



**Memorandum from the Office of the Inspector General**

February 28, 2006

Paul R. LaPointe, WT 3A-K

**FINAL INSPECTION REPORT – INSPECTION 2005-524I – REVIEW OF TVA’S VISA PURCHASING CARD USAGE**

Attached is the subject final report for your review and final action. Your written comments which addressed your management decision and actions planned or taken, have been included in the report. Please notify us when final action is complete.

For your information, we are forwarding all final audit and inspection reports to two Congressional committees in accordance with a requirement which applies to other Inspectors General as well. In addition, we are considering whether this report and/or a summary should be posted on the OIG Web page. Please advise us if you believe this report contains any sensitive information which should be withheld, (including the response to the draft report). If we have not heard from you within 20 calendar days of the date of this memorandum, we will assume you have no objection to release of this report in its entirety.

If you have any questions or wish to discuss our findings, please contact Rick C. Underwood, Senior Auditor, at (423) 751-3108 or Gregory C. Jaynes, Deputy Assistant Inspector General, Inspections, at (423) 751-7821. We appreciate the courtesy and cooperation received from your staff during the inspection.

Ben R. Wagner  
Assistant Inspector General  
(Audits and Inspections)  
ET 3C-K

RCU:SDB

Attachment

cc (Attachment):

William H. Bonham, WT 3A-K  
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Tom D. Kilgore, WT 7B-K  
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OIG File No. 2005-524I



Tennessee Valley Authority  
Office of the Inspector General

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# *Inspection Report*

## **REVIEW OF TVA'S VISA PURCHASING CARD USAGE**

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Senior Auditor  
Rick C. Underwood

2005-524I  
February 28, 2006

## **TABLE OF CONTENTS**

EXECUTIVE SUMMARY .....	i
BACKGROUND .....	1
CARDHOLDER RESPONSIBILITIES .....	2
APPROVING OFFICIAL RESPONSIBILITIES .....	3
OBJECTIVE, SCOPE, AND METHODOLOGY .....	3
FINDINGS .....	4
PROGRAM CHANGES .....	4
DELEGATION OF APPROVAL .....	5
DISALLOWED AND QUESTIONABLE PURCHASING CARD CHARGES .....	6
CARDS ISSUED WITHOUT REQUIRED DOCUMENTATION .....	8
TVA POLICIES, BUSINESS PRACTICES, AND TRAINING MODULES DO NOT CLEARLY AND CONSISTENTLY DEFINE WHEN PURCHASING CARDS MAY BE USED FOR HOSPITALITY EXPENSES .....	9
RECOMMENDATIONS .....	9

## **APPENDICES**

- A. TOP TEN VENDORS VIA PURCHASING CARD JUNE 2002 THRU  
JUNE 2005
- B. TOP TEN PURCHASING CARD TRANSACTIONS BY COST  
CLASS
- C. MEMORANDUM DATED FEBRUARY 15, 2006, FROM PAUL R.  
LAPOINTE TO BEN R. WAGNER

## **EXECUTIVE SUMMARY**

Tennessee Valley Authority (TVA) began its Visa Purchasing Card Program for small-dollar purchases, up to and including \$5,000, in 1994. The program “is provided to TVA organizations for purchases of small-dollar materials and services when it is determined to be the best procurement vehicle. . . .” TVA Procurement provides program management, oversight, and administration of the Purchasing Card Program and its automated system, Integrated Credit Card Solution (ICCS).<sup>i</sup> Procurement’s Visa Purchasing Card procedure prescribes the types of purchases which are allowed and disallowed and key program control activities, including cardholder and approving official responsibilities.

Since the program’s inception, the Office of the Inspector General has conducted several reviews of the Purchasing Card Program. Our current review covered the period June 1, 2002, through June 30, 2005. Purchases during this period were made by 1,826 cardholders and totaled about \$250.3 million, including \$80.2 million during calendar year 2004.

