



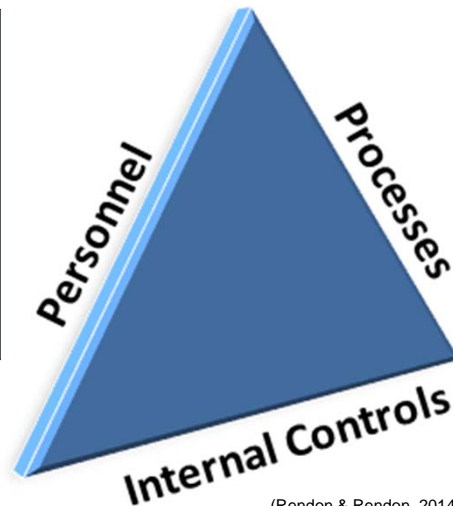
## Background

The Department of Defense and the Department of the Navy purchase card programs process hundreds of thousands of transactions, accounting for billions of dollars annually. In 2013, the federal government's 300,900 cardholders spent \$16.5 billion on 18.9 million transactions. In FY2012, the Naval Postgraduate School (NPS) Government Purchase Card Program (GPCP) was responsible for making approximately 21,000 transactions, totaling approximately \$24.2 million. Approving Officials and Cardholders play an important role in the success of the GPCP. Additionally, in order for the GPCP to be successful, there must be sufficient corporate governance—specifically strong and effective internal controls and auditability.

## Auditability Triangle

### Purpose of this Research

The purpose of this research was to determine whether there were differences in perceptions between Approving Officials and Cardholders regarding internal controls within the Government Purchase Card Program at NPS.



### Auditability Triangle

Strong and effective internal controls, competent people, and capable processes are imperative to auditability.

The focus of this research was the internal controls part of the auditability triangle.

(Rendon & Rendon, 2014)

## Findings

- Approving Officials, compared to Cardholders, consistently perceived internal controls to be more effective with regard to the five components of internal control within the GPCP.
- The perceptions between Approving Officials and Cardholders were found to be practically significant within three internal control components: risk assessment, information and communication, and monitoring activities.

## Recommendations

- Strengthen the Organization's Control Environment
  - Maintain ethical values and cultivate trust
- Enhance Communication
  - Clarify the organization's mission, expectations, and strategies
- Realign Government Purchase Card Structure
  - Balance number of departments and number of end users that CHs support