

Department of Energy's Inspector General Reports That BPA's Purchase Card Program is Well Managed

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The DOE Inspector General's review of the Bonneville Power Administration's Purchase-Card (P-Card) program is part of a government-wide effort to uncover fraud and waste. Many federal programs have been found to be poorly run and lacking in financial controls. BPA's is not one of these.

The Inspector General found that BPA's P-Card program is well managed and that there were no significant problems or inadequacies in the way BPA operates and manages its P-Card program. These findings were published in the Department of Energy's Inspector General's report on "Purchase Card (P-Card) Transactions at the Bonneville Power Administration, Report No. INS-L-05-01."

Report Highlights

- BPA's P-Card program is well-run and proactively managed. BPA approving officials have authority to request immediate suspension of P-Cards if they believe they have been used improperly.
- 85 transactions were identified for review (out of over 30,000 BPA P-Card transactions in fiscal year 2004). The Inspector General found five of the 85 transactions, while necessary and authorized for business purposes, should have been purchased by means other than P-Cards. Further, all but one of these purchases had been identified and resolved by BPA prior to the audit.
- The IG found minor errors in the operation of BPA's P-Card program and those errors did not suggest any systemic failures in managing the program.

Issues relating to the five unresolved transactions

- On two occasions one cardholder purchased caulk working boots which are both authorized and necessary safety items for limited personnel for use when working on steep terrain. Unfortunately the boots were purchased without first coordinating with the employee's supervisor.
- A second cardholder purchased a digital camera with a P-Card. While the digital camera was an authorized purchase, BPA policy prohibits using a P-Card to purchase information technology equipment capable of being connected to BPA's internal network. Rather than using a P-Card, the card holder should have sent a purchase request through IT services.
- Another P-Card holder used a P-Card instead of a travel card to rent vehicles while on travel status. The cardholder did not understand that she should have used a travel card.
- One cardholder split a \$5,452 transaction to avoid her single purchase limit. In other cases, the Inspector General found a few instances where vendors split transactions

without the cardholder's knowledge or permission. The \$5,452 split transaction was inappropriate. BPA management has taken corrective action to ensure the cardholder and approving official do not repeat the mistake. Corrective actions included notice to P-Card holders and approving officials and an emphasis on the problem in mandatory P-Card training.

Changes in the BPA P-Card program

The Inspector General's report observed that there are "opportunities" for BPA to enhance its P-Card program and BPA is moving forward on those changes including:

- Areas where the number of cardholders assigned to an approving office exceeds governmental guidelines. Although BPA uses a regional approach to assigning cardholders to cost analysts based on the way its operations and maintenance function is organized which has greatly improved the accuracy of accounting information and timeliness of statement certification and submittal, BPA has agreed to continually monitor and seek to optimize the ratio of approving officials to cardholders.
- BPA has agreed with the audit report in that internal controls over recognition and gift card purchases should be tightened and will use a common database to track gift card purchases and issuances to employees.
- BPA will continue to monitor and limit to the extent possible (as is the current practice) the use of convenience checks.