In summary, we found Procurement has made program changes to address control weaknesses identified in our previous report; however, we still noted travel and travel-related expenses charged to the purchasing cards. We also found (1) weaknesses in supervisory review and approval of purchasing card statements; (2) disallowed and questionable purchasing card transactions; (3) purchasing cards issued without required documentation; and (4) TVA policies and on-line training modules do not clearly and consistently define acceptable purchasing card use for hospitality expenses. Procurement has stated, that subsequent to our review period, actions were taken to address weaknesses in supervisory review and approval of purchasing card statements.

Our recommendations are contained at the end of this report. In summary, we recommend the Senior Vice President (SVP), Procurement, (1) reemphasize the importance of procedural compliance and require regular cardholder and approving official training; (2) require compliance with the purchasing card issuance requirements; and (3) ensure policy and training clearly define acceptable purchasing card use for hospitality.

The SVP, Procurement, provided comments on a draft of this report. Procurement agreed with our recommendations and we concur with

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<sup>i</sup> ICCS is a web-based system which allows online review and approval of procurement card charges and redistribution of charges to the proper short codes and cost classifications.

TVA management's planned actions regarding (1) reemphasizing the importance of cardholder and approving official Visa Purchasing Card procedure compliance; (2) requiring regular cardholder and approving official training; and (3) specifying the types of hospitality expenditures allowed on the Visa Purchasing Card.

While Procurement did not agree with our recommendations regarding (1) requiring proper completion and approval of purchasing card requests on form TVA 17470, (2) requiring the purchasing card request be approved by personnel at a level higher than the approving official, and (3) prohibiting approving officials from approving a cardholder's statement/charges with his/her own expenditures, we note that continuing these practices increases the risks of abuse, misuse, and fraud pertaining to Visa Purchasing Card use and Procurement should implement additional monitoring controls where appropriate. (See Appendix C for a complete response.)

## **BACKGROUND**

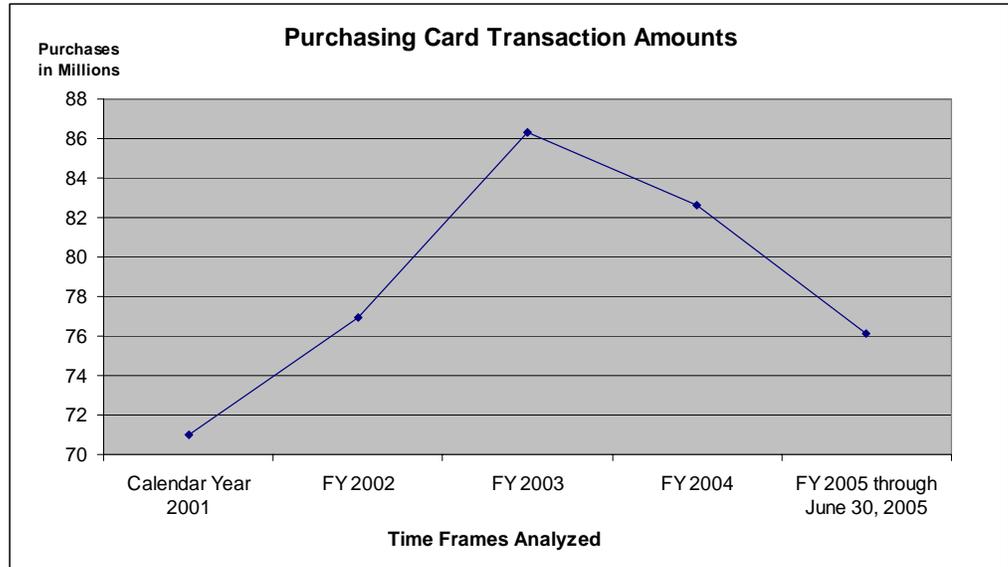
A Practical Guide for Reviewing Government Purchase Card Programs from the Inspection and Evaluation Committee of the President's Council on Integrity and Efficiency (PCIE) states that "Purchase Card Programs are high-risk because they allow the same individual to order, pay for, and receive goods and services. This offers the potential for fraud and abusive and improper transactions if not carefully monitored." Common control weaknesses identified by the PCIE include (1) inadequate review of purchases by approving officials; (2) lack of documentation/inadequate documentation; (3) inadequate agency card directive; (4) inadequate and lack of training for cardholders and approving officials; (5) credit card sharing; and (6) improper transactions.

