

University of Arizona

Report on Internal Control
and on Compliance

Year Ended June 30, 2024



A Report to the Arizona Legislature

Lindsey A. Perry
Auditor General





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LINDSEY A. PERRY
AUDITOR GENERAL

ARIZONA
AUDITOR GENERAL

MELANIE M. CHESNEY
DEPUTY AUDITOR GENERAL

Independent auditors' report on internal control over financial reporting and on compliance and other matters based on an audit of basic financial statements performed in accordance with *Government Auditing Standards*

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We have audited, in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the U.S. Comptroller General, the financial statements of the business-type activities and aggregate discretely presented component units of the University of Arizona as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated December 4, 2024. Our report includes a reference to other auditors who audited the financial statements of the aggregate discretely presented component units, as described in our report on the University's financial statements. The financial statements of the aggregate discretely presented component units were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the aggregate discretely presented component units.

Report on internal control over financial reporting

In planning and performing our audit of the financial statements, we considered the University's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the University's basic financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on compliance and other matters

As part of obtaining reasonable assurance about whether the University's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and that is described in the accompanying schedule of findings and recommendations as item 2024-01.

University response to findings

Government Auditing Standards requires the auditor to perform limited procedures on the University's response to the finding identified in our audit that is presented in its corrective action plan at the end of this report. The University is responsible for preparing a corrective action plan to address the finding. The University's response and corrective action plan were not subjected to the other auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

Purpose of this report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lindsey A. Perry

Lindsey A. Perry, CPA, CFE
Auditor General

December 4, 2024



SCHEDULE OF FINDINGS AND RECOMMENDATIONS

Financial statement finding

2024-01

The University and the University's Arizona Global Campus (UAGC) paid \$45,859 for food and beverages, entertainment, and other costs using purchasing cards without complying with purchasing card policies and procedures and documenting how a majority of these purchases were necessary to serve a public purpose and to benefit the University or UAGC and their students, resulting in an elevated risk of misuse of public monies and possible violation of the Arizona Constitution

Condition—The University and the University's Arizona Global Campus (UAGC) paid for purchasing card purchases without complying with their policies and procedures for 27 of 55 purchasing card purchases we tested totaling \$45,859.¹ These public monies were primarily spent on food and beverages, entertainment, and other unallowable costs. The University and UAGC also failed to document and explain the public purpose and benefit for 25 of these purchases totaling \$43,897. Specifically:

- The University paid \$30,477 for food and beverages, entertainment, services, transportation, and equipment using purchasing cards without complying with its purchasing card policies and procedures for 14 of 42 purchasing card purchases we tested, and failed to document and explain the public purpose and benefit to the University for 10 of these purchases totaling \$28,515, including the items shown in Table 1 below:

Table 1

Summary of the \$30,477 purchasing card purchases the University paid for without complying with its policies and/or procedures and documenting the public purpose and benefit to the University
Fiscal year 2024

Purchase type	Details	Total purchase amount
Food and beverages	<p>Used purchasing card for various meals and events with average attendee costs ranging from \$65 to \$102 per meal without complying with policies and procedures and documenting the public purpose, including:</p> <ul style="list-style-type: none">• \$8,886 for an all-day College of Humanities Heads and Directors' business retreat at Hacienda Del Sol Guest Ranch Resort in Tucson, AZ, including 3 meals with 29 attendees for an average attendee cost of nearly \$102 per meal.	\$11,304

