

**COMSPAWARSYSCOM PPMAP Review of Contracting Offices Exercising
Purchase Card Authority**

1. Review of Purchase Card Programs. The following is applicable to all Navy activities which manage a Government-Wide Commercial Purchase Card (GCPC) program and shall be used to conduct PPMAP reviews. Activities operating a purchase card program shall be reviewed on an 18-month cycle, either by conducting desk audits or on-site reviews. Activities with procurement authority above purchase card authority shall have an 18-month review conducted of their purchase card program, either on-site or via a desk review depending upon the number of purchase card transactions and a tri-annual review of their SAP authority. COMSPAWARSYSCOM HQ 2.0 shall set activity review cycles based on the anniversary date of when the activity established its purchase card program. COMSPAWARSYSCOM HQ 2.0 shall set review cycles to ensure all activities which exceed 3,200 purchase card transactions for the previous 18- month period receive a site visit. All other activities will, at a minimum, receive a desk audit. As a guide to determine whether an activity should receive an on-site review or desk audit, see Table (4-1) below. COMSPAWARSYSCOM HQ 2.0 may schedule additional purchase card site visits based on operational requirements at the Director’s discretion.

Table 4-1

Review Schedule	Review Period	On-Site Audit	Desk Audit
All Activities operating a PC program*	18-months	Any activity with more than 3,200 PC transactions every 18-months	Any activity with 3,200 or less PC transactions every 18-months

*Activities with additional Ordering/SAP Authority shall receive an added review based on their level of authority. The reviews shall be conducted on either an 18-month or tri-annual basis.

a. Pre-Purchase Card Audit/Review Planning

(1) COMSPAWARSYSCOM HQ 2.0 analyst will schedule all purchase card reviews per this instruction.

(2) Each review will include transactions from the previous 18-months. Transactions will be identified through the use of the bank reporting system.

(3) The following categories of purchases will not be reviewed and will be deleted from the transaction report: DLA-Document Services, training, and transportation of small packages.

(4) COMSPAWARSYSCOM HQ 2.0 analyst will then review the file and perform the following:

(a) Using Table 4-7, determine the correct sample size using the number of PC transactions from the “All Transaction Report,” less training purchases and determine the not to exceed number of deficiencies based upon the sample size, for the activity’s purchase card transaction population.

(b) Using a “random number generator,” COMSPAWARSYSCOM HQ 2.0 analyst shall generate a random sample for the population found in the file and extract those files identified.

(c) COMSPAWARSYSCOM HQ 2.0 analyst will prepare an announcement letter for APCs to confirm they have forwarded the required information to perform the desk audit or site review. The announcement letter will identify the date the desk or site review will be conducted and request the following information from the activity.

Note: The information requested below shall be made available (hard copy or electronic format) in a central location for on-site reviews or mailed by traceable means in the case of a desk audit:

1. Copies of semi-annual reviews.
2. A copy of the activity Internal Operating Procedure (IOP).
3. Copies of all warrants, letters of appointment/delegation and DOD PC training records for Agency Program Coordinators (APCs), Approving Officials (AOs) and Cardholders (CHs). Per DOD and DON Consolidated Card Program Management Division (CCPMD) training requirements, the training records shall include certificates of training resulting from successful completion of CCPMD role specific computer-based training (CBT), either internet or CD Rom, and training on the Command's IOP. For AOs who certify in excess of SAT per year and CHs who make transactions in excess of SAT per year, evidence of completion of mandatory ethics training is required. Additionally, CHs who have been delegated contracting/purchase authority via SF1402 (Certificate of Appointment) must show evidence of completion of one of the following courses: NAVSUP Simplified Acquisition Course, CON 237 (or CON 101 or CON 202, if taken after 1997.)

NOTE: For desk reviews, a list containing the names of the APC(s), AOs, and CHs and their latest date of successful completion of PC training shall be submitted in lieu of certificates of training for each APC, AO, and CH. The list shall be certified by the program APC.

4. Copies of all corrective actions taken as a result of semi-annual reviews.
5. Copies of files identified in sampling methodology. The requested file should include the monthly cardholder's statement, purchase card log, requisition and receipt documentation for the specific transaction chosen.
6. If desk audit information is not provided within seven (7) calendar days, the site will be notified by COMSPAWARSYSCOM HQ 2.0 PPMAP Lead that a site visit will be scheduled at the expense of the activity if they do not comply with the desk audit package requirement.

