

2-10. Separation of Duties

a. Separation of duties is an internal control activity intended to provide checks and balances to the GPC process and to prevent or minimize innocent errors or intentional fraud occurring without detection. This internal control ensures that no single individual has control over multiple phases of a purchase card transaction. To protect the integrity of the procurement process, no one person is responsible for an entire purchase card transaction. OMB standards for internal controls require that key duties and responsibilities be divided or segregated among individuals to ensure they do not exceed or abuse their assigned authority. See OMB Circular A-123, Appendix B Revised, paragraph 4.3. To the greatest extent possible, GPC duties will be assigned to different individuals within the GPC hierarchical structure. As stated in the DoD FMR, “separation of duties precludes errors or attempts at fraud or embezzlement from going undetected. Internal controls generally require a four-way separation of the contracting, receiving/[accepting], voucher certification, and disbursing functions.”

b. Key GPC duties include making purchases and/or payments (CHs); verifying purchases and/or payments are proper (BOs, Certifying Officers, and FSOs); certifying invoices for payment (BOs, Certifying Officers, and FSOs); certifying availability of funds (Financial RMs); receiving and accepting supplies and services, including independent receipt and acceptance (acceptors); disbursing funds (Disbursing Office); and conducting policy, review, and audit functions (A/OPCs and Property Book Officers). For example:

- 1) BOs will not be CHs under their own MAs.
- 2) RMs will not be CHs or BOs with responsibility for executing their own funds.
- 3) Accountable Property Officers or their equivalents will not be CHs with authority to purchase accountable items (this does not apply to Property Book Hand Receipt Holders).
- 4) Purchases of accountable (e.g., pilferable) property, and self-generated purchases, will have acceptance performed by someone other than the CH, BO, and Certifying Officer.
- 5) CAC-enabled systems will generate a conflict-of-interest report to depict instances where assigned roles do not conform to DoD policy.
- 6) Authorization roles will be assigned to a user’s profile, with each profile allowing only that individual the ability to perform specific tasks in the system.

b. If resource constraints prevent assignment of the key duties to different individuals, as set forth in paragraph a. above, the activity must request a waiver through the Level 4 A/OPC and the CCO to the Level 3 A/OPC for approval.

c. Notwithstanding the above-described waiver process, certain key duties must not be assigned to the same individual. In no case will the same individual be both the CH and BO for a GPC account. In no case will the Accountable Property Officer or A/OPC (primary or alternate) also be a CH, BO or contracting officer making contract payments with a GPC or executing GPC purchases. A CH who is a hand receipt holder should not purchase property for their own use. The servicing bank provides the functionality to generate a report identifying potential conflicts of interest in GPC program duties.