Purchase type	Details	Total purchase amount
Entertainment	<ul style="list-style-type: none"> • \$1,442 for a retirement farewell event for a research department senior associate held at a Tucson restaurant, Gentle Ben's Brewing, with 22 attendees composed of research department staff and University professors from other departments for an average attendee cost of \$65. • \$787 for a nonretiring employee farewell event for the College of Architecture, Planning, and Landscape Architecture director of development held at a Tucson restaurant, True Food Kitchen, for 10 attendees for an average attendee cost of nearly \$78 without submitting a required justification memorandum approved by the dean/department head. <p>Inappropriately used purchasing card for meals, including:</p> <ul style="list-style-type: none"> • \$189 for a men's golf team travel meal expense with no receipt and by a cardholder not authorized to purchase meals using their purchasing card.² 	
	<p>Used purchasing cards for entertainment purchases without complying with policies and procedures and documenting the public purpose, including:</p> <ul style="list-style-type: none"> • \$6,272 for 128 tickets to a men's basketball game against UCLA in Los Angeles, CA, for the benefit of the University of Arizona coaches and players' family members and guests without a required itemized receipt.² Further, the University provided support for only 79 of the 128 tickets it distributed, including to coaches and players' family members and guests. • \$98 for women's tennis tickets purchased for players' guests and coaches' families without a required itemized receipt.² • \$447 for a cheerleading team bonding event at Golf-N-Stuff in Phoenix, AZ, including a round of golf, tokens, and food, with 23 attendees for an average attendee cost of \$19. <p>Inappropriately used purchasing card instead of the University's standard disbursement process for entertainment purchases, including:</p> <ul style="list-style-type: none"> • \$500 for a musician to perform at the Andrew Weil Center for Integrative Medicine Fellowship graduation. • \$50 for a gift card given to a high school student during a Business Careers Awareness Program event. 	7,367

Purchase type	Details	Total purchase amount
Other	<p>Used purchasing card for an event and services without complying with policies and procedures and documenting the public purpose, including:</p> <ul style="list-style-type: none"> • \$7,690 for a 1-day football program retreat to build leadership skills and abilities at the Miraval Arizona Resort & Spa in Tucson, AZ, with 16 student athletes and 2 leadership consultant attendees for an average attendee cost of \$427. • \$2,844 for babysitting services for 19 children of 9 football program staff members who were on travel status attending the Valero Alamo Bowl in Texas. • \$49 for custom nail service for a football team recruit's mother. <p>Used purchasing card for transportation and equipment purchases without complying with policies and procedures, including:</p> <ul style="list-style-type: none"> • \$1,064 for baseball recruit transportation without a required itemized receipt.² • \$159 for equipment purchased through PayPal without required seller information. 	11,806
Total		\$30,477

- The UAGC paid \$15,382 for food and beverages, subscriptions, advertising, and other costs using purchasing cards without complying with UAGC and/or University policies and procedures and documenting and explaining the public purpose and benefit to the UAGC for 13 purchasing card purchases we tested, including the items shown in Table 2 below:

Table 2

Summary of the \$15,382 purchasing card purchases UAGC paid for without complying with UAGC and/or University policies and procedures and documenting the public purpose and benefit to the UAGC
Fiscal year 2024

Purchase type	Details	Total purchase amount
Food and beverages	<p>Used purchasing cards for various meals with average attendee costs ranging from \$23 to \$108 per meal without complying with policies and procedures and documenting the public purpose, including:</p> <ul style="list-style-type: none"> • \$1,059 at Acqua Di' Mare restaurant in Chandler, AZ, with 14 attendees for an average attendee cost of \$76. The UAGC did not include 2 attendees on the initial attendees' list, including 2 nonemployees, the former UAGC senior vice president of global incentives, and his spouse. 	\$11,037

Purchase type	Details	Total purchase amount
	<ul style="list-style-type: none"> \$9,978 for various other meals, including at Phoenix- and Tucson-area restaurants such as Different Pointe of View, Fleming's Prime Steakhouse & Wine Bar, and DC Steakhouse. 	
Subscriptions and other	<p>Used purchasing cards for payments of various nontravel and entertainment purchases without complying with policies and procedures and documenting the public purpose, including:</p> <ul style="list-style-type: none"> \$2,836 for subscriptions such as caller ID and Oregon Department of Justice Charities Annual Filing Fee.³ \$999 for advertising expenses.³ \$510 for other items like laptop repairs and snacks for business events.³ 	4,345
Total		\$15,382

Effect—The University and the UAGC put public monies at risk of abuse, misuse, and fraud and may have misspent \$30,477 and \$15,382, respectively, of public monies in violation of the Arizona Constitution. It is important that public monies be spent appropriately, especially since the University was operating with a budget deficit of \$63 million as of June 30, 2024. Further, when public monies are misspent or misused, fewer monies are available for uses that benefit the University and its students.

Cause—The University's and UAGC's purchasing cardholders did not always follow policies and procedures, and University department or UAGC supervisors did not always prevent or identify the violations. In addition, the UAGC did not update its policies to align with the University's Business Purpose Guide, and its written purchasing policies lacked detailed procedures, such as documenting the UAGC's business purpose to justify the public purpose, supervisory review requirements, benchmarks, or thresholds for business meeting meals and monitoring procedures.

