



Jet Propulsion Laboratory  
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TITLE:	REV:	DATE:
QAI 2.1.1	NEW	12/18/03
SUPERSEDES:	REV:	DATE:

# QUALITY ASSURANCE INSTRUCTION

## PROCUREMENT QUALITY ASSURANCE (PQA) AUDIT OF P-CARD PURCHASES 2.1.1

<b>APPROVED</b> <b>BY:</b> 5127	<b>HARREL CRENSHAW</b> ACTING SUPERVISOR, PROCUREMENT QUALITY ASSURANCE (PQA) (Signature on file at QADC.)	<b>DATE</b> 12/19/03	<b>REVIEWED AND APPROVED</b> <b>BY:</b> 5127	<b>OLGA CERITELLI</b> PQA (Signature on file at QADC.)	<b>DATE</b> 12/19/03
<b>RELEASED</b> <b>BY:</b> 5126	<b>ROBERT BUTLER</b> QADC (Signature on file at QADC.)	<b>DATE</b> 12/29/03			

## Change Log

Document Number and Title: QAI 2.1.1, Procurement Quality Assurance (PQA)  
Audit of P-Card Purchases

<u>Revision</u>	<u>Date Prepared</u>	<u>Preparer</u>	<u>Affected Portion</u>
NEW	12/18/03	O. Cerritelli	Initial Release



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## QUALITY ASSURANCE INSTRUCTION

REVISION NO:

**NEW**

QAI NO:

**2.1.1**

DATE:

12/18/03

PAGE OF

**3 11**

### 1.0 WHO MUST COMPLY WITH THIS PROCEDURE

- Procurement Quality Assurance (PQA) Management and Supplier Interface Team members

The following personnel are affected by this procedure; they may use it for reference to understand how PQA audits P-card purchases:

- P-Card holders purchasing Hardware, Software, or Services for one or more of the following:
  - Flight Projects or Programs
  - Research and Development or Prototype with potential for Flight
  - JPL Critical Items (JCI). For definition of JCI, go to the following link:  
<http://rules.jpl.nasa.gov/cgi/doc-gw.pl?DocID=57972>
- P-Card Approving Officials
- Acquisition Personnel responsible for P-Card oversight

### 2.0 PURPOSE

The purpose of this procedure is to establish a standard method of conducting audits of P-Card purchases requiring PQA oversight to verify compliance to Quality Assurance Practice (QAP) 39.14.

PQA will verify compliance to the following:

- That purchases requiring PQA Oversight have appropriate identification (selection of the "FLT" box in the P-Card Log)
- That P-Card holders have appropriate PQA Training to make purchases requiring PQA Oversight
- That Quality Clauses (QCs) are appropriately imposed for risk mitigation
- That the purchases are made from suppliers from the [JPL Approved Supplier List \(ASL\)](#)

PQA Oversight is required for purchases of Hardware, Software, or Services for one or more of the following:

- Flight Projects or Programs
- Research and Development or Prototype with potential for Flight
- JCI



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## QUALITY ASSURANCE INSTRUCTION

REVISION NO:

**NEW**

QAI NO:

**2.1.1**

DATE:

12/18/03

PAGE OF

**4 11**

### 3.0 REQUIREMENT DOCUMENTS

- [ISO 9001:2000](#), Paragraphs 7.1 and 7.4
- [Flight Project Practices, Rev. 5](#)
- [Acquisition Procedure 7-19](#), Using the Government-Wide Commercial Credit Card Service <http://acquisition/Pcard/>
- Quality Assurance Practice (QAP) 39.11, Maintenance of Approved Supplier System
- Quality Assurance Practice 39.14, P-Card Purchases Requiring PQA Oversight

### 4.0 PROCEDURE – REAL TIME AUDIT

The following procedure is for the audit of purchases made when the P-card holder selects the “FLT” field in the P-card Order Log.

ACTOR	ACTION
P-Card PQA Reviewer	4.1 Review PQA QC Mailbox at least twice a day.  4.2 Are there any purchases made by a P-Card Holder in the mailbox? If no return to step 4.1 If yes: <ul style="list-style-type: none"> <li>• Create a new record in the PQA P-Card Surveillance Log</li> <li>• Select the “FLT” Review Option and complete Section 1.0</li> <li>• Continue to step 4.3</li> </ul>
P-Card PQA Reviewer	4.3 Determine if the P-Card Holder making the purchase attended the PQA Approved Supplier List (ASL) and Quality Clause Training (QC) by verifying against the HR Registrar and the PQA Training Roster and complete Section 2.0 of the “FLT” Review Form in the PQA P-Card Surveillance Log  <i>Note: This will provide evidence that training records are accurately updated.</i>



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## QUALITY ASSURANCE INSTRUCTION

REVISION NO:

**NEW**

QAI NO:

**2.1.1**

DATE:

