

PCARD POLICY
COMPLIANCE
PRACTICE NOTE
[PUR009]



Policy owner:	Executive Director: Finance
Responsible for update:	Director: Procurement and Payment Services
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PCARD POLICY COMPLIANCE PRACTICE NOTE

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ACRONYMS

CH	Card Holder
CP	Card Processor
ED	Executive Director
FM	Faculty/PASS Finance Manager
HOD	Head of Department
HR	Human Resources
LM	Line Manager
PCARD	Purchasing Card
PPS	Procurement and Payments Services, a division of the Finance Department





1. OBJECTIVE

- To ensure consistent practise across the system for Line Managers addressing consequence management where there is non-compliance with PCard policy prescripts.
- To ensure consistent and fair practice in disciplinary enquiries, this Practice Note provides relevant information to chairpersons of disciplinary processes.

2. SCOPE

This Practice Note supports the roles and responsibilities as outlined in the PCard policy and provides clarity as to consequence management of non-compliance to policy. This document does not replace the PCard policy.

With the increase in the number of PCards, as well as the related increase in financial, operational, and cyber risk, compliance with the PCard policy, by all role players, is critical.

3. APPLICABLE TO

All Card holders, Card processors, Fund holders, Card holder Line Managers, PCard Administration, Heads of Departments, Faculty/PASS Finance Managers, Deans/Directors/Executive Directors.

4. PRACTICE

4.1 CONSEQUENCE OF POLICY NON-COMPLIANCE

- The purpose of consequence management is not punitive, but rather focussed on changing behaviour related to the management and administration of PCards at UCT.
- The Table below
 - details various examples of non-compliance with the PCard policy, together with consequent management thereof,
 - is not exhaustive, and all suspected non-compliance must be reported,
 - has been grouped in terms of the severity of the non-compliance, with consideration given to intent, enrichment, reputational risk and frequency.
- Consequences could vary depending on the specific context, prior policy non-compliance and loss to the University.





Policy non-compliance	Consequence	Consequence management	CH	CP	LM
PCard used for personal expenses, and only discovered at review/audit.	Disciplinary	PCard blocked during investigation.	X		
PCard used for personal expenses multiple times, with money paid back.	Disciplinary	PCard blocked during investigation.	X		
Splitting transactions to comply with thresholds - even if once off.	Disciplinary	Investigation to include Card processor, PCard blocked during investigation.	X	X	
PCard used for personal expenses in addition to claiming S&T.	Disciplinary	PCard blocked during investigation.	X		
Line Manager (LM), who is a Card holder (CH), requests a non-routine purchase on subordinates card and then reviews their "own" transaction as LM.	Disciplinary	Very difficult to pro-actively manage. If discovered that no one-up LM approval obtained during an audit, PCard blocked during investigation.	X		X
Missing slips - FM050 completed by Card processor (CP) and processed unsigned, or transactions processed with no documents at all.	Disciplinary	Disciplinary, including investigation, for the Card processor.		X	
Fraud on a PCard is not reported to the Bank within 30 days, resulting in loss of greater than R5,000 to the University (and possible further fraud) as a result of CH negligence.	Disciplinary	Assessment of whether a reasonable person should have picked this up, and followed up. Disciplinary (including investigation), PCard blocked for fraud, and decision whether new card to be advanced.	X		
Use of PCard to pay UCT Student Fees.	Disciplinary	Disciplinary, PCard blocked during investigation.	X		
PCard used for personal expenses by accident, admitted and paid back.	Letter of reprimand / Disciplinary	Once-off event: Letter of reprimand to CH, Training 2nd time: Card blocked, disciplinary and PCard audit performed - outcome will determine consequence.	X		
Outstanding documents over 60 days, not submitted timeously by the CH.	Letter of reprimand / Disciplinary	Over a period of time: Letter of reprimand to CH, with timeline to clear to change behaviour, Training Once-off event: Letter of reprimand to CH, Training 2nd time: PCard blocked for 3 months, plus a review/audit - outcome will determine consequences.	X		
Asset purchases by the CH, whether reported by the CP or CH or discovered subsequently.	Letter of reprimand / Disciplinary	Once-off event: Reported by CP/CH: Corrected by Assets, Letter of reprimand to CH, Training. 2nd time: PCard blocked for 3 months, plus a review/audit - outcome will determine consequences.	X	X	
No review and submission of PCard expenses by the LM, who is aware of this responsibility, and receiving reports from BOBJ.	Letter of reprimand / Disciplinary	With the scheduled reports to the LM, there needs to be consequence management if Line Item reports are not reviewed by LMs and submitted monthly. FM to follow up on outstanding signed Line Item reports not received. Period of non-submission - Letter of reprimand to LM, Training Continued non-submission - Disciplinary			X
FM050 missing documents repeatedly used by a CH when not sufficient effort to gain documents, or reasons are questionable.	Letter of reprimand / Disciplinary	Monitored by FM, and used frequently by the CH - Letter of reprimand to CH, Training.	X		
Supporting documents not processed or followed up timeously by CP.	Investigation	Investigation as to the reason - Systems, Training or Other.		X	
PCard descriptions not submitted or captured correctly e.g. text FM050 not included, Entertainment with no reason. Refer Attachment A	Investigation	Text submitted / amended to represent transaction, CH and CP training.	X	X	



