This Self-Assessment Questionnaire (SAQ) is a tool to be used by an agency to:

* Develop fiscal and administrative controls.
* Evaluate the adequacy of existing procedures, both as written and actually performed.
* Ensure that written procedures and actual practices are the same.

Each agency should review its procedures **at least biennially** to ensure compliance with the minimal internal control standards as set forth in this SAQ. By completing the SAQ, an agency can identify potential internal weaknesses.

The SAQ is designed so that a “No” response indicates an area of concern, which may require corrective action in written procedures and/or actual practices, such as:

1. Developing new or revised procedures to correct the deficiency found; or
2. Implementing a compensating control.

The Comments/Issues column should be used for agency’s notes.

SAQs should be reviewed and approved by management and the original maintained in the agency’s files for audit purposes.

This document is to be used to help complete the agency’s Biennial Report on Internal Controls, which is due by July 1 of each even-numbered year.

Thank you for your cooperation.

**Definition of Roles**

The **Procurement Card Manager** (PCM) is located at the Purchasing Division, Department of Administration.

The **Procurement** **Point of Contact** (PPOC) is the department contact for Purchasing Division and coordinates with the state’s **Procurement Card Manager** (PCM) for procurement card issues. PPOC may also serve as the agency PCA.

The **Procurement Card Administrator** (PCA) provides program oversight at the agency level and ensures that the cardholder and agency comply with the state’s procurement card contract and coordinates program activities with the department’s PPOC. PCA may also serve as the agency PPOC.

The **Supervisor** is the agency employee who approves the legitimacy of purchases and exceptions made by the cardholder. The Supervisor may also serve as the agency PCA.

The **cardholder** is the agency employee who is issued a procurement card (p-card) and is authorized to use the card on behalf of the agency.

The **Approver** in WORKS is the equivalent of a Pend 3 in Advantage. The Approver/Pend3 may serve as the agency’s PCA.

The **Accountant** in WORKS is the equivalent of a Pend 4 in Advantage.

**WORKS** is the Bank of America application used for managing p-card accounts, including adding and deleting cardholders, adjusting credit limits, and approving transactions.