Tennessee Valley Authority (TVA) began its Visa Purchasing Card Program for small-dollar purchases, up to and including \$5,000, in 1994. The program "is provided to TVA organizations for purchases of small-dollar materials and services when it is determined to be the best procurement vehicle . . ." TVA Procurement provides program management, oversight, and administration of the Purchasing Card Program and its automated system, Integrated Credit Card Solution (ICCS).<sup>1</sup> Procurement's specific responsibilities include requesting payments be made to the program supplier (First Tennessee Bank), developing TVA guidelines for management and usage of the purchasing cards, and providing training regarding the Purchasing Card Program and ICCS.

Since the program's inception, the Office of the Inspector General (OIG) has conducted several reviews of the Purchasing Card Program. TVA's use of procurement cards has increased since our last review period ending December 31, 2001, as shown in Table 1.

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<sup>1</sup> ICCS is a web-based system which allows online review and approval of procurement card charges and redistribution of charges to the proper short codes and cost classifications.



Specifically:

- Our previous report dated December 20, 2002, covered the 18-month period ending December 31, 2001. We found that 1,451 cardholders made purchases totaling about \$103 million, including \$71 million during calendar year 2001. This was an average of about \$5.72 million in procurement card expenditures per month.
- Our current review covered the period June 1, 2002, through June 30, 2005. Purchases during this period were made by 1,826 cardholders and totaled about \$250.3 million, including \$80.2 million during calendar year 2004.<sup>2</sup> This was an average of about \$6.76 million in procurement card expenditures per month during our review period.

Procurement's Visa Purchasing Card procedure prescribes (1) the types of purchases which are allowed and disallowed; (2) cardholder and approving official responsibilities; and (3) other key control activities. Appendices A and B provide listings by cost of the top ten vendors and cost classifications for our review period.

## CARDHOLDER RESPONSIBILITIES

Cardholder responsibilities include (1) attaching all receipts to the statements; (2) using ICCS to (a) transfer charges to the proper short codes and cost classifications and (b) perform electronic statement

<sup>2</sup> According to Procurement, the 1,826 cardholders making purchases during our review period included both active and terminated cardholders. As of December 5, 2005, there are 1,353 active cardholders, which is about the same as during the previous OIG review.

verification;<sup>3</sup> and (3) providing statement and supporting documentation to approving officials for review and ICCS online approval.

## **APPROVING OFFICIAL RESPONSIBILITIES**

Procurement's on-line "Purchasing Card Training 2005" states that "The approving official on-line monthly review and approval of charges is the key internal review and control used to ensure proper usage of the Purchasing Card." In addition, approving officials' responsibilities include:

- Ensuring charges are immediately discontinued by collecting and destroying terminated employees' cards.
- Notifying Procurement when a cardholder is terminated so that the card may be canceled.
- Notifying Procurement when an approving official changes.
- Proactively ensuring that all cardholder statements and supporting documentation are received and reviewed.
- Providing ICCS electronic management review and approval of all expenditures listed on the cardholder statement by the end of each month.

## **OBJECTIVES, SCOPE, AND METHODOLOGY**

Our objectives were to determine whether purchasing card usage was for a valid business purpose as defined by TVA policies and assess the operating effectiveness of key control activities. Our review included all Purchasing Card transactions with transaction dates between June 1, 2002, and June 30, 2005. During this period, 1,826 cardholders made purchases totaling about \$250.3 million. To achieve our objectives, we:

- Reviewed TVA's (1) Visa Purchasing Card procedure; (2) Business Practice 3 – Credit Cards; (3) Business Practice 7 – Hospitality; (4) Visa Purchasing Card and hospitality on-line training modules; and (5) Business Practice 19 – External Training – Employee Development.
- Interviewed Procurement personnel to identify controls in place over purchasing card usage, any problems they were aware of in the program, and any blanket purchase orders in place.

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<sup>3</sup> Electronic statement verification indicates that charges are correct or have been properly disputed.

