

April 13, 2011

MEMORANDUM TO: Those on the Attached List

FROM: Sharon D. Stewart-Clark, Acting Director */RA/*
Office of Administration

SUBJECT: FISCAL YEAR 2011 PURCHASE CARD REVIEW AUDITS

Pursuant to the requirements of NUREG/BR-0229, Rev. 1, "The U.S. Nuclear Regulatory Commission's [NRC] Procedures for the Use of the U.S. Government Purchase Card," the Office of Administration will conduct an audit review of purchase card use by your office. The primary purpose of the audit is to ensure that Purchase Card Program procedures are being followed. Audits will be conducted in accordance with the requirements of Office of Management and Budget Circular A-123, Appendix B, "Improving the Management of Government Charge Card Programs," and will assess that adequate controls are in place compliant with NRC's purchase card procedures.

The objective of the review audits is to ensure that the agency's procedures are being followed and to determine:

- whether improper or potentially fraudulent purchases were made using the purchase card;
- the cardholder's compliance with spending limits;
- the cardholder's compliance with the agency's property management policy for purchasing accountable property; and
- whether adequate supporting documentation of purchases is being maintained by the cardholder.

Ms. Betty Freeman, Agency Program Coordinator (APC), will meet with approving officials and cardholders in your office to discuss audit objectives and to review purchase card transactions made in the audit period indicated in Enclosure 1. The Purchase Card Annual Review Checklist is shown in Enclosure 2 and shall be used when conducting the audits. The APC will be contacting your cardholders and approving officials to arrange specific times for the audit reviews. Upon completion of the audit, an internal discussion will be conducted to address the audit findings (strengths and problem areas). A final audit report will be issued separately to each office.

Enclosures:

1. Audit Schedule for Fiscal Year 2011
2. Purchase Annual Review Checklist

CONTACT: Betty Freeman, ADM/DC/POT
(301) 492-3631

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(301) 492-3631

DISTRIBUTION: See next page
ADAMS Accession No.: ML11080A062

OFFICE	DC/POT	DC/POT	DC/DD	DC/D	ADM/DD(A)	ADM/D(A)
NAME	BFreeman	JDaly	ASanchez	VHuth (ASanchez for)	BGusack	SStewart-Clark
DATE	3/7/11	3/7/11	3/22/11	3/22/11	4/11/11	4/13/11

OFFICIAL RECORD COPY

MEMORANDUM TO THOSE ON THE ATTACHED LIST DATED: 4/13/2011

SUBJECT: FISCAL YEAR 2011 PURCHASE CARD REVIEW AUDITS

DISTRIBUTION:

BFreeman, ADM	JDaly, ADM	
VHuth, ADM	ASanchez, ADM	
RidsAslbpManagement Resource		RidsAcrsAcnw_MailCTR Resource
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RidsOigMailCenter Resource		RidsOcfoMailCenter Resource
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RidsCsoMailCenter Resource		RidsAdmMailCenter Resource
RidsFsmeOd Resource		RidsOeMailCenter Resource
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RidsRgn1MailCenter Resource		RidsNsirMailCenter Resource
RidsRgn3MailCenter Resource		RidsRgn2MailCenter Resource
		RidsRgn4MailCenter Resource

PURCHASE CARD AUDITS --- SCHEDULE FOR FISCAL YEAR 2011

1st QTR - OCT / NOV / DEC 2011

<u>OFFICE</u>	<u>AUDIT DATE</u>	<u>REPORT DATE</u>
ASLBP	4/19/2011	5/17/2011
FSME	4/19/2011	5/17/2011
OE	4/19/2011	5/17/2011
NSIR	4/26/2011	5/24/2011
OPA	4/26/2011	5/24/2011

2ND QTR – JAN / FEB / MAR 2011

<u>OFFICE</u>	<u>START DATE</u>	<u>REPORT DATE</u>
OIG	5/4/2011	6/4/2011
ACRS	5/4/2011	6/4/2011
RES	5/30/2011	6/4/2011
NRO	5/24/2011	6/24/2011
CSO	5/24/2011	6/24/2011
EDO	5/24/2011	6/24/2011

3RD QTR – APR / MAY / JUN 2011

<u>OFFICE</u>	<u>START DATE</u>	<u>REPORT DATE</u>
ADM	8/10/2011	9/10/2011
HR	8/16/2011	9/16/2011
OCA	8/24/2011	9/24/2011
NRR	8/24/2011	9/24/2011
OIP	8/24/2011	9/24/2011
NMSS	9/13/2011	10/13/2011

4TH QTR – JUL / AUG / SEPT 2011

<u>OFFICE</u>	<u>START DATE</u>	<u>REPORT DATE</u>
OIS	11/2/2011	12/2/2011
OCFO	11/2/2011	12/2/2011
OGC	11/16/2011	12/16/2011
OI	11/16/2011	12/16/2011
SBCR	11/16/2011	12/16/2011

FY 2010 – OCT 2009-SEPT 2010
REGION OFFICES -- TBD¹

¹ Audits performed at NRC's regional offices consist of a full prior year of purchase card spending. Entrance/Exit Conferences are conducted.

PURCHASE CARD ANNUAL REVIEW CHECKLIST

SCOPE: The scope of the review will be 3 months of transactions for each cardholder

DATE:

CARDHOLDER:

ORGANIZATION:

SPECIFIC REVIEW CRITERIA	YES	NO	N/A	COMMENTS
Did the Cardholder safeguard his/her purchase card (for example, by not allowing others to use it)? Is the purchase card kept adequately secured?				
Did the Cardholder know and comply with his/her monthly spending limits?				
Has the Cardholder split requirements to stay under the single purchase limit? Are there repeated orders during a short time period for the same goods or services?				
Were all purchases made by the Cardholder for official Government business only?				
Did the Cardholder have adequate funds certified before use of the purchase card?				
Did the Cardholder obtain all required approvals (IT Coordinator/OIBD) prior to purchasing IT buys ?				
Have all disputes been resolved and closed with OCFO? Did the Cardholder notify the servicing bank within 60 days?				
Did the Cardholder comply with NRC's policy for purchasing accountable Government property?				
Did the Cardholder pay U.S. state taxes?				
Did the Cardholder reconcile all transactions online before the end of the billing cycle?				
Did the Cardholder maintain supporting documentation for his/her purchases? Does the supporting documentation match the Cardholder's Reconciliation Report?				

REVIEW PERIOD	TOTAL TRANSACTIONS	TOTAL AMOUNT