

 VILLANOVA UNIVERSITY	Policy: Procurement Card Audit
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Financial Affairs Department Procurement Policies and Procedures	Approved: March 12, 2004

Policy

Perform monthly audits of Procurement Cardholders to ensure that purchases are in compliance with the Procurement Card Policy.

Procedure

1. Each month the Procurement Department will review reports from Procard. Based on the last three months of card usage, they will then decide on which Department(s) and or cardholder(s) will be audited. The selection will be based upon:
 - large dollar amount transactions
 - large number of transactions
 - cardholder who is close to the monthly limit continuously
 - those with past audit problems
 - random selection
2. The Procurement Card Administrator will contact Departments two (2) weeks prior to performing the audit by phone to set up the date/time for the audit.
3. The Procurement Card Administrator will contact the Departments one (1) week prior to the audit by sending an e-mail reminder.
4. The Procurement Card Administrator will then visit the Department and ask that the credit card information be turned over for review.
5. While performing an audit on a cardholder, the auditor will :
 - review all receipts
 - answer all questions on the audit review sheets (see attachment)
This form consists of three sections: review and evaluations, findings and recommendations, and missing and questionable receipts
 - make sure the statements have the proper approvals
 - determine if the cardholder is following the Procurement Card and/or Travel and Business Expense Policy and Procedures
6. Based on the above, the auditor will determine if the cardholder passed or failed the audit. The auditor should exercise a good sense of judgment while reviewing statements and determining if the cardholder has passed or failed the audit. Reasons for failing an audit are:
 - policy violations such as personal purchases, questionable charges and splitting transactions (asking the vendor to split the charge into two or more transactions in order to stay under the transaction limit)
 - missing receipts (excessive)
 - lack of approval signature

7. Upon completion of the audit, the auditor will meet with the Disbursement Manager and the Director of Procurement to discuss the audit results. The auditor will recommend if the cardholder has passed or failed the audit. The Director of Procurement will determine the final decision. It will be necessary to receive written explanation of violations from the cardholder before a decision is made.
8. The Department Head and the cardholder will be notified in writing of the outcome of the audit. For failed audits, a meeting with the Program Administrator, the Department Head and/or cardholder will be scheduled. The Program Administrator will discuss changes that will make the cardholder compliant to all policy and procedures.
9. Follow-up audits will be scheduled for all failed audits.
10. The following actions are to be taken for Procurement Card violations.
 - First violations will require that the cardholder be put on a three month probation. The cardholder will be required to send their completed monthly log to the Program Administrator for three months.
 - Second violations will require that the cardholder be put on a twelve month probation. The cardholder will be required to send their completed monthly log to the Program Administrator during this time period.
 - Third violations will result in cancellation of all procurement card privileges. Your Procurement Card will be cancelled.

NOTE: The Procurement Department reserves the right to terminate/revoke a Procurement card at any time. Fraudulent or misuse of the procurement card may result in disciplinary action under standard University Disciplinary Policy as stated by Human Resources. This may include termination.