Further, the UAGC did not have written monitoring procedures, and the University, through its monitoring procedures, did not always detect violations or take appropriate corrective action for violations it identified. Specifically, the University's Financial Services Department used a risk-based model to monitor purchasing card transactions, such as sampling transactions and reviewing self-reporting policy violations to monitor the large volume of purchasing card transactions to detect improper use of the purchasing cards, and only 2 of the 14 violations we found were included in the University's Financial Services Department's monitoring sample. Further, the University did not take appropriate corrective action such as reimbursement from the cardholders when it identified purchasing card expenses that did not comply with the University's policies and procedures.

Criteria—State law bans gifts of public monies by universities to individuals and organizations (Arizona Constitution, Art. IX, Sec. 7). Consequently, if the University or UAGC determines that it is appropriate to purchase food and beverages, entertainment, and other costs using public monies, it must evaluate and document how each purchase serves a public purpose and benefits the University or UAGC. Accordingly, the University's Business Purpose Guide, which the University and UAGC must follow, requires documentation of the business purpose to justify the public purpose and to provide reconcilers and approvers the information required to fully understand the intent of the purchase or service and how it relates to the University's overall mission.⁴

Also, the University's purchasing card policies and procedures provide its employee cardholders and department supervisors, who are responsible for reviewing and approving purchasing card expenses, guidance on allowable purchasing card uses and purchases.^{4,5,6} Specifically, the policies require:

- Documentation to support the public purpose and benefit of expenses for food and beverages, entertainment, and lodging, including the related events for which they were purchased.⁴
- Costs to be reasonably low for business entertainment meals and related services payments for events in support of the University's mission, primarily focused on business relations rather than disseminating information.⁵
- Documentation of the primary purpose of meetings and events focused on business relations or held to conduct University business or disseminate information including the date, location, and number of attendees and their relationship(s) to the University.⁴
- An original itemized receipt or invoice with each transaction.⁵
- Gift cards and entertainment purchases, such as musician performances, are required to be made through the University's standard disbursement process rather than a purchasing card.⁵
- Farewell events for nonretiring employees leaving the University require a memo of justification by the dean or the departmental head. Further, costs must be reasonable and appropriate for the occasion.⁶
- Documentation of seller information for PayPal payments.⁵
- Cardholders to comply with restrictions for purchasing certain items such as meals and lodging.⁵

Further, the University's purchasing policies and procedures require the University's Financial Services Department to monitor purchasing card expenses for the University. This includes a self-reporting policy violation form for cardholders to report instances where they used purchasing cards for personal purchases or for purposes against policies that the employee cardholder may complete voluntarily, or the University's Financial Services Department may request its completion upon identifying a violation.⁷ Finally, the University's misuse of assets policy requires misused monies to be reimbursed to the University and allows for administrative or disciplinary sanctions.⁸

In addition, the UAGC has a separate policy and user agreement that similarly provides its employee cardholders and supervisors, who are responsible for reviewing and approving corporate purchasing card expenses, guidance on allowable travel and entertainment corporate purchasing card uses and purchases.⁹ Specifically, the policy and user agreement require:

- Preapproval of business meeting meals and detailed documentation, including the benefit to the University.
- An itemized receipt and a list of all business meeting meal attendees, including the company they represent and their titles.
- Refraining from purchasing strictly prohibited items, such as meals for spouses or partners attending events.
- A signed user agreement stating the user will only use the card to make purchases for travel and entertainment purposes. Nontravel and entertainment expenses, such as purchases of subscriptions, and marketing materials, should be paid through the UAGC's standard disbursement process rather than a corporate purchasing card.

Recommendations—The University and UAGC should:

1. Ensure purchasing cardholders and department supervisors follow University and UAGC policies and procedures that require use of purchasing cards only for authorized purposes necessary for official University business and that benefit the University and their students. If the University or UAGC

determines that it is appropriate to purchase food and beverages, entertainment, and other costs using public monies, it must ensure purchasing cardholders follow University policies and procedures that require them to document how each purchase is necessary to serve a public purpose and benefits the University or UAGC.