- Conducted an analytical review of all procurement card transactions included in our review scope to gain a perspective on the types and magnitude of charges. We then (1) judgmentally selected 86 purchasing card transactions totaling \$1,577,672 and (2) randomly selected another 99 transactions<sup>4</sup> totaling \$41,929 to:
  - Assess the adequacy of supporting documentation.
  - Determine if the purchases were for materials/services allowed under TVA policies.
  - Determine if the corresponding credit card statement was properly approved.

For the 99 randomly selected transactions, we also determined whether form TVA 17470, Request for TVA Purchasing Card, was completed and approved, as required, before issuance of the respective Visa Purchasing Card.

- Assessed the timeliness of credit card transaction approval for the period of our review using Audit Control Language software.

Our scope did not include testing to confirm the accuracy of the data extracted from TVA's computerized databases. This inspection was conducted in accordance with the "Quality Standards for Inspections."

## **FINDINGS**

We found Procurement has made program changes to address several control weaknesses identified in our previous report; however, we still noted travel and travel-related expenses charged to the purchasing cards. We also found (1) weaknesses in supervisory review and approval; (2) disallowed and questionable Visa Purchasing Card transactions; (3) purchasing cards issued without required documentation; and (4) TVA policies and on-line training do not clearly and consistently define acceptable use of purchasing cards for hospitality.

## **PROGRAM CHANGES**

In our previous review, we noted that Procurement made several program control improvements as a result of its implementation of ICCS. However, we also identified control weaknesses that occurred generally due to noncompliance with TVA's Visa Purchasing Card

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<sup>4</sup> We used attribute sampling methodology to identify the sample size of 99, and the sample selections were made randomly. The sample size was based on a 3 percent maximum tolerable error rate and a 5 percent risk of incorrect acceptance.

procedure. The program control weaknesses and noncompliance issues were related to (1) transactions that exceed transaction limits; (2) the sharing of cards; (3) record retention; and (4) travel and travel-related expenses.

We found that since the completion of our previous review:

- Controls have been instituted to ensure Procurement approval of transactions exceeding approved transaction limits before ICCS processing.
- Procurement card procedures have been modified to allow the sharing of purchasing cards while still holding cardholders responsible for any purchases made with their assigned cards.
- Record retention appears to have improved based on the results of our testing of available supporting documentation for 185 purchasing card transactions.

As noted elsewhere in this report, we also found Visa Purchasing Cards were still used to pay for travel and travel-related expenses which is prohibited by the Visa Purchasing Card procedure.

## **DELEGATION OF APPROVAL**

Procurement has identified approving official review and approval of charges as the key internal review and control used to ensure proper usage of the Purchasing Card. Our review of this key control activity found that review and approval responsibilities are sometimes delegated.

TVA's Visa Purchasing Card procedure requires each approving official to "Provide electronic management review and approval of all expenditures listed on the cardholder statement by the end of each month." Hard copy signatures on the statements are optional. We found that the respective approving official delegated approval authority for 18 of the 185 transactions we reviewed. Further review of the ICCS data files noted that over 16.5 percent of the 56,955 card statements closed during the period under review were approved by someone other than the approving official.

According to Procurement, subsequent to our review period, delegation of approval authority was prohibited. Specifically:

- Cardholders and approving officials have been instructed that approval authority cannot be delegated.
- The Visa Purchasing Card procedure was modified to prohibit delegation of approval authority.
- ICCS is being modified to prohibit anyone other than the approving official to approve charges.

## **DISALLOWED AND QUESTIONABLE PURCHASING CARD CHARGES**

We reviewed supporting documentation for 185 transactions we selected for review to determine whether the purchases were for goods and/or services allowed by the Visa Purchasing Card procedure. We also reviewed other documentation provided by the cardholders. As a result of our review, we categorized transactions into three groups:

- Allowed;
- Disallowed – 13 transactions for purchases specifically disallowed under the policy; and
- Questionable – Transactions for items that appeared to be for goods and/or services disallowed under the policy or where controls over the items purchased were not adequate.

