

# Internal Controls & Monitoring

Commonwealth of Virginia  
Annual Card Summit

March 13, 2013

# Introduction

- Having good internal controls is a key factor in developing a successful card program. The agency Program Administrator (PA) must ensure that cardholders adhere to all policies and procedures. Also, agency PA's should make sure that cardholder's are aware of their responsibilities and changes in the card program.

# Agenda

- Audits/Reviews/Reporting Tools
- Setting Limits that match Cardholders Spend
- Policies/Procedures
- Separation of Duties
- Online Reconciliation
- IntelliLink Compliance Management

# Audits/Reviews/Reporting Tools

- Random cardholder audits
- Review of monthly transactions
- Reporting Tools-WORKS, IntelliLink Compliance Management



# Policies/Procedures

- Program Administrators and cardholders must complete all annual trainings
- All monthly reconciliations must be completed and submitted on time.
- Any discrepancies with bill or charges should be reported immediately.

# Separation of Duties

All duties should be divided within an agency.

Example:

- 1 person loads file and makes payments/supervises program
- 1 person reviews all monthly logs/coversheets/highlights statement
- 1 person does random audits/reviews highlighted statement for clarifications/sales tax audit

# Online Reconciliation

- Online Reconciliation (OLR) is a Works based application that automates, streamlines, and integrates your existing payment authorization and reconciliation process

# WORKS Online Reconciliation Options

## Option 1:

- Uses Commonwealth of Virginia (COV) standard accounting structure
- Cardholder or a secondary User performs transaction review and allocation online in Works
- Cardholder/secondary User will be allowed to change allocation codes on transactions
- Supervisor/Reviewer review and approval NOT required in Works
- Fiscal Services perform final allocation in Works and export
- PA or back-up must maintain listing of approved secondary users and coordinate with DOA

## Option 2:

- Uses Commonwealth of Virginia (COV) standard accounting structure
- Cardholder or a secondary User performs transaction review and allocation online in Works
- Cardholder/secondary User will be allowed to change allocation codes on transactions
- Detail receipts and documentation is maintained by the cardholder
- Supervisor/Reviewer review and approval required in Works
- Fiscal Services perform final allocation in Works and export if desired
- PA's will have to maintain all Supervisor/Reviewer Works log-ins, manage lock-outs, etc.
- Documented internal policy must be presented for a standing sample audit of receipts to validate transactions
- PA or back-up must maintain listing of approved secondary users and coordinate with DOA

## Option 3:

- Does Not use COV standard accounting structure
- Agency will need to be re-implemented in NEW INSTANCE and new cards issued; OR
- Agency can use Option 1 or Option 2 until 2011 renewal

## Option 4:

- All required accounting information is set up in WORKS for all cardholder purchases (i.e., cardholder defaults)
- Cardholders will still follow same process as they currently use through their Supervisor/Reviewer for approval then to Fiscal Services (FS)
- FS will take the completed logs and access Works and make any accounting allocations needed for transactions per the log.
- FS will do reconciliation of all cardholder logs to transactions for cycle to ensure all transactions are accounted for.
- Once coding is finalized FS will create an export file for import to their financial system to create the voucher to Bank of America for payment
- FS will make any necessary changes to coding in Works for the cycle
- FS to remit payments accordingly use per applicable CAPP policies
- FS will maintain hardcopy of reconciliation

## Option 5:

- A standardized data file (mapper) is set-up per the agencies data needs, which can be run on a set frequency (daily, weekly, monthly cycle) to import into their ERP, financial system, etc to sue to code transactions
- FS will remit payments according to all CAPP policies.