(d) When conducting a desk audit, COMSPAWARSYSCOM HQ 2.0 Director, Policy Branch Head or analyst will conduct a telephone in-brief with the activity Commanding Officer or Executive Officer and lead APC. The in-brief will explain the purpose of the review, how it will be conducted, the rating methodology and how the results will be briefed to them.

b. Conducting the Purchase Card Desk Audit/Site Review

(1) COMSPAWARSYSCOM HQ 2.0 analyst will verify all the requested information has been provided, including the exact number and specific purchase card transaction files requested, purchase card statements, purchase card logs, requisition documents and receipt documentation. If the activity does not provide the information requested within five (5) to seven (7) calendar days, the desk audit will be cancelled and a site visit will be scheduled (at the expense of the activity) within a reasonable timeframe.

COMSPAWARSYSCOM HQ 2.0 analyst may call the activity prior to scheduling the site visit and request the missing information. Where the missing information is a lost purchase card file identified in the random sample, the file will be assessed per the transactional review methodology.

(2) If, during the course of the desk audit or site visit, COMSPAWARSYSCOM HQ 2.0 analyst suspects a fraudulent purchase card transaction, they shall immediately inform the COMSPAWARSYSCOM HQ 2.0 Director and Policy Branch Head to determine the appropriate course of action. The appropriate Commanding Officer via the chain of command and COMSPAWARSYSCOM shall also be notified if the suspected fraudulent action is discovered during the desk audit or site review. COMSPAWARSYSCOM HQ 2.0 PPMAP Lead shall contact the activity's Commanding Officer and lead APC to discuss the concern. COMSPAWARSYSCOM HQ 2.0 PPMAP Lead shall, with COMSPAWARSYSCOM concurrence, suspend the purchase cardholder's account until an investigation can be accomplished.

(3) The purchase card desk audit or site review shall consist of a transactional review, an internal management review and a review of other specific purchase elements. In cases where deficiencies lead to a purchase card transactional review failure or a failure in one of the internal management elements, the activity can substantiate corrective action was taken and was achieved by providing COMSPAWARSYSCOM HQ 2.0 analyst with e-mails, memorandums/policy, letters of reprimand, and/or purchase card files. COMSPAWARSYSCOM HQ 2.0 analyst may review additional files to verify or substantiate corrective actions to ensure the activity has completely eliminated the deficiency. The additional files reviewed shall only be used to determine the corrective actions have resolved the issue and shall not be included or counted towards the total number of deficiencies allowed based on the random sample.

(4) Transactional Review

(a) COMSPAWARSYSCOM HQ 2.0 analyst will review randomly selected files received from, or made available at the activity against critical elements noted below. NOTE: The review of each file is a stand-alone event. If a file has more than one deficiency (fails more than one element), the file can fail only once, unless a LOST FILE deficiency is noted during the course of the file review. If such an instance should occur, the file will be considered to have two deficiencies (see paragraph 6. Lost File). A deficiency is defined as the purchase card file which does not meet the requirements identified by the critical element. COMSPAWARSYSCOM HQ 2.0 analyst must report all deficiencies noted in the purchase card file review of any file and make a finding and/or issue on any deficiencies noted.

(b) Critical elements for the transactional are:

1. Unsupported questionable items defined as purchases from vendor locations which appear questionable in terms of mission requirements; i.e., upscale or high profile retail outlets, liquor stores, video and music stores, etc.
2. Misuse of the purchase card defined as:
 - a. Items appear excessive in terms of quality, quantity or otherwise do not appear to meet the Government's minimum requirement;
 - b. Procurement of prohibited items per NAVSUPINST 4200.99 (Series);
 - c. Exceeding the micro-purchase threshold (In addition, exceeding \$25,000 threshold for purchase and use for OCONUS activities only); or