### **Disallowed Purchases per TVA Visa Purchasing Card Procedure**

We found 12 of the 185 purchasing card transactions we selected for review were “Disallowed” per the TVA Visa Purchasing Card procedure. Our review of additional cardholder documentation also identified another disallowed transaction. The 12 disallowed transactions from our sample were as follows:

- A transaction that was basically a \$300 cash advance<sup>5</sup> which is not allowed by the Visa Purchasing Card procedure. Our review of the \$300 charge to J&J Food Mart identified nine related \$300 charges. According to the approving official:
  - A contractor who would not accept the TVA Visa Purchasing Card was used to provide services at a TVA substation (i.e., the purchase and spreading of seed, mulch, and sod).
  - The cardholder processed ten \$300 charges at J&J Food Mart, and J&J Food Mart paid the contractor \$3,000 (i.e., \$300 was the transaction limit for the store).

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<sup>5</sup> While J&J Food Mart processed the transactions as purchases of goods and services, we deem these transactions to essentially be cash advances. According to Procurement, transactions processed as cash advances are rejected by the bank.

An invoice from the contractor was provided as supporting documentation; however, no record of payment by J&J Food Mart to the contractor was provided. Also, form TVA 26130, Conditions and Certifications Applicable to \$5,000 and Under Contracts for Labor of Services – Contractor’s Agreement, was not executed and signed by the contractor prior to work as required by the procedure. We were told that local people are used to do this kind of work all the time and the TVA cardholders were unaware of the requirement to complete form TVA 26130.

- Four payments for external training that occurred after the Visa Purchasing Card procedure was revised to specifically disallow such expenditures on the Visa Purchasing Card.
- Two payments for hotel rooms, two payments for airfare, and two payments for rental cars when the Visa Purchasing Card procedure lists travel and related expenses as disallowed items.
- The purchase of personal Mississippi State University football season tickets. We verified that the TVA Visa Purchasing Card transaction was repaid by the cardholder.

In our review of additional documentation provided by cardholders, we identified a transaction where TVA Executive Management paid for a hospitality dinner with contractors using a subordinate’s purchasing card, rather than their own Visa Gold credit cards. Business Practice 7, Hospitality, states “as a general rule, at restaurants and similar events, the highest ranking TVA official in attendance should charge the expenditure to his/her Visa Gold credit card.”

### **Other Questionable Charges**

In addition to the transactions included in our review that were specifically disallowed under the Visa Purchasing Card procedure, we found questionable purchasing card charges as follows:

- **Gift Cards** – Our review of four \$500 transactions identified \$2,000 in gift card purchases from Outback, Logan’s Roadhouse, Brick Oven Grille, and Cracker Barrel. Per the individual that requested the cardholder make the purchases, no documentation exists as to who received the cards, when they were given out, or why they were given out. We were told that the gift cards were usually given to distributor personnel but at times were given as TVA employee recognition awards. Proper controls are not in place to determine if the gift cards were used for valid business purposes. If they were given to distributor personnel or used as recognition awards, their use would have been a valid business purpose; however, they could also have been used for invalid purposes.

- **Travel-Related Expenses** – Our review of travel-related expenses identified several instances where the Visa Purchasing Card was used to pay for transactions associated with offsite events and/or Board meetings. These expenses included room charges, room service, telephone charges, valet parking, and individual meals. We also found an approving official was approving purchasing card statements which included his/her own hotel bills.

The approving official of the cards reviewed stated that the purchasing card was used to avoid state sales tax charges. The approving official further stated Visa Purchasing Cards are exempt from state sales tax whereas travel or gold cards are not.

TVA Business Practice 3 states that “Purchases cannot be related to official travel (i.e., lodging).” While the Purchasing Card procedure states the Visa Purchasing Card can be used for hospitality associated with organizational offsites, it further states travel and travel-related expenses are disallowed. Accordingly, we believe individual expenses associated with room charges, room service, telephone charges, parking, and individual meals are not allowed.

## **CARDS ISSUED WITHOUT REQUIRED DOCUMENTATION**

Completion and processing of form TVA 17470, Request for Visa Purchasing Card, is/was the required mechanism for obtaining a Visa Purchasing Card. The Visa Purchasing Card procedure specifically stated “This form is used to obtain a Visa Purchasing Card for authorized procurement representatives.” The procedure also directs readers to the TVA intranet where specific instructions are provided pertaining to (1) completion and submission of form TVA 17470 and (2) certification of card receipt and Visa Purchasing Card procedure understanding. Per the purchasing card request instructions, the form must be completed with the appropriate level of approval. The TVA intranet site provides the levels of approval required.

