

Financial Internal Controls Initiative

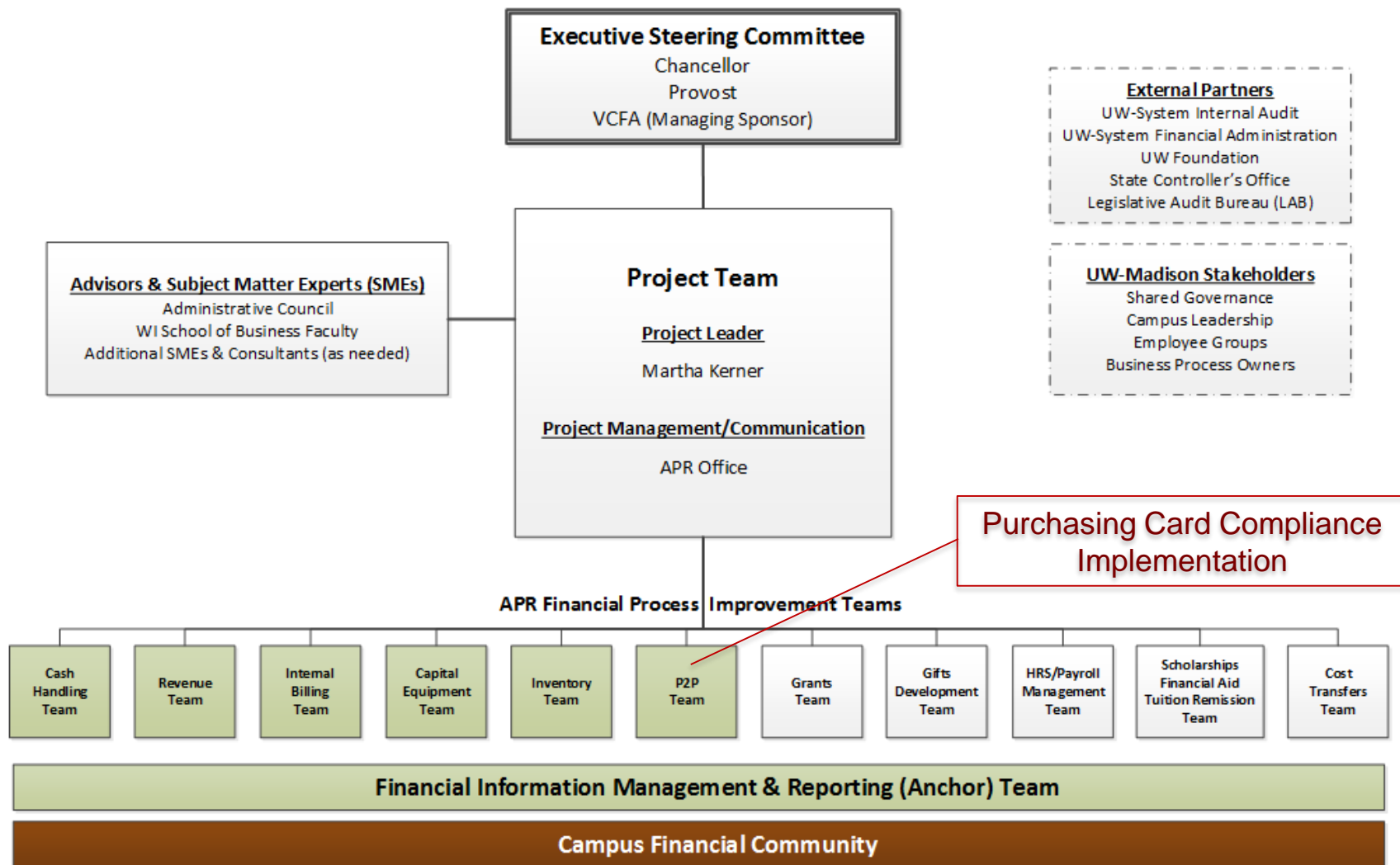
Purchasing Card Compliance Implementation

Administrative Council Meeting
January 26, 2017

Agenda

- Background
- The new process for addressing non-compliance issues
- Next steps

Financial Internal Controls Project Structure



Updated January 2017

Background

- The Procure-to-Pay (P2P) process improvement team submitted a final report in June 2016; presented to the Administrative Council in July 2016
- Recommendations included restructuring the purchasing card program and developing new policies and procedures
- A team launched to implement the above recommendations in November 2016

PCard Compliance Implementation Overview

Objective: Stronger Internal Controls

Phase 1

Address purchasing card compliance issues

Phase 2

Move to a 1:1 purchasing card relationship

Phase 3

Eliminate use of purchasing cards for internal purchases

Compliance Errors

Serial purchasing/split transaction: Splitting purchases into several smaller transactions to circumvent single purchase limits and/or \$5,000 best-judgement purchase limit *Note: the majority of infractions are in this category*

Lack of adequate business purpose: Supporting documents lacking a clear business purpose

Gift cards policy violation: Gift card purchases out of compliance with policy or lacking required documentation

Site Manager approval: Cardholder statement missing site manager signature and/or date as verification of reconciliation

Shipped to a personal residence: Purchased items lacking justification for shipping to an off campus address

Lack of shipping information: Missing shipping documentation

Phase 1: Address P-Card Compliance Issues

New 2-step process for non-compliance

- Establishes cardholder accountability for improper purchasing card use identified during auditing and monitoring
- Initially, the Purchasing Card Program Office will use results from UWSA internal audits to implement the new process
- The new process will begin May 1st, 2017

1st compliance error	Compliance error after written warning
Written warning	Revocation of purchasing card(s)

Warnings

Warnings are kept on file in the Purchasing Card Program Office for three years.
After three years, warnings are expunged.

