

Internal Control Assessment Reconciling Credit Card Statements

Purpose

To ensure that proper internal controls exist regarding FSA's small purchase card program for small purchases.

Background

The General Service Administration (GSA) is responsible for the Government wide small purchase credit card program and requires that all cardholders receive a monthly statement showing all account activity for a given month. After receipt of the statements, cardholders must verify and identify errors and coordinate with the merchant or contractor when errors are detected. At the end of each month, cardholders must review and reconcile their credit it card statements within the timeframes specified by FSA, generally three to five business days. One of the key internal control primary responsibilities of the cardholders is monthly reconciliation of cardholder statements. Reconciliation of cardholder statements including the following:

- Ensuring receipt and acceptance of goods/services;
- Documenting any disputed items;
- Assigning each transaction the appropriate accounting code e.g.. object classes; and
- Forwarding the reconciled statements to the Finance Office Agency/
Organization Program Coordinator for payments.

Internal Control Standard

FSA must ensure that all credit cardholders reconcile their monthly statements within three to five business days after receipt of their statement.

Assessment of FSA's Compliance*

We selectively examined FSA cardholder statements to determine if credit card bills and invoices did match the payments records. We discovered that not all credit card bills had invoices attached to them to verify payments. It also appeared that some disputed items were paid for before the dispute was settled. Cardholders didn't submit credit card billing statements to the Finance Office on time resulting in payments being delayed. FSA cardholders did not consistently reconcile their monthly statements.

* The actual testing phase including interviews and examination of sampled records has not yet occurred. This write-up is only a sample of what may be discovered during the testing phase of the FMFIA process.