**M. Procurement Cards**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| General | | **Yes** | **No** | **N/A** | **Comments/Issues** |
|  | Does the agency have current policies and procedures regarding Procurement Card responsibilities incorporating all Purchasing Division and Controller’s requirements? |  |  |  |  |
|  | Has the agency head (or representative) determined: |  |  |  |  |
| 1. The general criteria and purchase limits for cardholders, including both for monthly cumulative (overall) credit limits and for single transaction limits? *Note: Single transactions should not exceed $4,999.99.* |  |  |  |  |
| 1. The maximum dollar threshold when pre-approval of the purchase is required? |  |  |  |  |
|  | Has each department appointed a PPOC to assist the with the p-card program? |  |  |  |  |
|  | Does the department notify Purchasing Division when their PPOC changes? |  |  |  |  |
|  | Has each agency appointed at least one PCA and one backup PCA? |  |  |  |  |
|  | Is each transaction assigned a GL Code either within the WORKS system by the agency or in some other manner agreed upon by agency and agency’s fiscal? |  |  |  |  |
|  | Are billing statements paid in their entirety, with disputes/inappropriate charges resolved the subsequent months? |  |  |  |  |
|  | If card is in the agency name, then: |  |  |  |  |
| 1. Is card maintained in a secured location? |  |  |  |  |
| 1. Is there a checkout log maintained by the individual securing the p-card? |  |  |  |  |
| 1. Is the checkout log completed by the individual requesting the use of the p-card? |  |  |  |  |
|  | Upon misuse of card, transfer of cardholder, or separation from state service are: |  |  |  |  |
| 1. Cardholder accounts suspended until the end of billing cycle and then revoked or closed? |  |  |  |  |
| 1. Cards retrieved and rendered unusable? |  |  |  |  |
|  | Is the Controller’s Office VISTA report compared to the p-card statement and approved by emailing the completed Electronic Transfer of Transactions document to the Controller’s Office? |  |  |  |  |
| **Procurement Card Administrator (PCA) / Supervisor Responsibilities** | | | | | |
|  | Is the PCA prohibited from being issued a p-card? |  |  |  |  |
|  | Upon the agency’s decision to utilize procurement cards, does the PCA (or PPOC) submit the completed Procurement Card Internal Controls, the Procurement Card Approval Form and Procurement Cardholder Forms to the Division of Internal Audits? |  |  |  |  |
|  | | **Yes** | **No** | **N/A** | **Comments/Issues** |
|  | Is the PCA responsible for assigning purchase limits for each cardholder for the monthly overall credit limits? |  |  |  |  |
|  | Is the PCA responsible for ensuring that the cardholder is aware of the single transaction limit of $4,999.99 and that the cardholder does not exceed that amount? |  |  |  |  |
|  | Does the PCA or Supervisor regularly monitor the cardholder transactions in WORKS for declined or unusual transactions? |  |  |  |  |
|  | Does the PCA or Supervisor ensure an approved contract is in place when the p-card is used to pay for goods or services requiring a contract? |  |  |  |  |
|  | Does the PCA or Supervisor review WORKS for appropriate purchases when cardholder is unable to obtain independent verification (“receiver”) of merchandise purchased*? For example, a cardholder purchasing and installing parts on a sprinkler system without another staff physically verifying what was purchased.* |  |  |  |  |
|  | Is there a process in place for PCA to notify cardholders of budgetary constraints prior to purchases? |  |  |  |  |
|  | Has a process been established for immediate reporting of suspected or actual unauthorized use of a card, including a process for self-reporting by cardholders? |  |  |  |  |
|  | Is the PCA responsible for ensuring that the total number of cards in use by the agency is verified and reconciled, at least semi-annually and retained for review purposes? |  |  |  |  |
|  | Does the PCA or Supervisor ensure that the vendor and cardholder work to resolve any billing discrepancies? |  |  |  |  |
|  | Does the PCA or Supervisor ensure each purchase is supported by invoices, receipts, or packing slips, and includes an independent receiver signature? |  |  |  |  |
|  | Does the PCA or Supervisor verify purchase documentation to billing statement? |  |  |  |  |
|  | Does the PCA or Supervisor sign off on billing statement indicating the verification? |  |  |  |  |
|  | Are all transactions reviewed to verify: |  |  |  |  |
| 1. No “splitting of transactions” occurred? |  |  |  |  |
| 1. No transactions occurred with disallowed merchants or vendors? |  |  |  |  |
| 1. Transactions were within approved limits, or appropriate documentation of exceeding limits exists? |  |  |  |  |
| 1. Frequently purchased items and/or unusual items are verified to be necessary? |  |  |  |  |
|  | | **Yes** | **No** | **N/A** | **Comments/Issues** |
|  | 1. Credits are appropriate and have the required vendor supporting backup documentation for justification? |  |  |  |  |
|  | Is the billing statement signed off as approved for payment by a supervisor? |  |  |  |  |
| **New Cardholder – PCA Responsibilities** | | | | | |
|  | When obtaining cards, does the PCA: |  |  |  |  |
| 1. Complete and sign the Cardholder Agreement Form? |  |  |  |  |
| 1. Ensure the cardholder reviews and signs the cardholder Agreement Form? |  |  |  |  |
| 1. Ensure that the cardholder’s Supervisor signs the Cardholder Agreement Form? |  |  |  |  |
| 1. Maintain copies of the signed forms for both activated and inactivated agreements? |  |  |  |  |
| 1. Create or notify PPOC to create cardholder user account in WORKS, notifying financial institution of a new cardholder? |  |  |  |  |
|  | After receiving each procurement card, does the PCA: |  |  |  |  |
| 1. Verify the information on the card, including the cardholder’s name, agency, and tax exemption number? |  |  |  |  |
| 1. Deliver the card to the appropriate cardholder and verify that the card is subsequently signed on the back? |  |  |  |  |
| 1. Instruct the cardholder on the proper use of procurement cards, the consequences of unauthorized use, and provide updated training as needed? |  |  |  |  |
| 1. Assign, update, and monitor the limits for each of the individual cardholders, as well as the specific merchant and vendor categories which are disallowed for each cardholder and for the agency in general?   *Note: This information and any other applicable information should be documented for each cardholder.* |  |  |  |  |
|  | Is the PCA responsible for ensuring that purchasing limits assigned for each cardholder comply with the restrictions of SAM 1552, including the limitation of $4,999.99 for each purchase unless otherwise specified, or unless State Purchasing has granted specific authorization for certain items at higher limits? |  |  |  |  |

