Assessment Report for
Procurement and Payment Services, 2012

**Expected Outcomes: Cost Reduction and Efficiencies Achieved with Technology**
Make use of enhanced technology to reduce costs and improve efficiencies in the preparation, routing, approval and processing of vendor vouchers and travel vouchers.

**Related typical general education outcomes:** None

**Assessment methods**

**Method: Expenditure Process and Procedure Review**
Vendor and Travel Vouchers were reviewed for opportunities to improve efficiency and reduce the cost of processing those documents. PPS management reviewed current processes and procedures for preparation, routing, receipt, approval, data entry, and storage of vendor and travel vouchers. The review included questioning PPS staff, ISS staff, and a sampling of campus departments (based on volume processed and staff level of expertise) regarding voucher processing and procedures in their areas.

**Findings:**
The review of vendor and travel voucher processing on paper revealed a vast potential for process efficiencies through electronic preparation and routing. The assessment findings revealed that 100% of vendor and travel payments were processed on paper resulting in approximately 400 boxes of retention files to maintain each fiscal year…voucher files are maintained for 7 years plus the current fiscal year. Vouchers took 3-5 days processing time once they reached PPS. Documents from the retention files are routinely retrieved for 1-3 years following the close of the fiscal year. When questioned regarding electronic processing, campus departments had a desire to submit vouchers electronically to PPS. Many departments revealed that they were already capturing invoices electronically for storage within their areas therefore electronic processing to PPS seemed a natural progression.

**How did you use findings for improvement?**
A system that allows for the electronic preparation and routing of Vendor Vouchers has been developed and implemented campus-wide. A system that allows for the electronic preparation and routing of Travel Vouchers has been developed with implementation in process. The electronic preparation, routing, audit and approval of these documents has led to process efficiencies including faster processing, a better archival process, and faster payment issuance. Processing time for vouchers received in PPS has been reduced from 3-5 days to 1-3 days. Therefore vendor payments are sent approximately 2 days faster using electronic processing than paper. Electronic vouchers are automatically loaded in the Xtender imaging system eliminating the need for storage and retrieval by PPS, allowing access to the documents by campus users at any time.

**Additional comments:** Savings in manpower have been shifted to other priority projects. Cost savings are recognized in campus departments due to decreased need to copy and print paper vouchers and file copies.
Expected Outcomes: Cost Reduction and Efficiencies Achieved with Technology
Develop and implement an electronic process for the sample selection, audit and tracking of Purchasing Card reconciliations which improves efficiencies and reduces processing costs.

Related typical general education outcomes: None

Assessment methods

Method: Reconciliation Audit Process Review
The Purchasing Card reconciliation audit process was reviewed for opportunities to improve efficiency and reduce cost of auditing those documents. PPS management reviewed with the Purchasing Card administrator the current reconciliation audit process. Management also questioned NAPCP (National Association of Purchasing Card Professionals) members to determine the level of audit other organizations were performing. Additionally, the PPS graduate student interviewed AU School of Accountancy staff to gather information on current methods of auditing within Purchasing Card programs.

Findings:
Review of AU’s Purchasing Card audit process revealed potential for process efficiency through random sample audit techniques. The current audit process revealed that 100% of reconciliations are audited each monthly credit card cycle with cardholders averaging a total of 9,170 transactions per month. Given the large number of monthly transactions and a staff of only 3 managing the Purchase Card program including card issuance, maintenance, training, and auditing, a 100% reconciliation audit level could not be maintained with existing resources. Given that many transactions were low dollar and small risk, the need to review all transactions on a monthly basis was not the best use of personnel resources.

NAPCP members revealed that a very small number of higher education and private companies were reviewing 100% of Purchasing Card transactions on a monthly basis. The majority were utilizing some form of random sampling.

AU School of Accountancy staff noted that organizations were either auditing all reconciliations or performing a random sample. They noted that most of those organizations using random sampling utilized an electronic process to insure full audit coverage of cardholders.

How did you use findings for improvement?
A system that allows for the electronic selection of audit documents along with an electronic method of tracking the audit process has been developed and implemented system-wide. These electronic processes have led to process efficiencies. Moving to a sample audit process allows PPS personnel to focus on larger dollar transactions and AU departments needing extra attention.

Additional comments: Savings in manpower have been shifted to other priorities within the Purchasing Card program
Expected Outcomes: Contract Process and Tracking Efficiencies
Develop and implement changes to the contract review and approval process that result in improved efficiencies and tracking capabilities.
Related typical general education outcomes: None
Assessment methods
Method: Contract Management Process Review
The process of routing and approving contracts will be reviewed for opportunities to improve the efficiency of the routing of those documents. PPS receives contracts from all over campus for review and final signature for AU. Due to staff turnover, PPS management was provided the opportunity to examine the process for reviewing and approving contracts for campus departments. Management reviewed files maintained by the previous Contract Officer to determine the existing process for receiving, approving, and returning signed contracts. Also, PPS Procurement staff and campus constituents were questioned regarding review and return processes for contracts.
Findings:
The review of current procedures revealed an opportunity to provide structure and improve efficiencies in the contract review process. During the review of contract files and discussions with Procurement staff and campus constituents, PPS management noted that no consistent process/procedure existed for review of contracts. Management was unable to determine if copies were kept of all contracts signed by the Contract Officer or only certain copies were retained. No logging mechanism was used to document receipt from and return to campus departments of signed contracts by either the Contract Officer or Procurement staff.
How did you use findings for improvement?
A system that provides a central point of receipt for all contracts submitted for PPS review/approval was implemented and communicated campus-wide. In addition, a mechanism for scanning all approved contracts was implemented for records retention purposes. These two related changes resulted in a more streamlined contract review and approval process where Procurement staff was better informed of the contracts associated with their procurement actions.
Additional comments: PPS is better able to manage the contract review/approval needs of AU Departments and retrieve associated documents more quickly and easily.