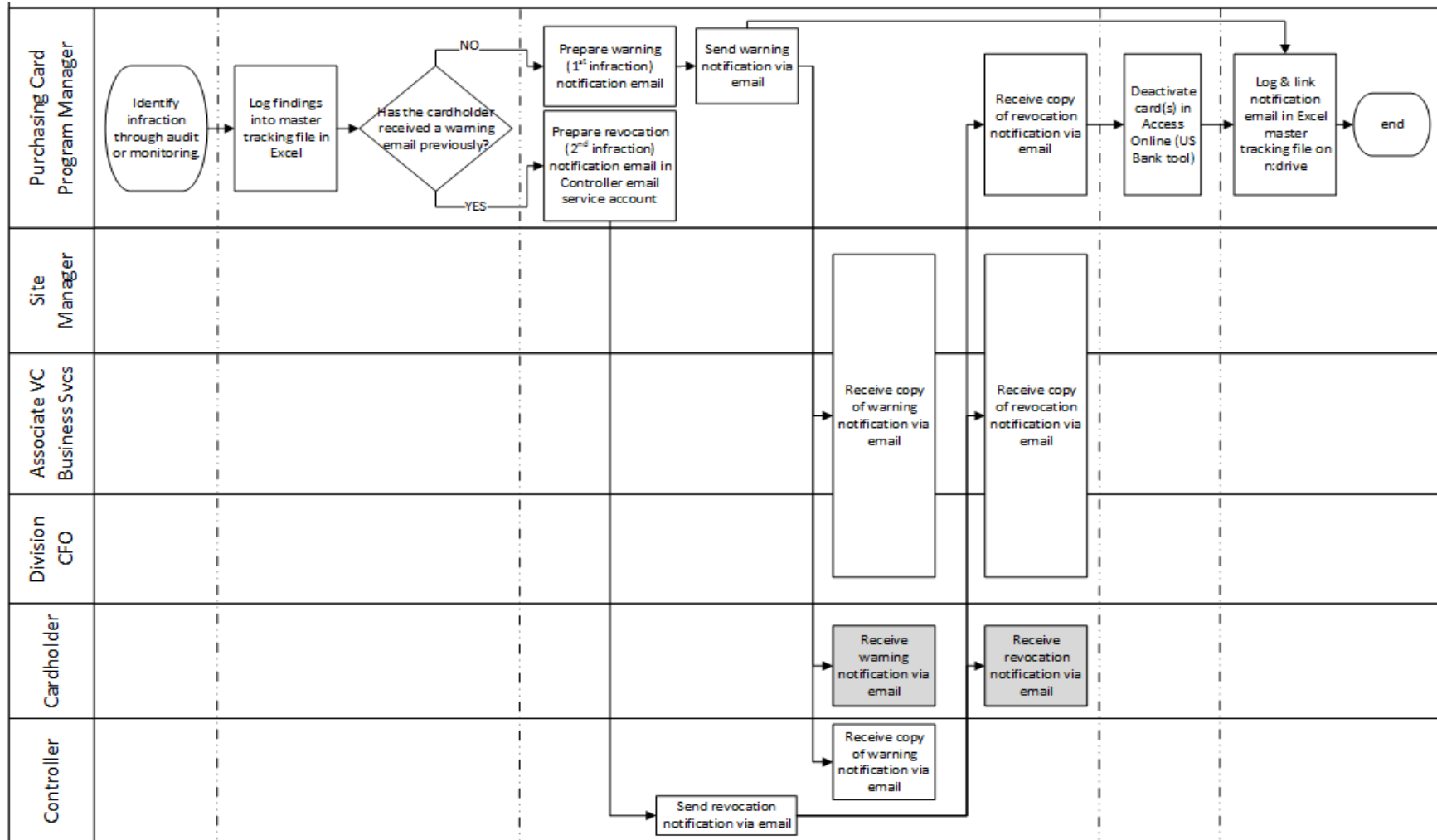
Revocation

All purchasing cards issued to the cardholder will be revoked.
The cardholder may reapply for a purchasing card one year from revocation.
If the application is approved, training is required.

Warning and Revocation Communication

- Cardholder
- Site Manager
- Division CFO
- Controller
- Associate Vice Chancellor for Business Services
- Purchasing Card Program Manager

The New Process Map



Implementation Team's Next Steps

- Email new process notification to cardholders, CFOs, Deans, Directors and site managers in February 2017
- Share new policy draft with Administrative Council in April 2017
- Begin sending warning letters May 1, 2017

Your Next Steps

- Familiarize yourself with the handouts you received today
- Reinforce communication within your division at staff meetings and other opportunities

Reminder – the full list of active purchasing cards is on the website at http://www.bussvc.wisc.edu/acct/purchcd/Active%20Card%20List_01-24-17.pdf.

Feedback?