We found 36 of the 99 transactions we randomly selected applied to purchasing cards where the card was not requested using form TVA 17470. Specifically, some TVA Visa Purchasing Cards were requested and issued based on e-mails (several from individuals not from the required level of authority to approve issuance) and memorandums. Authorizing purchasing cards based on e-mails, rather than requiring a signed form, increases the risk of a fraudulent request.

We also found that for 14 of the transactions we reviewed, the individual approving the request for the purchasing card was also identified as the future approving official for the card. This could represent a conflict of interest and/or lack of separation of duties. For example, while

reviewing supporting documentation for transactions we selected for review, we noted procurement card transactions where the individual approving issuance of the purchasing card also electronically approved the cardholder's statement. The approved cardholder statements included some travel expenses for the approving official.

### **TVA POLICIES, BUSINESS PRACTICES, AND TRAINING MODULES DO NOT CLEARLY AND CONSISTENTLY DEFINE WHEN PURCHASING CARDS MAY BE USED FOR HOSPITALITY EXPENSES**

Available guidance does not clearly define when the Visa Purchasing Card may be used to pay for hospitality. Specifically, Business Practice 3 and 7 are silent on the use of the purchasing card for hospitality but reference the Visa Gold Card as the preferred hospitality payment mechanism. The Visa Purchasing Card procedure and on-line training module<sup>6</sup> allow use of the Visa Purchasing Card for hospitality in limited circumstances. The explanations cited for limited circumstances in the procedure and module reference "organizational offsites or recognition, etc." and "large organizational events or recognition," respectively. TVA's Hospitality training module also states that the purchasing card can be used to pay for hospitality in limited circumstances but provides no further explanation, while the Purchasing Card module states it can only be used for large organizational events or recognition when a gold card is not available.

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<sup>6</sup> TVA employees and contractors have access to on-line training modules pertaining to hospitality and the purchasing card program. The training modules are designed to review guidelines and roles and responsibilities.

## **RECOMMENDATIONS**

The Senior Vice President (SVP), Procurement, should:

1. Reemphasize the importance of Visa Purchasing Card procedure compliance including both cardholder and approving official responsibilities. Procurement should also require regular training for all cardholders and approving officials to reinforce their responsibilities and the proper usage of the purchasing card.
2. Require proper completion and approval of purchasing card requests on form TVA 17470 as required by the Visa Purchasing Card procedure. Also, Procurement should (1) require the purchasing card request be approved by personnel at a level higher than the approving official and (2) prohibit approving officials from approving a cardholder's statement/charges with his/her own expenditures.
3. In cooperation with the TVA Controller, ensure that the Visa Purchasing Card procedure, Business Practices, and on-line training modules clearly and consistently define requirements and types of hospitality expenditures allowable on Visa Purchasing Cards.

**Management's Response** – The SVP, Procurement, provided comments on a draft of this report. The SVP, Procurement, agreed to implement our recommendations regarding:

- Reemphasizing the importance of Visa Purchasing Card procedure compliance for both cardholders and approving officials.
- Requiring regular training for cardholders and approving officials.
- Clearly and consistently defining requirements and types of hospitality expenditures allowable on Visa Purchasing Cards.

In response to our recommendations, management plans to (1) send periodic e-mails to cardholders and approving officials listing their responsibilities, (2) require annual training for cardholders and approving officials, and (3) revise Visa Purchasing Card procedures to specifically list the types of hospitality expenditures allowed on the Visa Purchasing Card.

The SVP, Procurement, disagreed with our recommendations regarding (1) requiring proper completion and approval of purchasing card requests on form TVA 17470 as required by the Visa Purchasing Card procedure, (2) requiring the purchasing card request be approved by personnel at a level higher than the approving official, and (3) prohibiting

approving officials from approving a cardholder's statement/charges with his/her own expenditures.