4.2 REPORTING AND ASSESSING POLICY COMPLIANCE

- It is the Finance Manager's responsibility to assess the potential non-compliance and to advise on the appropriate consequence, in consultation with the PCard Admin Manager.
- All potential PCard non-compliance must be reported as soon as it is discovered, to the Faculty/PASS Finance Manager.
- Knowledge of potential non-compliance, without reporting, could be considered collusion.
- Based on the consequence agreed, action will either be a management conversation, a letter of reprimand (by the ED: Finance) or a disciplinary process.
- The Finance Manager will co-ordinate the required action as agreed, with the support of PCard Admin.
- Part of the consequence may include a full audit review, which will be arranged by PCard Admin, in consultation with the Director: Risk, Compliance and Relationships.
- To change behaviour, an important part of consequence management is training, which will be facilitated by PCard Admin. This is in addition to the annual mandatory training facilitated by PCard Admin, as well as the regular awareness communications.
- The Risk and Compliance department will retain a central data base of non-compliance for reporting to the ED: Finance, the UCT Executive, and related Committees, bi-annually.

5. RELATED POLICIES & GUIDELINES

- Funds deposited at or held by UCT [\[GEN001\]](#)
- Delegated Authority Limits [\[GEN002\]](#)
- PCard [\[PUR002\]](#)
- Purchasing [\[PUR003\]](#)
- Purchasing Thresholds [\[PPP002\]](#)
- Quotations, Tender and Requests for Proposals [\[PUR004\]](#)
- Broad-Based Black Economic Empowerment (B-BBEE) [\[PUR005\]](#)

6. IMPLEMENTATION RESPONSIBILITY

The Line Manager/HOD must ensure all policies and procedures are communicated to and implemented by the responsible individual(s), including research staff. The Faculty/PASS Finance Manager must ensure reasonable controls exist to support the implementation of policies.

7. CONTACT

PCard Admin

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ATTACHMENT A: Example of text narration

- The accurate recording of the business purpose on the PCard spend is critical to ensure meaningful reporting and review of expenditure.
- This relies on the appropriate recording of the business purpose when the supporting documents are submitted, as well as the input of such information when processed on SAP.
- The text narration should answer the following questions - Who? What? Why? Where? When?
- The business purpose as input with the supporting documents can be abbreviated to ensure that the important information is displayed on the reports.
- Below are some examples of appropriate and insufficient business purpose text.

Expense	Appropriate Business Purpose ✓	Insufficient Business Purpose ✗
Airline Ticket	MedX conference JHB Prof G - 1-6 July 2021	Kulula ticket
Car Rental	Rowing - Boatrace - Port Alfred 5-11 Sept 2021	Bidvest Car hire
Food	Graduation function - The Leslie - 16 April 2021	Hospitality
Internet Connectivity	UCT dongle - M Scooter - June 2021	Telkom Data
Printing	Printing posters for COVID-19	Printing
Fuel	Fuel for vehicle rental - JHB USAf mtg - Nov 2021	Fuel for car