- d. Anyone other than the cardholder making a purchase(s).
3. Abuse of the purchase card defined as:
 - a. Items not for Government use, but rather for personal use of the purchaser, certifying officer or recipient of the purchased items. (Items do not need to be taken home for an item to be personal in nature.) Items of personal preference which do not appear to fulfill actual mission requirements can also be for personal use and amount to abuse;
 - b. Procurement of items otherwise appropriate except for underlying details such as price reasonableness (we paid an unreasonable price); or
 - c. Unauthorized Commitments. Unauthorized commitments for the purpose of this instruction are “purchase actions” accomplished by a Government employee (military or civilian) who lacks authority (purchase card or otherwise) to obligate the Government contractually and subsequently initiates a transaction absent proper review and approval.
 4. Failure to use or justify non-use of mandatory sources.
 5. No Receipt. If there is no receipt available for review, the file shall be considered deficient.
 6. Lost File. If a file identified in the random sample is unavailable for review for any reason, the file shall be considered deficient. NOTE: If a deficiency is found in this particular area, it shall be annotated with twice the weight. For example, one lost file found shall be noted as two deficiencies in the transactional portion of the review.
 7. Separation of Function. Separation of function is defined as one person making the purchase with the purchase card and a separate person receiving, inspecting and accepting the purchase. A file fails this element if a proper separation of function is not occurring or if documentation or lack thereof, precludes COMSPAWARSYSCOM HQ 2.0 analyst from definitively determining a proper separation of function is present. Failure of this element includes instances where the cardholder is the only signature on the receipt or the receipt is present, but no signature is on the receipt. For the purpose of this element, if the activity has an internal process either, electronic or paper, which clearly and definitively establishes evidence of proper receipt and separation of function for each transaction, the transaction passes this element. From the randomly selected files, COMSPAWARSYSCOM HQ 2.0 analyst shall review the files for evidence of separation of functions. The randomly selected files are the same files selected for the transactional portion of the review. If a file does not have evidence of separation of functions, it shall be considered deficient. Utilizing Table (4-2) below, if the number of separation of function deficiencies exceeds the not to exceed amount for the number of files reviewed, the activity fails this element.
- (c) If the number of deficiencies exceeds the not to exceed number delineated in Table 4-2, the activity fails the transactional review.

Table 4-2

Sample Size (Files Reviewed)	NTE Separation of Function Deficiencies
2	0
3	0
5	1
8	1
13	1
20	2
32	3
50	5
80	8
125	12
200	20
315	32

(5) Internal Management Review

(a) COMSPAWARSYSCOM HQ 2.0 analyst will review the following internal management control critical elements to determine if an activity is effectively managing the function.

1. Span of Control. Using the transaction report generated from the bank reporting system, COMSPAWARSYSCOM HQ 2.0 analyst shall review the number of cardholders under the cognizance of an AO and APC. If the activity has more than seven (7) cardholders per AO or more than 300 cardholders per APC, they shall fail this element. COMSPAWARSYSCOM HQ 2.0 analyst shall also review the transaction workload to determine if the transactional span of control is too great. If, in the opinion of COMSPAWARSYSCOM HQ 2.0 analyst, the total number of transactions under an AO's cognizance exceeds the ability of the AO to effectively review the monthly purchase card invoice, they should make a finding to that effect in the final report.
2. Equitable Distribution of Business. Using the transactional data report from the Pre-Purchase Card Desk Audit/Site Review Planning file, COMSPAWARSYSCOM HQ 2.0 analyst shall sort the file by cardholder and vendor to determine if there is a pattern of cardholders not equitably distributing business among qualified suppliers. If there is a pattern of cardholders not equitably distributing business, then the activity fails this element.
3. Semi-annual Reviews. COMSPAWARSYSCOM HQ 2.0 analyst will review the semi-annual reviews submitted by the activity. If they did not accomplish the review or did not take the necessary corrective action to address the elements required by NAVSUPINST 4200.99 (Series) the activity fails this element of the review.
4. Training. COMSPAWARSYSCOM HQ 2.0 analyst will review the training records of the command. If any APC, AO, or CH has been provided a purchase

card, account, warrant or delegation of authority absent the training required in NAVSUPINST 4200.99 (Series), the activity fails this element.