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| **Cardholder Responsibilities** | | Yes | No | N/A | Comments/Issues |
|  | Is each cardholder required to: |  |  |  |  |
| 1. Abide by all the conditions noted on the Cardholder Agreement Form? |  |  |  |  |
| 1. Ensure that the card is not used by another individual? |  |  |  |  |
|  | When purchasing, do the cardholders: |  |  |  |  |
| 1. Comply with all agency purchasing and expenditure policies and procedures, as well as SAM 1500 and other relevant state regulations and statutes? |  |  |  |  |
| 1. Ensure that no sales tax is charged on agency purchases? |  |  |  |  |
| 1. Ensure that purchases do not exceed assigned limits or budgeted amounts for that category and that individual limits are not circumvented by splitting purchases? |  |  |  |  |
| 1. Upon receipt of each purchase, verify that the correct number of items was received and that all merchandise is in good condition, and, if applicable, sign the accompanying packing slip attesting to the quantity and condition of the merchandise? |  |  |  |  |
| 1. Ensure that an independent receiver sign receipt/packing slips as verification of the item(s)? |  |  |  |  |
| 1. If the cardholder is unable to obtain independent verification of goods, the cardholder provides invoices or other backup documentation (as applicable) as soon after purchase for each transaction to their Supervisor for initial review? |  |  |  |  |
|  | Do cardholders: |  |  |  |  |
| 1. Report any disputes or discrepancies to the PCA or PPOC? |  |  |  |  |
| 1. Work with vendor, PCA/PPOC and financial institution to resolve issues? |  |  |  |  |
| 1. Immediately report any unauthorized use of the card to the PCA? |  |  |  |  |
| 1. Report any lost or stolen cards to the issuing financial institution within 24 hours and to their PCA or Supervisor at the first opportunity during business hours? |  |  |  |  |
| 1. Return their card to the PCA upon termination of employment and/or transfer to a different position and/or agency? |  |  |  |  |

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| **Fiscal Responsibilities** | | | | | |
|  | Are fiscal staff who review p-card transactions prohibited from having procurement cards? |  |  |  |  |
|  | Does fiscal update and monitor budget accounts to ensure purchases remain within available funding? |  |  |  |  |
|  | At least monthly, does fiscal ensure that: |  |  |  |  |
| 1. Card purchases received appropriate Supervisor approvals? |  |  |  |  |
| 1. Transactions have appropriate supporting documentation? |  |  |  |  |
| 1. Purchases are not assessed sales tax? |  |  |  |  |
|  | Does fiscal reconcile transactions and receipts with the billing statement and inform the PCA of any discrepancies? |  |  |  |  |
|  | Does fiscal ensure that the Approver (Pend 3) and Accountant (Pend 4) approvals are completed for each transaction? If using WORKS application, is this completed no later than the 9th day of the month following the end of the billing cycle? |  |  |  |  |
|  | Does fiscal facilitate billing statement payment according to agency and Controller’s Office procedures? |  |  |  |  |

If any discrepancies are noted above, describe corrective action plan and resolution date below:

|  |  |  |
| --- | --- | --- |
| SAQ Number | Corrective Action Plan | Resolution Date |
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