



UNITED STATES GOVERNMENT PRINTING OFFICE
OFFICE OF INSPECTOR GENERAL

memorandum

DATE: May 14, 2001

REPLY TO:
ATTN OF: Inspector General

SUBJECT: Report on Improving the Controls over Processing Purchase Requests for Non-Stock Items and Services On-Line by MMS General Procurement Division.

TO: Director, Materials Management Service

The Office of the Inspector General (OIG) has completed a review of the processing procedures for acquiring non-stock items and services on-line from Materials Management Service (MMS) General Procurement Division. The objective of the review was to evaluate the effectiveness of General Procurement Division's procedures for acquiring non-stock items and services for the Government Printing Office (GPO). This review was conducted from November 1999 through June 2000 on the current purchase requests that were reported in Materials Management Procurement and Control System (MMPCS II), as of December 3, 1999.

A random sample of 61 of 274 purchase requests and 30 change orders submitted by the first 14 GPO cost codes listed in GPO Instruction 435.2R *Government Printing Office Cost Center Codes* found that after the on-line purchase requests were printed, the General Procurement Division needed to strengthen the processing controls in three areas to comply with General Procurement Division's Guideline Book dated December 1994¹:

1. Seven purchase requests that were over \$5,000 did not receive the proper authorizations from the Office of Budget before being processed in accordance with Chapters III and VI;
2. Four GPO offices did not receive or have on file copies of 21 purchase requests that were processed by General Procurement Division's Contracting Officers in accordance with Chapter VI; and

¹ General Procurement Division's Guideline Book and Standard Operating Procedures dated January 2000 has replaced the December 1994 edition.

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3. Eight change orders were processed without the required memorandums from the Department Head and another change order did not receive approval from the Office of Budget contrary to Chapters II and VI.

The OIG recommends that the Director, Materials Management Service, ensure that the Chief, General Procurement Division, strengthens the internal controls over processing purchase requests for non-stock items and services on-line by ensuring that:

- Proper authorizations are received from the Office of Budget for all annual purchase requests over \$1,000 and all regular non-stock purchase requests over \$5,000 before being processed in accordance with Chapter VI of General Procurement Division's Guideline Book and Standard Operating Procedures dated January 2000 (0106-01);
- All valid purchase requests are distributed by the Contracting Officers in accordance with Chapter VI of General Procurement Division's Guideline Book and Standard Operating Procedures dated January 2000 (0106-02); and
- All monetary change orders are approved and accompanied by the necessary documentation by the immediate supervisor before being processed in accordance with Chapter II of General Procurement Division's Guideline Book and Standard Operating Procedures dated January 2000 (0106-03).

The August 1, 2000, memorandum from the Chief, General Procurement Division, concurred with the first two OIG recommendations with the implementation of a final closeout checklist to ensure that all documents, approvals, etc. are included in the purchase order jacket prior to filing. In a meeting held on April 20, 2001, the Assistant Chief, General Procurement Division, agreed to incorporate the approval and accompanying documentation on change orders in the final closeout checklist.

Mr. Joseph Verch, Supervisory Auditor, and Ms. Frances Gross, Auditor-in-Charge, conducted this audit. If we can be of further assistance, please contact Mr. Verch on x31160. We appreciate the cooperation and courtesies extended by MMS officials and staff.


ROBERT G. ANDARY