2. Develop and/or implement policies to require purchasing cardholders and supervisors to attend periodic refresher training about the University's and UAGC's purchasing card policies and procedures.

UAGC should:

3. Improve its policy to align with the University's Business Purpose Guide, which requires cardholders to document the business purpose to justify the public purpose and how it relates to the University's overall mission. Further, include detailed procedures for:
 - a. Supervisors to review corporate purchasing card transactions to verify policies and procedures are followed, including verifying the public purpose documentation and ensuring purchases are limited to travel and entertainment purposes.
 - b. Cardholders to not exceed business meeting meal benchmarks or thresholds that are reasonable and appropriate to the occasion for business meetings that it determines serve a public purpose and benefit the UAGC.
 - c. Timely and appropriate corrective or disciplinary actions, as appropriate, to restrict an employee's procurement card purchasing ability when an employee fails to follow procurement card policies and procedures, such as reducing credit limits, revoking procurement card privileges, and requiring repayment of unallowable purchases.
 - d. Monitoring the corporate purchasing card transactions by performing procedures such as sampling corporate purchasing card transactions, requiring cardholders to self-report violations and reviewing these violations, and using data analysis to help detect unallowable purchases and identify suspicious purchasing patterns, vendors, merchant category codes, and amounts.

The University should:

4. Improve University policies and procedures requiring cardholders to timely upload itemized receipts that support the purchase.
5. Ensure department supervisors follow University policies and procedures that require them to verify policies and procedures are followed when purchasing cardholders obtain goods or services, such as entertainment, performances, or events, and/or request such payments through the University's required standard payment process.
6. Enforce University policies and procedures requiring the University's Financial Services Department to take appropriate corrective action on purchasing card expenses that do not comply with University policies and procedures, such as employees' repayment of unallowable purchases and suspension or revocation of cardholder privileges.
7. Continue to apply procedures to monitor the large volume of purchasing card transactions, such as sampling purchasing card transactions and reviewing self-reporting policy violations. In addition, the University should use data analysis to help detect unallowable purchases and identify suspicious purchasing patterns, vendors, merchant category codes, and amounts.

The University's corrective action plan at the end of this report includes the views and planned corrective action of its responsible officials. We are not required to audit and have not audited these responses and planned corrective actions and therefore provide no assurances as to their accuracy.

This finding is similar to prior-year finding 2023-01 and was initially reported in fiscal year 2022.

¹ On June 30, 2023, the University acquired substantially all the assets and operations and assumed substantially all the liabilities of The University of Arizona Global Campus (UAGC). The University and UAGC have separate purchasing card programs and policies and procedures to govern their use.

² Although the cardholder was required to submit itemized receipts at the time of purchase, the University was unable to provide these to us at the time we requested. However, subsequently, the cardholders submitted itemized receipts supporting these purchases after our request for this information.

³ UAGC provided documentation to support the public purpose after our request for this information.

⁴ University of Arizona. Business Purpose Guide. Retrieved 11/20/2024 from <https://financialservices.arizona.edu/accounting/business-purpose>

⁵ University of Arizona. PCard Manual. Retrieved 8/21/24 from <https://financialservices.arizona.edu/payments/pcard/manual>.

⁶ University of Arizona. 9.11 Employee Recognition. Retrieved 11/20/2024 from <https://policy.fso.arizona.edu/node/31/revisions/770/view>

⁷ University of Arizona. Self-Reporting Violations. Retrieved 11/20/24 from <https://financialservices.arizona.edu/payments/pcard/violation-self-report>

⁸ University of Arizona. Misuse of University Assets Policy. Retrieved 11/20/24 from <https://policy.arizona.edu/administration-business-finance/misuse-university-assets-policy>

⁹ The University of Arizona Global Campus (UAGC). (7/1/2023). *UAGC Handbook Section 2.14 Travel & Expense Policy*. University of Arizona.

UNIVERSITY RESPONSE



THE UNIVERSITY OF ARIZONA
Financial Services

FINANCIAL SERVICES

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April 9, 2025

Lindsey A. Perry
Arizona Auditor General
2910 N. 44th St., Ste. 410
Phoenix, AZ 85018

Dear Ms. Perry:

We have prepared the accompanying corrective action plan as required by the standards applicable to financial audits contained in *Government Auditing Standards*. Specifically, for each finding, we are providing you with our responsible officials' views, the names of the contact people responsible for corrective action, the corrective action planned, and the anticipated completion date.

