
Corporate Procurement Card (CPC) Technology Conversion

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CPC Technology Conversion

Introduction

In April 2003, the City commenced implementation of a new web-based software program (Details Online) which replaced the existing internal server-based technology (Smart Data) for managing Corporate Procurement Card (CPC) transactions. The Office of the City Auditor (OCA) participated in the conversion project and provided proactive control-related feedback to the project team and members of the CPC Steering Committee. The OCA's overall objective was to ensure that controls in the CPC process were not compromised during the conversion; and where the new software could not provide the required controls, procedural controls were implemented to minimize the risk of loss to the City.

Background

In 2000, the City launched the CPC program using Smart Data to simplify the procurement of low value goods and services used in the delivery of City services. The OCA reviewed the CPC procedures and processes prior to implementation and provided proactive feedback to strengthen controls. The City has an existing agreement with the Bank of Montreal to issue MasterCard CPCs to authorized City employees based on demonstrated need and eligibility guidelines. Cardholders use the CPCs to procure authorized low value goods and services from vendors.

The technology to enable City staff to review, approve, monitor and transmit purchase transactions is critical to the effectiveness of the CPC program. Conversion to a web-based technology provides state of art functionality for access to CPC data on the Bank's server. The Bank funded this initiative and the City took on the responsibility of converting to the new technology and training cardholders and approvers to use the new functionality.

Details Online is an electronic tracking system from the Bank that is used to analyze and manage CPC transactions. Transaction records automatically appear in Details Online as the Bank processes them. Cardholders review and verify their transactions online, and their supervisors/managers approve transactions online prior to monthly pass off to the City's Corporate Financial System (SAP). A Reports Module allows the viewing and printing of required CPC transaction reports. The system also provides functionality for Accounts Payable staff to manage user profiles and access to Details Online transactions.

Objectives

1. To provide proactive control-related feedback to members of the project team and the CPC Steering Committee during the conversion process.
2. To ensure that all conversion activities have been completed, the results documented and signed off by appropriate staff.
3. To ensure that controls in the converted CPC process are operating as intended.

Scope and Methodology

The OCA designated a staff member as an advisor to the CPC Steering Committee and the conversion project team in meeting their conversion objectives. This staff member attended various meetings, observed awareness and training sessions provided by the Bank, and participated in conference calls with the Bank's technical staff.

The OCA staff reviewed sign off documents and relevant supporting documentation and undertook a walk-through of the converted process to ensure that controls in the converted CPC process are operating as intended. The OCA functioned as an agent of change during this project, therefore testing and verification of the CPC controls was not in scope. This will be prioritized using the OCA's annual risk assessment process.

Summary of Results

The Bank of Montreal provided initial training to selected City staff. A 'train the trainer' methodology was used to provide timely and hands on internal training to relevant City staff. As at July 28, 2003, there were 542 cardholders and 202 approvers to train. An ongoing training program is in place for new cardholders and approvers.

The conversion process included manual entry of existing hierarchy information and user profiles into Details Online, and verification using automated reports from both systems. Cardholders and approvers also verified their user profiles during training sessions. Selected staff undertook a pilot/parallel test for two months and concerns identified both in the cardholder and approver roles were resolved prior to implementation of Details Online. Appropriate system and user documentation was provided by the Bank to navigate through the new system. CPC procedures and those for pass off to SAP have been reviewed and updated to reflect Details Online requirements. A strategy for data recovery both from Smart Data and the new system as well as an archiving strategy is in the process of being formalized and implemented.

The conversion was completed on October 21, 2003 and the monthly CPC transactions commencing October 21 to November 20, 2003 were reflected in Details Online. Review, approval and monitoring tasks to ensure the integrity of the CPC transactions were undertaken from November 21 to December 5, 2003 and the first pass off from Details Online to SAP was completed on December 5, 2003. Outstanding issues with the Bank have been resolved and appropriate sign offs have been completed.

During the conversion phase, our focus was to provide proactive control-related feedback and recommendations on risk and control issues in a team environment. Therefore, other than requesting completion of outstanding activities, no formal recommendations are being made for the conversion from Smart Data to Details Online.

We would like to acknowledge the cooperation and support we received from all members of the project team and the CPC Steering Committee.