The SVP, Procurement, stated:

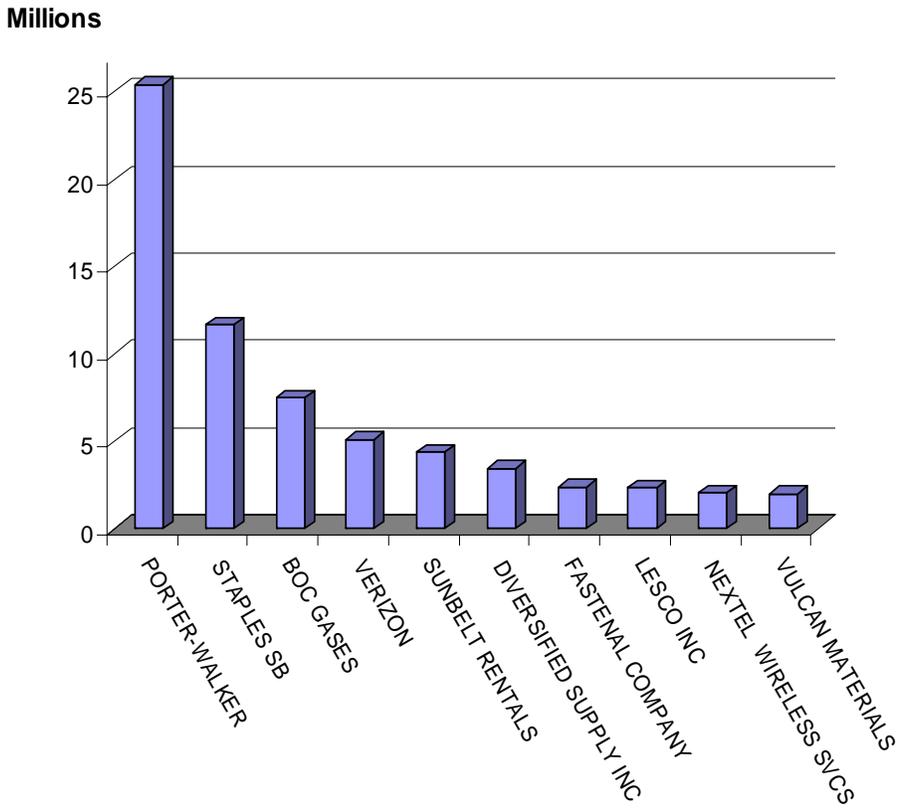
- “The Purchasing Card procedure states TVA form 17470 is used to obtain a Visa Purchasing Card but does not state the form is mandatory.” The Purchasing Card Procedure will be revised to accept e-mails.
- “We do not feel it is necessary for the [purchasing card request] approval to be different from the approving officials based on the level of management making the request.”
- “During any given month, the cardholder more than likely will purchase items such as office supplies which are for the Approving Official.”

(The complete text of the SVP's, Procurement, comments is provided in Appendix C.)

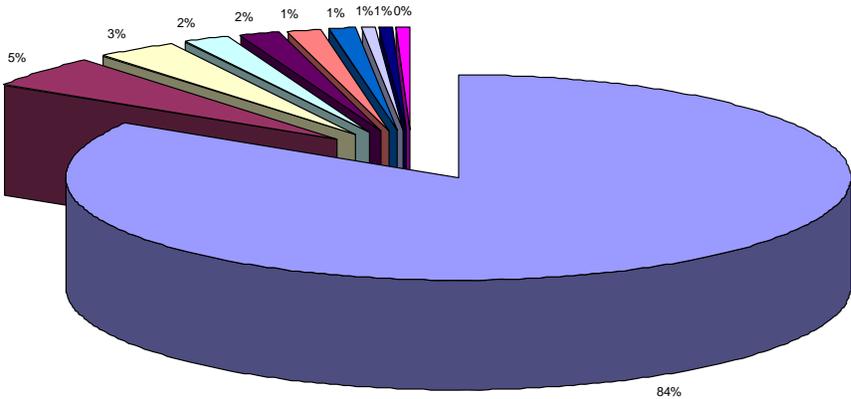
**Auditor's Comments** – We concur with TVA management's planned actions to (1) reemphasize the importance of cardholder and approving official Visa Purchasing Card procedure compliance, (2) require regular cardholder and approving official training, and (3) specify the types of hospitality expenditures allowed on the Visa Purchasing Card.

