



## DEPARTMENT OF THE AIR FORCE

WASHINGTON DC

OFFICE OF THE ASSISTANT SECRETARY

08 FEB 2002

MEMORANDUM FOR ALMAJCOM/FOA/DRU (CONTRACTING)

FROM: SAF/AQCP  
1060 Air Force Pentagon  
Washington DC 20330-1060

SUBJECT: Government Purchase Card (GPC) Internal Controls

The attached memo from the DoD Joint Purchase Card Program Management Office requests a review of all GPC billing accounts where the billing official is responsible for seven or more GPC cardholders. The purpose of this review is to ensure billing officials have an appropriate span of control over the cardholders assigned to their accounts and the number of cardholders and associated volume of transactions reasonably allow the billing official to conduct an adequate review of all purchases.

Seven is by no means "the magic number." Based on mission requirements, some organizations may require more or less. However, if billing officials appear to have inactive cards, they should be encouraged to cancel them or apply safeguards to preclude unauthorized use. Cases where there appears to be an unmanageable number of cardholders assigned to one account should be scrutinized to ensure the required reviews are being accomplished and the billing official counseled on the best approach to adjust their span of control.

To accomplish this review, we request unit GPC program coordinators modify their surveillance schedules to ensure accounts that have seven or more cardholders assigned are reviewed within the next six months. In addition, billing officials should be encouraged to self-evaluate their span of control and take appropriate action if they feel they cannot reasonably review all purchases made by their cardholders.

The attached memo also identifies cases where it appears a cardholder is serving as their own billing official. This is expressly prohibited and unit program coordinators should take immediate action to remedy this situation. Both attachments to the DoD memo will be segregated by MAJCOM and provided electronically to the MAJCOM-level program coordinators for further dissemination to the field.

Contracting Squadron Commanders/Chiefs of Contracting Offices are encouraged to take an active role in the management of their GPC program and keep the base leadership informed of the health of the program across the installation. We appreciate the hard work and diligence of the GPC program coordinators at all levels. They do an exceptional job of managing this very challenging program. Feel free to let us know what we can do to assist them.

The SAF/AQCP point of contact for this memo is Lt Col Harold Cunningham, DSN 425-7056, Comm. (703) 588-7056, e-mail: [haroldc@pentagon.af.mil](mailto:haroldc@pentagon.af.mil).

A handwritten signature in black ink that reads "Robert D Winecki". The signature is written in a cursive style with a large, stylized 'R' and 'W'.

ROBERT D. WINIECKI, Col, USAF  
Chief, Policy and Implementation Division

Attachments:  
DoD Memo, 1 Feb 02



REPLY TO  
ATTENTION OF

DEPARTMENT OF THE ARMY  
OFFICE OF THE ASSISTANT SECRETARY OF THE ARMY  
ACQUISITION LOGISTICS AND TECHNOLOGY  
103 ARMY PENTAGON  
WASHINGTON DC 20310-0103

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## MEMORANDUM FOR AGENCY PROGRAM COORDINATORS

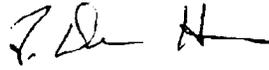
SUBJECT: Internal Controls

A recent GAO audit and subsequent Congressional Testimony raised a concern as to whether or not the DOD was adequately performing oversight on purchases made with the purchase card. In response to the concern, the Director of Defense Procurement asked the Services and Defense Agencies on August 13, 2001, to ensure proper controls of the DOD Purchase Card Program were in place and were being followed. One of the controls is to ensure that billing officials have a reasonable span of control over the cardholders they supervise. The billing officials must be given adequate time so they can perform a complete review of the monthly billing statements within five days of receipt. This means that the billing officials should have no more statements and/or transactions than they can reasonably be expected to review. The review is to determine that each charge is legal and proper.

Enclosure 1 is a listing of billing officials that have oversight responsibilities for seven or more cardholders (in some cases within DOD over 400). It is requested that you work with the local APCs to review the listings. A determination must be made that a proper review of all cardholder transactions can be accomplished with this span of control. If not, cardholders should be reassigned to new billing officials. Any account with seven or more cardholders should be locally documented as to how the approving official accomplishes the oversight. Cards with little or no use should be considered for cancellation or have other controls established to preclude improper use (card secured, monthly limit changed to \$1, etc.). Caution must be exercised with the cancellation of cards. The cancellation of cards and movement of the transactions to one of the remaining cards is not an acceptable response as the intent is to reduce the workload of the billing official so [s]he may conduct an adequate review. Span of control with less than 7 cardholders is still an issue when the numbers of transactions the billing officials must review is unacceptably high.

Enclosure 2 is a listing of billing officials that have oversight responsibilities for their own card. This situation creates a conflict of interest and violates the separation of duties control. These cards should be cancelled immediately.

I will request the bank run this report again in two months to ensure appropriate actions have been taken. Thank you for your effort in this program.



(for)

Bruce E. Sullivan  
Director, Purchase Card Joint  
Program Management Office

Enclosures

CF:

Office of the Under Secretary of Defense

Directors of Defense Agencies

Deputy Assistant Secretary of the Army (Policy and Procurement), DASA(P&P)

Executive Director, Acquisition and Business Management, ASN(RD&A)

Deputy Assistant Secretary of the Air Force (Contracting), SAF/AQC