

**State of Washington
 Status of Audit Resolution
 December 2017**

Community Colleges of Spokane

Agency 676

Audit Report	Finding Number	Finding and Resolution
1019179	001	<p>Finding: The College investigated and reported a potential loss of public funds from an employee who made questionable purchasing card activity that occurred between July 2009 and June 2015.</p> <p>Fraud Amount: \$33,654</p> <p>Amount to be Recovered: \$38,451</p> <p>Recovery to Date: \$0</p> <p>Resolution /Status:</p> <p>To address the auditors’ recommendations to strengthen internal controls over the heating, ventilation and air conditioning (HVAC) division’s purchasing card activities, the College’s Facilities Maintenance Department has taken the following immediate actions:</p> <ul style="list-style-type: none"> • Requires each purchase card purchase be supported by an original receipt and attached to the purchase card transaction log. • Requires Department supervisors to perform regular review of the transaction log and purchase receipts to determine if the purchases were made for work-related purposes. • Requires work orders to be closed simultaneously by supervisor, administrative staff and craftsman/employee assigned to the work orders to prevent purchases made against closed work orders. <p>The Director of Facilities Maintenance will also increase oversight and monitoring to include detailed review of all receipts and identify any suspicious activities that are incongruent with the HVAC division purchases for open work orders. Any suspicious activities will be followed up with the employees responsible for making the purchases.</p> <p>In addition, the College’s Accounting Department maintains administrative procedures for the purchasing card program which detailed responsibilities of the:</p> <ul style="list-style-type: none"> • Cardholders • Card statement reconcilers • Approving officials • Expense accounting department staff <p>The administrative procedure also require the:</p> <ul style="list-style-type: none"> • Purchase cardholders, card custodians and reconcilers to complete required training as provided by the purchase card unit. • Cardholders to have current user agreements in place. • Expense Account Supervisor to monitor and track training status. • Department Administrator to approve spending limits and approval signature on all new card applications. • Cardholders to make purchases according to purchasing policy and procedures.

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Audit Report	Finding Number	Finding and Resolution	
1019179	001 (cont'd)	Personnel Action Taken: Criminal Action Taken: Agency Contact:	<p>The employee was terminated on September 30, 2015.</p> <p>The College has filed a report with the Spokane Police Department, and is waiting on notification from the Spokane Prosecuting Attorney's Office as to whether charges will be filed against the former HVAC Supervisor. Upon notification, the College will assist the Prosecuting Attorney's Office in the prosecution and recovery of questionable transaction amounts.</p> <p>Lisa Hjaltalin Chief Financial Officer/Risk Manager 501 N. Riverpoint Blvd. Spokane WA 99217 (509) 434-5275 Lisa.Hjaltalin@ccs.spokane.edu</p>