

To: Campus Community

From: Sharrie Mayden – Director of Purchasing and Contracts
Rhett Vertrees – Responsible for Campus Audit (Performs audits of the PCard Program)

Date: September 24, 2014

Re: PCard Program Review and Improvements

Our campus PCard program is reviewed annually as required by the Board of Regents (Fiscal Procedures Chapter 5 Section 9 – Purchasing Card Program Best Practices). Due to uncovering a large fraud scheme conducted by two employees using PCards, which went undetected for some time, this past year's review of the program was much more thorough. The review included benchmarking against other institutions - those that administer their program similarly to the way our program is structured (decentralized) as well as those that use a different model (centralized). The policies and procedures used at UNLV are similar to those in place at other institutions and we do not believe major changes to our program are warranted at this time. However, the following important improvements will be implemented moving forward in FY15.

We resumed “Did You Know” notices to our cardholders and liaisons August 2014. We will now include these same type notices to those tasked with supervisory responsibilities to cardholders focusing on topics noteworthy to them. These short memos will focus on topics determined to be of importance to cardholders, liaisons, and supervisors.

Our program is audited by multiple entities (UNLV Campus Audit, NSHE Internal Audit, external auditors, etc.) and each audit has its own particular focus (internal controls, fraud risk, policy/ statutory compliance, etc.) Currently, Campus Audit performs audits of cardholder's records on a scheduled basis. In addition to scheduled audits, **cardholders may be asked to produce receipts based on a random sampling of transactions that bear scrutiny (by either Campus Audit or the PCard group.)** These transactions will be selected based on the procurement card industry's established best practice methods used to audit PCard activity. These requests are helpful in ensuring the integrity of our program.

While the PCard program itself is a decentralized program, our review identified the need to **centralize the record storage within the departments/units business office rather than with the individual cardholders.** The UNLV records retention policy in part states, *“For the sake of efficiency as well as appropriate and effective access, units must maintain their records in an orderly, easily accessible manner. For security's sake, they must protect records from unauthorized access.”* We are requesting that the records of cardholders (original receipts, signed/completed Statement of Accounts, and any other required documentation supporting the transactions charged by the cardholder) be kept as they would be for all other documents for departments/units required to be retained in accordance with the UNLV records retention policy.

All cards expire at the same time on a biannual schedule. Our next expiration date is January 31, 2015. To ensure that all cardholders remain current on the important aspects of the program, **all will be required to take a short on-line refresher training session and pass a quick test of the content prior to receiving their renewal cards.** In addition, liaisons will also be required to take the same training and test as cardholders prior to January 31, 2015. On average, the session and the test should take 25 minutes total for cardholders and liaisons. These refresher sessions at renewal time will assist in

keeping all participants in this program up to date in their roles and responsibilities as they continue to utilize the PCard program.

One major area that must be emphasized is the critical nature of the supervisory review and approval of all Pcard purchases. To assist supervisors in better understanding their roles and responsibilities in ensuring a successful PCard program, they too will be required to take a short on-line training session/test focused on their responsibilities within the program. For most supervisors, the training and test should take approximately 15 minutes total. Information will be coming out in late October regarding how and when the brief on-line training sessions will be made available to cardholders, liaisons, and supervisors.

If you have any questions or concerns regarding this memo, please contact us or the members of the PCard office at extension 42273.