

CUNY School of Professional Studies

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March 30, 2017

The Honorable Thomas P. DiNapoli
Comptroller of the State of New York
Office of the State Comptroller
110 State Street
Albany, New York 12236

Dear Comptroller DiNapoli,

In accordance with New York State Executive Law Section 170, The City University of New York School of Professional Studies hereby submits its report on the implementation of the correction-action recommendations made in Comptroller's audit 2013-S-39 - CUNY School of Professional Studies Procurement Card and Travel Card Purchases.

Recommendation 1: Comply with State and CUNY procurement guidelines including (but not limited to) the use of formal contracts for purchases above prescribed dollar thresholds, eliminating split-ordering, and obtaining competition among qualified vendors.

CUNY SPS is in compliance with CUNY procurement guidelines and has made this a priority of the Business Office. CUNY SPS is a vanguard school in connection with the procurement and accounts payable shared services model, whereby CUNY Central Office of Procurement and Accounts Payable processes procurement and associated vendor payments. CUNY SPS works closely with these groups to ensure overall compliance with all rules and regulations. This includes utilizing State and City approved vendors, ensuring formal contracts are in place as needed, eliminating split-orders and obtaining competition among qualified vendors. We are currently working on soliciting advertising services via the competitive bidding process. Additionally, the number of confirming orders has greatly decreased, an indicator that CUNY SPS is following appropriate procurement guidelines.

Recommendation 2: Monitor the use of the P-Cards and Travel Cards to ensure they are only used for appropriate transactions.

Regarding T-cards, since the original audit, CUNY SPS has become fully integrated into the financial module of CUNYfirst, which has helped to increase oversight of T-card transactions. In order to initiate travel, there are several levels of required approvals (supervisor, division head, Associate Dean for Administration and Finance). All travel authorizations are entered into CUNYfirst by the Accounts Payable Coordinator and are reapproved by the supervisor and Associate Dean for Administration and Finance. Upon a traveler's return, the AP Coordinator enters all receipts in CUNYfirst as part of the expense report, which is approved by the supervisor and Associate Dean for Administration and Finance. The employee also signs off on the expense report. The expense report is reviewed by a pre-pay auditor, who is part of the Accounts Payable Central Office Shared Services and, if approved, is submitted to the State for processing. If any questions arise, the expense report is returned and then resubmitted when the issue is resolved. All travel expense reports are reviewed both internally and externally. All cards, when not being utilized by travelers, are held in the Business Office, and each traveler must pick up and sign for the card for each trip. The Travel Card spending limit is increased at that time and is reduced to one dollar when the traveler returns. The Business Office sets the standard Travel Card limits as follows (unless there is a reason for a documented exception): \$2,500 per trip, maximum of 10 transactions per cycle, five transactions per day.

The Business Office regularly confirms that all credit cards (P-Cards and T-Cards) are associated with an active staff person or faculty member and terminates the card as soon as feasible when they are aware that there is no active faculty or staff member associated with the card. CUNY SPS is also implementing a process whereby, as part of the

exit process for departing faculty and staff, the Business Office is informed of the departure and the credit card is promptly terminated.

Regarding P-Cards, since the issuance of the original audit report, CUNY SPS has limited the number of people with P-Cards to five. Purchasers must request approval from their supervisor for use of the P-card. Because of the controls built into CUNYfirst, every purchase is reviewed and verified after the fact by the supervisor and is then reviewed again by Accounts Payable. These system-added levels of approval help to confirm that CUNY SPS staff is using the P-card only for appropriate purchases.

Recommendation 3: Ensure that the P-card monthly audits are conducted as required, and improve the review process.

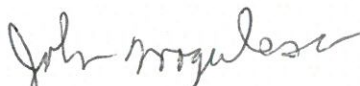
As stated above, the internal controls built into CUNYfirst mandate that P-card transactions are reviewed in the reconciliation process. Every week the P-card transactions are uploaded directly from Citibank (the university-wide credit card vendor) into CUNYfirst. P-card users then have two weeks to reconcile the credit card transaction, which includes attaching appropriate documentation. These transactions are then verified by the supervisor. Shared Services Accounts Payable approve the transaction. This process is performed for all Travel card transactions as well.

Recommendation 4: Create a control environment where there is compliance with State and CUNY procurement guidelines to promote competition among qualified vendors.

As stated above, CUNY SPS maintains a control environment where there is compliance with State and CUNY procurement guidelines to promote competition among qualified vendors. Our involvement with the Central Office Shared Service model is a critical component of this. Additionally the Business Office provides training to staff and faculty at least once a year. This is in addition to the regular communication with this user group to share pertinent information. CUNY SPS also actively participates in both the Business Managers and Procurement and Accounts Payable networks within the CUNY system. Appropriate staff attend regular meetings and trainings and communicate relevant information to the community.

If you have questions or need additional information, please do not hesitate to contact me.

Very truly yours,



John Mogulescu

cc: Hon. Andrew M. Cuomo, New York State Governor
Hon. John J. Flanagan, Temporary President and Majority Leader of the Senate
Hon. Hugh T. Farley, Vice President Pro Tempore, Senate
Hon. Andrea Stewart-Cousins, Minority Leader, NYS Senate Hon. Carl E. Heastie, Speaker, NYS Assembly
Hon. Joseph D. Morelie, Majority Leader, NYS Assembly
Hon. Brian M. Kolb, Minority Leader, NYS Assembly
Hon. Catharine M. Young, Chair, NYS Senate Finance Committee
Hon. Liz Krueger, Ranking Minority Member, NYS Senate Finance Committee
Hon. Robert Oaks, Ranking Minority Member, NYS Assembly Ways and Means Committee
Hon. Herman D. Farrell Jr., Chair, NYS Assembly Ways and Means Committee
Chancellor James B. Milliken, The City University of New York
Ms. Carmen Maldonado, Audit Director, Office of the State Comptroller