

Tracking Purchasing Card Violations

**Laura Marie Casey Gonnering
The University of Alabama**

Presentation Abstract

The University of Alabama has implemented a Pcard Violation Tracking system to bridge the gap between their Purchasing Card (Pcard) system and compliance auditing needs. This custom in-house developed system leverages transaction data against university policies to bring ease and automation to what was previously a tedious manual process.

Introduction of the Organization

Founded in 1831 as Alabama's first public college, The University of Alabama is dedicated to excellence in teaching, research and service. We provide a creative, nurturing campus environment where our students can become the best individuals possible, can learn from the best and brightest faculty, and can make a positive difference in the community, the state and the world.

Enrollment at The University of Alabama reached a record high of 28,807 for fall 2009. The entering freshman class, at 5,207 students, is the largest in UA history.

The University of Alabama is ranked among the top 50 public universities in the nation for the ninth consecutive year in *U.S. News and World Report's* annual college rankings, fall 2009.

The University of Alabama's graduates and students include 15 Rhodes Scholars, 29 Goldwater Scholars, 12 Truman Scholars, 13 Hollings Scholars, two Javits Fellows, one Udall Scholar and one Portz Scholar.

The University of Alabama has a dramatic impact on the economy of Alabama, returning three dollars for every one dollar invested in the University by the State. UA each year contributes \$1.8 billion to the state's economy.

Problem

For the past several years the University of Alabama has been using a purchasing card system for the many everyday purchasing needs across the campus. This has been a very successful program and has enabled users to buy necessary items much more efficiently. However, the manual review of Pcard usage to ensure compliance with university policies has proven to be an overwhelming task. And due to the increasing volume of transactions it has become impossible for the limited Pcard audit staff to discover and respond to all violations. Furthermore, plans to expand the program made it evident that a more automated audit solution would be necessary.

Design

This project was a joint effort between the Procurement Services department and the Financial Affairs Information Systems Support group. In the initial planning meeting the current purchasing card system was reviewed along with the manual auditing process. It was determined that the primary functions that could benefit from automation were:

1. Automated communication. The Pcard audit staff was sending interoffice memos to cardholders who were late in turning in their monthly reconciliation packets, and also to alert them of any violations they had assessed. A spreadsheet of all cardholders was maintained which included their phone # and email, and the names of supervisors and reconcilers. By bringing this information into a database, adding emails and phone #'s , and creating templates for the notices, it was possible to programmatically prepare these notices based on specific parameters.
2. Violation tracking. A points-based Purchasing Card Violation Policy was defined which specified each type of violation and the points to be assessed for each, as well as disciplinary action that may be taken. It also described re-training opportunities whereby a cardholder could reduce their assessed points. All violations would be logged in the database and points automatically reduced based on training attendance and the passage of time.
3. Training. The existing Pcard training program was re-vamped and expanded to give cardholders the opportunity to reduce their accumulated points by re-training, and to gain understanding about the system and the accountability that goes along with the cardholder privilege. Before implementing the system, training sessions were held where all cardholders were informed of the upcoming changes and given an opportunity for questions and comments. After implementation, re-training sessions were scheduled periodically.
4. Reporting. In addition to the onscreen query and filtering capabilities several reports were developed to aid in reviewing and keeping up with the status of cardholders and violations.

Implementation

Implementation is planned for Fall 2009.

Benefits

The anticipated initial resistance to increased 'oversight' is more than offset by the effectiveness of the re-training, and also the fact that improved automated communication actually prevents many violations - for instance, when monthly reconciliations are becoming due, the users are now informed before a violation is assessed, giving them a chance to avoid the dreaded hand-slap.

Retrospect

With every privilege comes responsibility, and as staff are increasingly stretched to perform more efficiently, it becomes easy to gloss over menial tasks. The key to enhancing accountability is to make it easier for all involved. Cardholders will know the parameters within which they must operate, and reviewers will be better equipped to discover and deal with violations when they occur. With effective processes in place, everyone will be better trained, better informed, and better managers of the University's resources.