While Procurement did not agree with our recommendations regarding (1) requiring proper completion and approval of purchasing card requests on form TVA 17470, (2) requiring the purchasing card request be approved by personnel at a level higher than the approving official, and (3) prohibiting approving officials from approving a cardholder's statement/charges with his/her own expenditures, we note that continuing these practices increases the risks of abuse, misuse, and fraud pertaining to Visa Purchasing Card use and Procurement should implement additional monitoring controls, where appropriate.

### Top Ten Vendors Via Purchasing Card June 2002 thru June 2005



### Top Ten Purchasing Card Transactions by Cost Class



- |  |  |
|--|--|
| 26A Materials and supplies purchases                   | 26C Office supplies and forms purchases                |
| 23N Cellular Telephone Service (lease and usage charge | 25Z Other contractual services (non-architectural/engi |
| 12F Benefits in transfer of official station (Travel R | 26Z Other supplies and materials purchases             |
| 25W Hospitality/entertainment/safety/employee recognit | 31Z Other equipment purchases                          |
| 23B Rental of equipment                                | 31J ADP equipment purchases                            |

February 15, 2006

Ben R. Wagner, ET 3C-K

DRAFT INSPECTION REPORT - REVIEW OF TVA'S VISA PURCHASING CARD USAGE -  
INSPECTION 2005-524I

Reference: Your memorandum to Paul R. LaPointe dated January 9, 2006.

Thank you for your review of TVA's Purchasing Card usage. We were pleased that the improvements we made since the last audit were recognized and we intend to take the findings from this audit to further improve our program. The following is our response to the recommendations:

**Reemphasize the importance of the VISA Purchasing Card procedure compliance including both cardholder and approving official responsibilities.**

Cardholders and approving officials will be reminded of the VISA Purchasing Card procedure and their responsibilities. Periodically emails have been sent and will continue to be sent to all cardholders and approving officials listing their responsibilities. The last email sent to cardholders and approving officials was dated December 23, 2005.

**Procurement should also require regular training for all cardholders and approving officials to reinforce their responsibilities and the proper usage of the purchasing card.**

Training was required in August and September 2005 for all cardholders and approving officials. The training was mandatory and emphasized the responsibilities for the cardholder and approving officials.

Training will be revised yearly and required for all cardholders and approving officials annually.

**Require proper completion and approval of purchasing card requests on form TVA 17470 as required by the VISA Purchasing Card procedure.**

The Purchasing Card procedure states TVA form 17470 is used to obtain a VISA Purchasing Card but does not state the form is mandatory. Emails were accepted for requesting cards. Emails will continue to be accepted as long as the email has the necessary information and is from the appropriate level of management required to request a card. The procedure will be revised to accept emails.

**Procurement should require the purchasing card request be approved by the personnel at a level higher than the approving official.**

Procurement does not concur with the recommendation. Procurement accepts card requests from the appropriate level of management. We do not feel it is necessary for the approval to be different from the approving officials based on the level of management making the request.

Ben Wagner  
Page 2  
February 15, 2006

**Procurement should prohibit approving officials from approving a cardholder's statement with his/her own expenditures.**

Procurement does not concur with the recommendation. During any given month, the cardholder more than likely will purchase items such as office supplies which are for their Approving Official. To prohibit the approving official from approving this statement would require the approving official listed on the statement to be changed, and then reverse the change after that statement was approved.

**In cooperation with the TVA Controller, ensure that the VISA Purchasing Card procedure, Business Practices, and on-line training modules clearly and consistently define requirements and types of hospitality expenditures allowable on the VISA Purchasing Cards.**

Procurement will revise Purchasing Card procedures to specifically list the types of hospitality expenditures allowed on the Purchasing Card.

Procurement will communicate with the TVA Controller concerning Business Practices and online training modules to clearly and consistently define requirements.

We truly appreciate all the work done by Rick Underwood and Greg Jaynes on this audit and their responsiveness in meeting with our folks throughout the assignment.

If you have any questions, please contact Bill Bonham at (865) 632-2078 or Robin Presnell-Evans at (865) 632 8139.



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Prepared by Robin Presnell-Evans and approved by Bill Bonham.