12/18/03

PAGE OF

**5 11**

	<p>4.4 Did the P-Card Holder complete the appropriate PQA Training per QAP 39.14? If yes, go to step 4.5.          If no:</p> <ul style="list-style-type: none"> <li>• Send the P-Card Holder an email with:             <ul style="list-style-type: none"> <li>• Notification of Noncompliance</li> <li>• Instruction to make their purchase by contacting Acquisitions (Reference Appendix B)</li> </ul> </li> <li>• Send a Noncompliance Notification to Acquisition’s P-Card Administration (PCA) Team with the following information:             <ul style="list-style-type: none"> <li>• P-Card Holder Last Name</li> <li>• First Name</li> <li>• Order Log Number</li> </ul> </li> </ul>
P-Card PQA Reviewer	<p>4.5 Verify that the supplier is in the <a href="#">ASL</a> and complete Section 3.0 of the PQA “FLT Review Form in the PQA P-Card Surveillance Log</p>
	<p>4.6 Is the Supplier in the ASL? If yes, continue to step 4.7.          If no:</p> <ul style="list-style-type: none"> <li>• Send the P-Card Holder an email with:             <ul style="list-style-type: none"> <li>• Notification of Noncompliance</li> <li>• Instruction to make their purchase by contacting Acquisitions (Reference Appendix B)</li> </ul> </li> <li>• Send a Noncompliance Notification to Acquisition’s P-Card Administration (PCA) Team with the following information:             <ul style="list-style-type: none"> <li>• P-Card Holder Last Name</li> <li>• First Name</li> <li>• Order Log Number</li> </ul> </li> </ul>
P-Card PQA Reviewer	<p>4.7 Review Quality Clauses selected by P-Card holder and complete Section 1.0 of the P-Card User Selected Quality Clauses and PQA Suggestions Form in the PQA P-Card Surveillance Log</p>
	<p>4.8 Do you have suggestions for the P-Card</p>



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REVISION NO:

**NEW**

QAI NO:

**2.1.1**

DATE:

12/18/03

PAGE OF

**6 11**

	<p>Holder? If there are no suggestions:</p> <ul style="list-style-type: none"> <li>Send an email to P-Card holder informing them that their purchase has been reviewed and no changes are suggested (Reference Appendix A)</li> </ul> <p>If you have suggestions:</p> <ul style="list-style-type: none"> <li>Send an email to the P-Card holder with the recommended QCs</li> <li>Complete section 2.0 of the PQA P-Card Surveillance Log's P-Card User Selected Quality Clauses and PQA Suggestions Form</li> <li>When the P-Card holder saves the log again for that purchase record final QCs in the Final P-Card Order Certification Form PQA P-Card Surveillance Log</li> </ul> <p>No further action is required</p>
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### 5.0 PROCEDURE – MONTHLY AUDIT

<p>P-Card PQA Reviewer</p>	<p>5.1 Log onto P-Card Software (The P-Card Solution by OMNIS) with PQA Auditor Responsibility.</p> <p>5.2 Run the Monthly Data Dump by doing the following:</p> <ul style="list-style-type: none"> <li>Select the "Audit" function in the menu bar</li> <li>Select "Find Transaction"</li> <li>In the transaction date enter the 25th of the previous month as the start date and the 24th of the month the audit is conducted as the end date</li> <li>Export report to MS Excel Sheet Continue to step 5.3.</li> </ul>
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REVISION NO:

**NEW**

QAI NO:

**2.1.1**

DATE:

12/18/03

PAGE OF

**7 11**

<p>P-Card PQA Reviewer</p>	<p>5.3 Select the Criteria to conduct the audit.  <i>NOTE: The following are examples of potential criterion:</i></p> <ul style="list-style-type: none"> <li>• A commodity likely to be a product requiring PQA Oversight</li> <li>• Suppliers known to provide products requiring PQA Oversight</li> <li>• Project/Program that the product or service is charged against</li> <li>• P-Card Holder Responsibilities (such as a P-Card holder with the responsibility to buy flight, chemicals, etc)</li> </ul> <p>5.4 Eliminate those purchases in the data dump that will not be audited by utilizing the <a href="#">P-Card Key Word Exclusion List for PQA P-Card Audits</a> for guidance.</p> <p>5.5 Match the criteria selected against the remaining purchases and select at least 5% of all P-Card purchases.  <i>NOTE: If the initial audit criteria are insufficient to support audit include additional criteria. Continue to step 5.6.</i></p>
<p>P-Card PQA Reviewer</p>	<p>5.6 Create a new record on the PQA P-Card Surveillance Log, complete the audit entry form, and select the Monthly Audit of all P-Card Purchases Button.  <i>NOTE: All logs audited in the same data dump will have the same audit ID.</i></p>
<p>P-Card PQA Reviewer</p>	<p>5.7 For all remaining purchases verify if the "FLT" field was selected. Was the "FLT" field selected? If yes complete the Monthly Audit of all P-Card Purchases Form for every order where the "FLT" field was selected and no further action is required  <i>NOTE: Purchase was already Audited in Section 4.0.</i>      If no continue to 5.8.</p>
<p>P-Card PQA Reviewer</p>	<p>5.8 Utilizing the remaining Order Logs send the P-Card Order Log Review Notice to the respective P-Card holder.      (Reference Appendix C)</p> <p>5.9 Did the P-Card holder respond within the</p>



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## QUALITY ASSURANCE INSTRUCTION

REVISION NO:

**NEW**

QAI NO:

**2.1.1**

DATE:

12/18/03

PAGE OF

**8 11**

time provided? If yes, go to step 5.10.

