

Control Alert

Credit Card Expense Payment Process Importance of a Thorough Supervisory Review

Due to breakdowns in the functioning of internal controls pertaining to the credit card expense review process, University resources are at risk and have been compromised. This Control Alert is to make you aware of the vital need to complete the supervisory review process as required.

Individuals charged with the responsibility for approving credit card expenses should thoroughly review the Credit Card Disbursement Authorization Form (CCDAF) and all supporting documents including the credit card statement from the bank, Departmental Credit Card Travel and Business Expense Reports (TERs), and receipts and invoices prior to giving signatory approval. The review process should include:

1. Verifying receipts for all expenditure items (support for business purpose)
2. Ensuring that account coding is correct and reflective of the nature of the expense
3. Verifying that all travel related expenditures are appropriately documented on a TER and signed by the traveler
4. Ensuring that credits (returns or other adjustments by the vendor) are received for all items previously identified as credited or returned
5. Ensuring that credit transactions are properly reflected on the CCDAF (a reduction of the account where the expense was previously posted)
6. Ensuring that credit card balances are paid in full monthly
7. Identifying and resolving any unpaid credit card balances or disputed items with the assistance of the Purchasing Department if needed.

We believe that the internal control activity requiring supervisory review and formal approval of credit card transactions submitted for payment is designed appropriately to provide the University reasonable assurance that credit card transactions are for legitimate University business and conform to applicable laws, regulations and policies.

By fulfilling the duties and expectations associated with financial oversight and monitoring activities, individuals charged with such stewardship can prevent and detect breakdowns of the internal control system that could lead to unauthorized use of the University credit card and misappropriation of University resources.

Thank you for your efforts!

The Internal Audit Department