ASTRA Presentation 5/17/12

Desk Audit Findings

* No **detailed** receipts for a few transactions (overall, transactions were well documented)
* Some transactions not reconciled in SMART on a timely basis – Much improved from last year
* Payment due to UMB Bank within 30 days after the end of the billing cycle in which the transaction occurred
* Some instances where the Cardholder and Approver were the same person per SMART – Results in segregation of duties concerns
* SMART maintains a permanent record of the cardholder and the individual who approved the transaction in SMART
* Someone other than the cardholder must approve transactions in SMART – **Review / approval of transactions outside of SMART, by someone other than the cardholder, is not a substitute for this requirement**
* If the cardholder profile for a cardless Travel Account or Automotive Fuel Card was set-up using a Dummy Employee Number (Agency P-Card Employee ID), **a person other than the person making travel arrangements or the person purchasing fuel, vehicle service, etc., must approve those transactions in SMART**
* In a few instances, Cardholder Profiles were set-up under **inactive Employee ID numbers** – Once an employee ID number becomes inactive in SHARP, the cardholder profile cannot be accessed to make changes, i.e., persons authorized to reconcile / approve transactions cannot be updated – **At some point your agency will not be able to reconcile transactions associated with inactive Employee ID numbers**
* Cardless Travel Accounts & Carded Automotive Fuel Cards **Only** – Recommend setting-up cardholder profiles using Dummy Employee Numbers (Agency P-Card Employee IDs)
* All other p-cards and contract cardless accounts – Profiles required to be set-up in the name / employee number of the cardholder - Cancel card when the cardholder leaves active state employment or transfers to another position

**Never share your p-card with anyone else**

* Several cards had an over-ride strategy in the VISA system – An over-ride strategy allows purchases from a broader range of vendors in the VISA system than is normally allowed for the Kansas program, which detracts from the front-end transaction validation process in the VISA system
* Monitor p-card status in VISA system to ensure that over-rides are released on a timely basis
* Dormant P-Cards (Not used for one year or more) – Cancel dormant cards or deactivate if future usage is anticipated

Not as concerned with dormant automotive fuel cards, which are frequently used for emergency situations, only

* An instance or two where purchases were not made from required contract vendors - Documentation / authorization for off-contract purchases needs to be included in transaction documentation
* Contract numbers not input into SMART while reconciling p-card transactions (**if a purchase order was not created in SMART for the purchase**) – **Frequent finding**
* Difficult to calculate accurate annual statewide contract spend if contract numbers not input into SMART
* Transaction Descriptions not input into SMART while reconciling p-card transactions – **Frequent finding**
* Description field carries forward to vouchers
* Incorrect Account code used on transactions – **Frequent finding**

Makes transaction reporting / analysis less precise

* SSN included in SMART description (one or two instances)
* Kansas sales tax paid (a few instances)

**Other Issues**

* In addition to desk audits, I review monthly statewide p-card transaction files for unusual or inappropriate purchases, purchases greater than $5,000, etc.

I follow-up with agencies on specific transactions - Noted several instances during the past year in which Prior Authorization was not obtained from Procurement and Contracts for purchases costing more than $5,000 – Prior authorization required from Procurement and Contracts for purchases costing more than $5,000 unless such purchases are made from statewide contract vendors

* If a control (billing) account is included on the UMB Past Due Report, you need to do something to resolve problems to make them go away (unless past due balance resulted from untimely transaction reconciliation or is a payment timing issue) – Similar to reconciling your personal check book once per month
* Payment posting errors – Recommend consolidating multiple control accounts into one agency-wide control account, when possible.
* Voucher processing problems in SMART – Prepare SMART Help Desk Ticket if approved transactions do not move through the voucher build process or if you are encountering other problems
* Recommend running the P-Card Status Query in SMART on a monthly basis to identify old un-reconciled p-card transactions
* Also, if the statement for a control (billing) account has an unexplained balance carried forward from the previous billing period or has a credit balance, investigate to see if there is a problem – Similar to reconciling your personal check book once per month
* SMART Tips Document
* Setting-up cardholder profiles in SMART
* Reconciling p-card transactions in SMART
* Declining Balance Cards
* Procurement and Contracts is currently reviewing potential usage of declining balance cards for travel expenses
* Use of declining balance cards for travel expenses is not authorized at this time
* P-cards and year-end closing:
* All FY 12 p-card transactions must either be reconciled or encumbered before the end of the fiscal year – Reconciliation is strongly recommended
* I will be following-up with agencies regarding un-reconciled p-card transactions in SMART on a regular basis as year-end approaches
* Agencies can also run the P-Card Status Query in SMART to identify un-reconciled FY 12 p-card transactions
* Contact the SMART Help Desk if you are having difficulty moving transactions through the voucher build process of if you are encountering other problems
* Questions?