Sincerely,

Stacey Lemos
Assistant Vice President and Comptroller, Financial Services

cc: John Arnold, Senior Vice President, Chief Operating Officer and Chief Financial Officer
Garth Perry, Vice President of Finance and Chief Budget Officer
Lisa Kemp, Vice President, UAGC Finance



University of Arizona
Corrective action plan
Year ended June 30, 2024

Financial statement findings

2024-01

The University and the University's Arizona Global Campus (UAGC) paid \$45,859 for food and beverages, entertainment, and other costs using purchasing cards without complying with purchasing card policies and procedures and documenting how a majority of these purchases were necessary to serve a public purpose and to benefit the University or UAGC and their students, resulting in an elevated risk of misuse of public monies and possible violation of the Arizona Constitution

Contact:

University of Arizona: Tammy Strom, Director, Accounts Payable, University of Arizona, (520) 626-5276
University of Arizona Global Campus: Nikki Koji, Vice President of Accounting, Controller, University of Arizona Global Campus, (619) 404-7621

Anticipated completion date: Various through June 2026

Summary Response:

The university, including the University of Arizona Global Campus (UAGC), a division of the university, acknowledges the continued requirement for campus compliance with purchasing card (PCard), and corporate credit card policies and procedures. The university's review of the expenditures tested determined that there was no intentional misuse of university assets.

The University Response:

Eight of the identified transactions involved unique financial activities within Intercollegiate Athletics (ICA), which experienced significant staffing shortfalls and business office turnover during the fiscal year. In response, Accounts Payable is actively collaborating with ICA to train and support new business officers within the unit. The activity relies on guidance and regulations provided by the National Collegiate Athletic Association (NCAA) for the support of student athletes and recruitment processes. To reinforce compliance with university policies, PCard activity for ICA remains under close monitoring, with certain cards suspended until adherence with university policy is achieved. In one instance, a card was closed for cause, and reimbursement to the university was requested for a specific transaction. While the remaining seven ICA transactions were identified as institutional business, the university acknowledges that they did not sufficiently document public purpose.

The six non-ICA transactions were identified as institutional business. However, the university acknowledges that three of these transactions lacked adequate documentation of public purpose, two were processed using the incorrect payment method, and one did not include the required seller information. The university is working to prevent future occurrences.

The university performs risk-based transactional sampling of PCard expenditures to include high risk Merchant Category Codes, issues violations, and initiates repayment of unallowable expenditures. This sampling and review process includes recommendations for cardholders to retake the PCard Training and may result in suspension or cancellation of a PCard.

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The university has already begun corrective actions to address the findings. In August 2024, the university published [updated expenditure policies](#) to establish new guidelines for purchasing food, using purchasing cards, and hosting employee recognition events. These changes support the university's financial health and budget goals and reflect the university's fiduciary responsibility as a public institution to ensure that discretion is exercised when spending public funds. The changes include establishing reasonable expense and dollar guidelines, limiting meals to specific business-related situations, limiting the frequency of employee recognition events, and eliminating farewell events for non-retirees leaving the university. Additionally, the university began merging the PCard policies and procedures with the Financial Services Manual to provide a cohesive institutional fiscal policy, including a new detailed [Unallowable Expenditure Table](#) and an [Allowable Expenditure Summary by Fund Source](#). A detailed [Purchasing Methods Table](#) was also created to provide clarity on proper purchasing method and to support units when making procurement decisions. PCard payroll deductions for unallowable purchases were implemented in August 2024 to ensure unallowable expenditures are repaid timely to the institution.

Documentation of expenditures remains a top priority for campus training. In December 2024, Accounts Payable published a training [video](#) to assist cardholders and business units with properly attaching supporting documentation to a PCard Transaction.