If no, categorize Order Log as Unknown for review

*NOTE: The P-Card holder will be given no more than 7 business days to respond.*

5.10 Based on the type of purchase reported by the P-Card holder, did the purchase require PQA Oversight?

If no, go to step 5.11

If yes

- Send the P-Card Holder an email with:
  - Notification of Noncompliance
  - Instruction to make their purchase by contacting Acquisitions (Reference Appendix B)
- Send a Noncompliance Notification to Acquisition's P-Card Administration (PCA) Team with the following information:
  - P-Card Holder Last Name
  - First Name
  - Order Log Number

5.11 Select 2% of all orders to conduct physical verification.

### 6.0 QA RECORDS

- PQA P-Card Surveillance Log Entries



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REVISION NO:

NEW

QAI NO:

2.1.1

DATE:

12/18/03

PAGE OF

9 11

### 7.0 METRICS

The following data will be used to track the process.

- Total number of P-Card Purchases made per month
- For Purchases per month made with the “FLT” box selected
  - Total number
  - Number that did not require PQA intervention (QC’s addition/subtraction, appropriate training, Supplier not found on ASL)
  - Number that required intervention addition/subtraction, appropriate training, Supplier not found on ASL)
  - Number that required additional Quality Clauses (QC’s)
  - Number that required deletion of Quality Clauses (QC’s)
  - Number without appropriate P-Card Holder Training
- Number of Purchases found during the audit that required “FLT” to be selected, but did not have the “FLT” box selected
- Quality Clauses by commodity
- P-Card Purchases Requiring addition/deletion of Quality Clauses (QCs)
  - Total number
  - Number requiring addition of QC’s
  - Number requiring subtraction of QC’s
- P-Card Purchases containing Quality Clauses inserted by P-Card Holder
- Number of P-Card Holder inserted Quality Clauses that needed to be modified (adding/deleting)

### 8.0 APPENDICES

#### APPENDIX A – Response to P-Card Holder When No Changes/Additions to QCs is Required

Subject: P-Card Log Order # *[Insert Log Order Number]* has been Reviewed by PQA

A Review was conducted by Procurement Quality Assurance (PQA) of P-Card Log Order # *[Insert Log Order Number]* and it was determined that ***no changes to or addition of Quality Clauses were required*** on the purchase because the Quality Clauses already selected were appropriate.

Thank you for your assistance this matter.

Respectfully Submitted,



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REVISION NO:

**NEW**

QAI NO:

**2.1.1**

DATE:

12/18/03

PAGE OF

**10 11**

### APPENDIX B – Response to P-Card Holder for Noncompliance

Subject: Noncompliance to PQA Requirements

This is a notification of noncompliance to Procurement Quality Assurance P-Card Requirements for Order Log # *[Insert Log Order Number]*. A record of noncompliance has been submitted to the Acquisition P-Card Administration Team

Noncompliance has been identified in one or more of the following:

- You do not have the appropriate PQA Training
- The supplier you selected is not in the Approved Supplier List (ASL)
- You did not select the “FLT” field for a product requiring PQA Oversight

As a result of the noncompliance you are not authorized to continue this procurement through the use of a P-Card. Please contact the Acquisition PCA Team for further assistance.

Respectfully Submitted,

PQA Purchase Request Review

### APPENDIX C – Response to P-Card Holder for PQA Surveillance Audit

Subject: PQA P-Card Order Log Review Notice

This is a notification to inform you that the following P-Card Order Log(s) # *[Insert Log Order Number(s)]* has/have been selected for review. The review will help Procurement Quality Assurance and the P-Card Administration Team in conducting internal audits of the P-card program.

Please review any pertinent information on the purchase listed above to be able to answer the question below.

Was the software, hardware, or service purchased with the P-Card made for any of the following:

- Flight Projects or Programs
- Research and Development or Prototype with potential for Flight or
- JPL Critical Items (JCI)?



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REVISION NO:

**NEW**

QAI NO:

**2.1.1**

DATE:

12/18/03

PAGE OF

**11 11**

For definition of JCI, go to the following link: <http://rules.jpl.nasa.gov/cgi/doc-gw.pl?DocID=57972> To be incorporated into this month's review submit your response by [Date]. If a response is not received within the time provided to you your purchase will be categorized as unknown.

Reminder: Selected purchases will be subject to a thorough review to include physical verification.

We thank you in advance for your participation in this review.

Respectfully Submitted,