs are not included in this delegation of authority.

IT & Telecom services and repairs are not listed on the *Approved Hardware/Software* list, although they may be included in the contract covering the items on the list. The annual cost of services and repairs should be estimated and included on the IT authority order. Single transactions for IT repairs and services are capped at the statutory single transaction limit unless listed on a statewide contract.

Additional information regarding IT procurement may be obtained from the agency's IT strategist and account executive. IS contact information can be accessed by clicking on the *Partnering with OMES IS Contact List* located at omes.ok.gov/services/information-services/partnering-with-information-services.

The **Oklahoma State Finance Act 62 O.S. § 34.11.1.F.16 - Chief Information Officer** states in part:

For all state agencies, approve the purchasing of all information technology and telecommunication services and approve the purchase of any information technology and telecommunication product except the following:

- a. a purchase less than or equal to Five Thousand Dollars (\$5,000.00) if such product is purchased using a state purchase card and the product is listed on either the Approved Hardware or Approved Software list located on the Office of Management and Enterprise Services website, or
- b. a purchase over Five Thousand Dollars (\$5,000.00) and less than or equal to Twenty-five Thousand Dollars (\$25,000.00) if such product is purchased using a state purchase card, the product is listed on an information technology or telecommunications statewide contract, and the product is listed on either the Approved Hardware or Approved Software list located on the Office of Management and Enterprise Services website.

Recommendation: We recommend the policy and procedures for purchasing IT hardware and software with the state purchase card are reviewed to ensure approvals take into consideration the method of purchase. In addition, more education on this topic is advised to communicate to individuals involved the requirements and processes when using the purchase card to obtain hardware or software.

Management's response

Date: 08/14/2020

Respondent: Executive director

Response: Concur

Addition the corrective action below, I have reached out to OMES IS, Director of Client Experience and shared your findings as it directly relates to our relationship with their agency and services. A collaborative effort is needed to ensure education and communication is used respectively.

Also, I do believe that if an agency is going to be audited against the approved OMES "Hardware Software" list then then it should be against the exact list in place during the audit period. It would be a benefit to all agencies for OMES IS to consider archiving the lists and/or work with Central Purchasing/PCard to ensure this step is considered in the purchasing documentation process in consideration for future auditing.

Corrective action plan

Contact person: P-card administrator

Anticipated completion date: Immediately

Corrective action planned:

Policy and procedures for purchasing IT hardware and software with the state purchase card will continue to be monitored and reviewed to ensure approvals take into consideration the method of purchase. Staff has been education on this topic is

advised regarding the requirements and processes when using the purchase card to obtain hardware or software.

APPENDIX

Methodology

- Interviews were conducted with the Board of Architects' staff members.
- Internal controls over the purchase card program were documented and evaluated.
- A statistical sample of transactions from cardholders was examined.
- Overall program compliance with the State of Oklahoma Purchase Card Procedures and rules promulgated thereto were evaluated.

Sampling

| | Transactions | Amount (\$) |
|-----------------------------|--------------|--------------------|
| Total Expenditures: | 176 | \$66,318.83 |
| Reverse Transactions | 4 | \$0.00 |
| Agent Fees | 10 | \$250.00 |
| Negative Transactions | 4 | \$641.87 |
| Filtered Population: | 158 | \$66,710.70 |
| Subpopulations: | | |
| IT | 19 | \$4,991.66 |
| Airfare | 18 | \$4,063.14 |
| Lodging | 8 | \$6,266.30 |
| Over \$5,000 | 0 | \$0.00 |
| Under \$5,000 | 113 | \$51,389.60 |
| Total: | 158 | \$66,710.70 |
| Samples: | | |
| IT | 4 | \$1,738.08 |
| Airfare | 4 | \$1,801.59 |
| Lodging | 2 | \$1,762.88 |
| Over \$5,000 | 0 | \$0.00 |
| Under \$5,000 | 23 | \$16,889.41 |
| Auditor's Discretion | 12 | \$5,311.09 |
| Total: | 45 | \$27,503.05 |

EXECUTIVE SUMMARY

Board of Architects

Mission statement: To protect the life, safety, and welfare of the people of Oklahoma, by administering the State Architectural and Registered Interior Designers Act which provides that all persons and firms practicing or offering to practice architecture, landscape architecture, or using the title registered interior designer in this state submit evidence that he, she or the entity is qualified to practice and is licensed and registered.

History and overview: Established by the Oklahoma Legislature in 1925, the board is responsible for the examination and licensing of architects and landscape architects after determining their eligibility. The board also examines and determines the eligibility for registered interior designers and registers them and their entities. It also regulates the practice of architecture and landscape architecture with power to suspend, revoke, deny, refuse to renew, or reinstate licenses and/or registrations. The board is self-sustaining through collection of fees. Re-created until July 1, 2023.

Agency information

The Board of Architects is made up of four unclassified employees according to [Oklahoma Agencies, Boards and Commissions](#) as of September 30, 2019.

Board members

Elizabeth Windel, AIA, Architect, Chair
Scott L. Howard, ASLA, CLARB, LEED AP, Landscape Architect, Vice-Chair
M. Bradley Gaskins, AIA, CASp, NCARB, Architect, Secretary-Treasurer
Brian Dougherty, FASLA, Landscape Architect
James Hasenbeck, AIA, Architect
J. Mark Taylor, Assoc. ASID, Registered Interior Designer
David Hornbeek, AIA, NCARB, Architect
Nate Baker, AIA, Architect
David Blackburn, CGB, CGP, CAPS, Public Member
Betsy Guthrie-Brunsteter, Architect
Jim Bruza, AIA, Architect

Key staff

Leslie Hanska, Executive Director, Approving Official & Cardholder
Ellen White, Licensing Manager, Purchase Card Administrator & Cardholder
Janie Hollars, Admin/Communications/Info, Cardholder
Lauren Vaughan, Investigator/Compliance, Cardholder