The university's corrective action plan includes the following:

- Providing customized training to the departments identified within the audit finding by June 30, 2025, to include documentation of business purpose, proper purchasing method, and supporting documentation requirements.
- Implementing Concur Card Services by end of April 2025, to enhance the card issuance approval process to obtain employee supervisor, fiscal officer, and departmental PCard Liaison approval. The approval process will require a business purpose to justify the issuance of the card, as well as capture the cardholder training certification and policy acknowledgement.
- Publishing a new PCard website by end of April 2025, to align with the implementation of Concur Card Services. This activity will provide users with PCard procedural guidelines on use of the University PCard along with additional training tools.
- Developing a PCard training specific to use of the PCard while on travel status to address travel activities across campus. This deployment of additional training opportunities is scheduled for June 2026.
- Implementing a Fiscal Year 2026 initiative to reduce the number of Department PCards on campus and evaluate the use of department PCards within Shared Service units and by Department Purchasing agents only.
- Evaluating additional process improvements and data analysis tools to improve timely receipt of documentation, assist with automating the detection of unallowable purchases, ensure repayment to the university, improve issuance of self-report violations, and increase oversight of PCard. Targeting a July 2026 implementation.

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- Continuing to sample PCard transactions, reviewing self-reporting violations, and enforcing identified policy violations by requiring repayment to the university, when applicable, and suspending cardholder privileges until compliance is achieved.

UAGC Response:

Thirteen transactions for UAGC had insufficient business purpose documentation. While some form of a business purpose statement was provided, UAGC recognizes the documentation was insufficient in clearly explaining the public purpose and benefit of the expense. UAGC understands that a documented business purpose is necessary to justify the public purpose served by the expenditure. UAGC has begun implementing corrective actions to address the findings. To reinforce the importance of clearly articulating the necessary components of a business purpose statement, UAGC has taken multiple steps including providing additional staff training, development of tools/templates to aid staff in providing thorough business justifications, and system and process enhancements that require business purpose documentation for Purchase Order related invoices, Non-Purchase Order related invoices, contracts, and corporate accounting card transactions. Additionally, UAGC has reviewed and communicated updates to the business meal policy provided by the university and has taken steps to ensure that spending thresholds are adhered to, and business purposes are properly recorded.

Employee corporate credit card transactions for UAGC do not follow the same process as the university. UAGC requires all reimbursements to be submitted through our travel and expense management system, where they must be reviewed and approved by the employee's immediate supervisor/manager. Upon approval by the supervisor/manager, the report is routed to the accounts payable team for final review and approval. UAGC employee corporate credit cards are intended to be used for only travel-related expenses, unlike the university's PCard program.

UAGC's corrective action plan includes the following:

- Developed and conducted training for employees to reinforce the importance of clearly documenting the business purpose, specifically documenting why the purchase is necessary and the university/public benefit.
- Implemented a business purpose template to help guide teams that frequently travel, ensuring that it clearly states the benefit to the university and public.
- Updated the Corporate Accounting card process to route those purchases through the procurement system, improving documentation of the approval chain and business purpose.
- Enhanced the procurement system and process to ensure the required business purpose justification is provided.
 - A stand-alone business purpose form was created to clearly outline the policy, specify the item(s) or service(s) being purchased, justify its necessity, identify the recipient, and explain how the purchase benefits the university.
 - The business purpose form has been incorporated into contracting workflow as a part of the standard review cover sheet and is now included in all contract execution packages.
 - The procurement system has been updated to require the business purpose form for all PO-related invoices.

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Year ended June 30, 2024

- Non-PO-related invoices and any corporate accounting card purchases now require a completed business purpose form to be submitted along with the invoice.
- Created a standard operating procedure (SOP) for all approvers of expense reports. This SOP provides supervisors with a checklist and policy links for each expense type, assisting them in the review process and ensuring expenditures adhere to policies.
- Conducted training on expenditure policy updates, including the Business Meals Policy. This training ensures that all users understand meal expense thresholds and recognize unallowable expenses.
- Developed a quick-reference template and calculator outlining reasonable business meal thresholds for each meal type to help users budget before the event.
- Implemented improved tracking of unallowable or personal charges on corporate credit cards, requiring employees to reimburse UAGC for such expenses
 - Launching a quarterly review of personal expenses transactions, timeliness of submission, and unallowable charges - regardless of method of payment (cash or credit card) with Finance leadership.
 - Making recommendations to leadership for appropriate corrective or disciplinary actions when necessary.
- Establishing bi-annual training sessions based on trends identified in the quarterly review of policy violations to educate users on the proper use of university assets.

