



DATE: May 14, 2008

TO: Sharrie Mayden
UNLV Director of Purchasing

FROM: Rhett Vertrees
Associate Vice President, ICA/TMC Business Services, Auxiliary
Financial Services and Campus Audit

RE: Limited Review of Procurement Card Manual

We completed a limited review of the Procurement Card Manual. The purpose of this review was to determine the level of compliance of the manual with current Board of Regents policy and good business practices.

PROCESS/METHODOLOGY

This review was accomplished primarily by a review of the manual. Interviews with key personnel within the Purchasing Department were conducted. Results of recent procurement card audits were considered in the application of the manual.

OPINION

We formed the opinion that the procurement card manual is generally adequate and in compliance with established policies and procedures. Some minor wording changes are suggested below. The implementation of these changes would improve the function of the manual.

We reviewed all recommendations made in the previous campus audit and NSHE internal audit. All recommendations from those audits have been fully implemented.

OPPORTUNITIES FOR IMPROVEMENT

There are three suggestions for wording changes in the manual. The changes were suggested by the department and are reasonable within the context of the program. The specific wording changes suggested are:

1. On page 6 of the manual, the department would like to include language specifying splitting of transactions as a major violation. We recommend that the term "structured transactions" be included in this section either as an addition to the term "splitting" or in its place. The terminology "structured transaction" is the more common term.
2. On page 11 of the manual, the department would like to include language to advise cardholders that their card may be suspended without notice if the University may experience a loss. Due to ambiguities of the term "loss," we recommend that the department use the term, "in the University's best interests" instead.
3. On page 14 of the manual, the department would like to include a requirement that supporting documentation for hosting expenditures be maintained in accordance with Controller's Office procedures. We recommend that specific language be included to show that the intent of the policy is to have all supporting documentation included with the original receipts in the cardholder's records.

FOLLOW-UP

Responses to each individual item are not required. If the department has concerns with the implementation of any of the recommendations, a response to that item is requested no later than July 31, 2007. If any items will take an extended length of time (in excess of 90 days) to implement, please notify the Campus Audit Department of the estimated time that the recommendation will be implemented. A follow-up review should be expected in approximately six months to ensure that these recommendations have been fully implemented.

CONCLUSION

The Campus Audit Department would like to thank the personnel of the Purchasing Department for their cooperation and assistance. If the Campus Audit Department can be of further assistance in this matter, please feel free to contact us.

/s/
James G. Moore
Internal Audit Supervisor

/s/

Rhett Vertrees
Interim Director, UNLV Campus Audit