# IntelliLink Overview

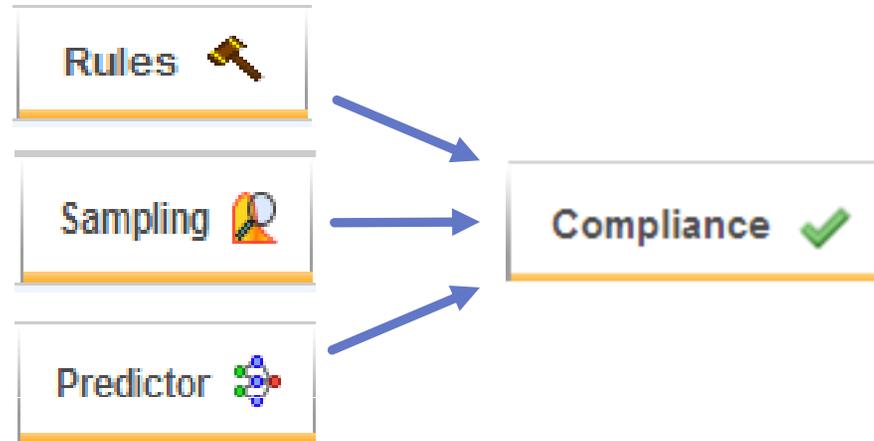


## Visa IntelliLink Compliance Management

A web-based  
monitoring solution  
providing critical

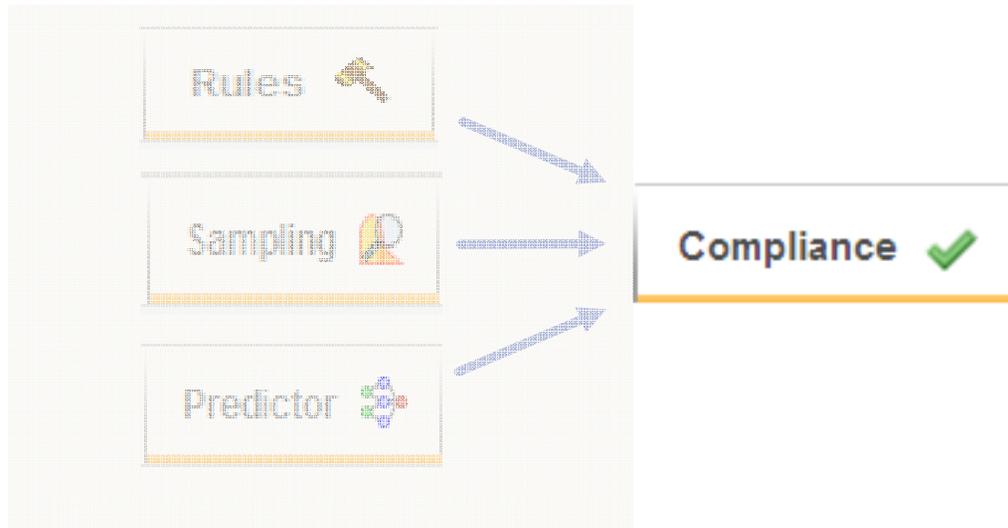


- Manages vast amounts of data
  - Transaction data, organization data, enhanced merchant data, hierarchy details
- Offers compelling benefits for companies interested in:
  - Misuse and abuse detection
  - Program and regulatory compliance
  - Analytics and investigative reporting
  - Reducing risk and questionable spend
  - Program performance reporting
  - Self-service administration

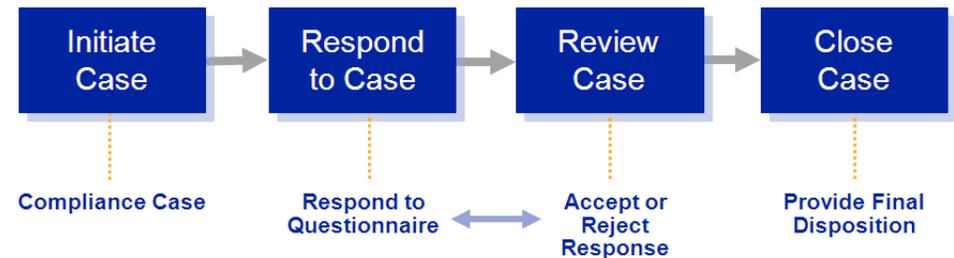
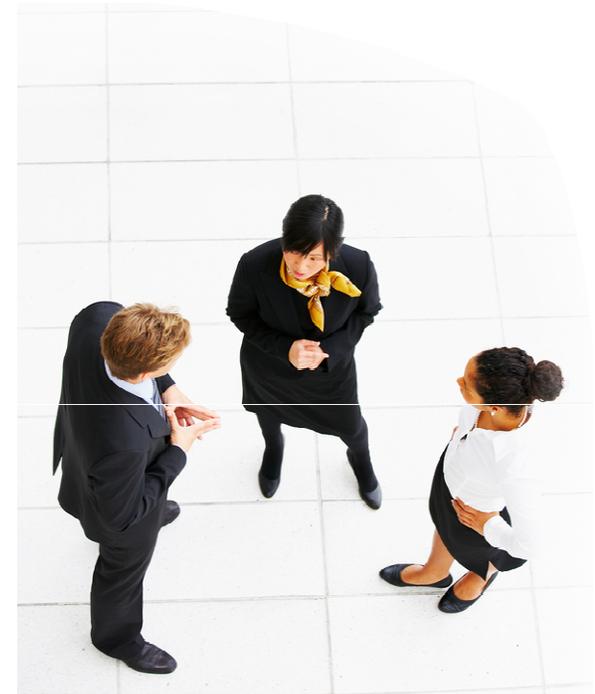


The **Rules**, **Sampling** and **Predictor** modules work in different ways to identify questionable transactions to be processed through the **Compliance** module workflow.

# Compliance Module



Workflow for facilitating the review of transactions identified by Rules, Predictor, and Sampling by the appropriate personnel.



Questions or Comments...