5. Internal Operating Procedures (IOP). The activity shall submit their IOP to COMSPAWARSYSCOM HQ 2.0 analyst. If the activity does not have or fails to submit an IOP, they fail this element. In addition, if in the judgment of COMSPAWARSYSCOM HQ 2.0 analyst, the IOP does not effectively provide local guidance for the management and oversight of the local program, the activity fails this element. If, in the opinion of COMSPAWARSYSCOM HQ 2.0 analyst, the IOP has minor errors and omissions which do not substantially affect the performance of the local program, COMSPAWARSYSCOM HQ 2.0 analyst shall make a finding that requires the APC to rewrite the IOP.

6. Repeat Findings. COMSPAWARSYSCOM HQ 2.0 analyst shall review the previous purchase card report. A repeat finding is a finding which has gone uncorrected since the previous PPMAP review. The specific cause of the failure cited in the previous report must mirror that of the current review's deficiency for it to be deemed a Repeat Finding. If there are two or more repeat findings, the activity shall fail this element. Note: If an activity fails this particular area, it shall count as two failed elements. Activities are also required to report on a six-month basis to COMSPAWARSYSCOM HQ 2.0 the status of corrective actions taken to correct Repeat Findings identified during the review.

7. Separation of Duties. APCs, AOs, and CHs each have specific roles, responsibilities and duties defined in NAVSUPINST 4200.99 (Series). COMSPAWARSYSCOM HQ 2.0 analyst shall review the roles, responsibilities and duties of the activity APC, AOs, and CHs to ensure they do not have multiple roles, responsibilities and duties that are in conflict or do not provide for effective checks and balances within the local program.

8. Splitting Requirements. As prescribed by FAR Part 13.003(c)(2), CHs shall not split requirements over the micro-purchase threshold to avoid the competition requirements or break down requirements to make several purchase card transactions. Splitting requirements in this manner is an inappropriate use of the purchase card and may be violating statutory requirements for small business participation, competition or Service Contract Labor Standards Statute (formerly Service Contract Act of 1965) requirements. COMSPAWARSYSCOM HQ 2.0 analyst shall determine the number of occurrences a CH placed with the same vendor on the same day where the aggregate amount of the transactions exceeds the micro-purchase threshold. After determination is made orders were placed by the same CH, with the same vendor, on the same day, further research may be required to determine if splitting of requirements actually occurred.

a. COMSPAWARSYSCOM HQ 2.0 analyst shall use the same file of the 18-month transaction period from the bank report as discussed above in paragraph 1.a. (2) of page 1.

b. COMSPAWARSYSCOM HQ 2.0 analyst shall determine the number of splitting occurrences. Further research may be required to determine if splitting of requirements actually occurred.

c. COMSPAWARSYSCOM HQ 2.0 analyst shall then determine the number of occurrences actually split. Utilizing Table (4-3) below, if the number of

split requirements exceeds the not to exceed amount allowed for the number of PC transactions reviewed, the activity fails this element.

Table 4-3

Number of PC Transactions	NTE Splits
1-25	0
26-90	1
91-150	2
151-280	3
281-500	5
501-1,200	7
1,201-3,200	10
3,201-10,000	14
10,000+	21

9. Convenience Checks Program. Items to be reviewed in the management of a convenience check program include (but are not limited to): conduct of annual review, receipt of higher level approval, as required; evidence of a secure location in which to store convenience checks, standard operating procedure outlining a process for steps taken to use the GCPC before using a convenience check for payment, evidence of IRS reporting, etc. Is the activity managing their convenience check program per DOD and DON policy?

10. APC, AO, Certifying Officer (CO) and accountable official letters of appointment and delegation, CH letters of delegations, contracting officer warrants, and purchase card profiles. COMSPAWARSYSCOM HQ 2.0 analyst shall ensure all cardholders' letters of delegations or warrants, as required by NAVSUPINST 4200.99 (Series) reflect actual purchase authority and are current.

11. AO validation of receipts. From the randomly selected files, COMSPAWARSYSCOM HQ 2.0 analyst shall review the files for evidence of AO validation of receipts. A file fails this element if a proper AO receipt validation is not present, or if documentation or lack thereof, precludes COMSPAWARSYSCOM HQ 2.0 analyst from definitively determining proper AO receipt validation occurred. If a file does not have evidence of proper AO validation of receipt, it shall be considered deficient. Utilizing Table (4-4) below: If the number of AO validation of receipt deficiencies exceeds the not to exceed (NTE) amount for the number of files reviewed, this element is considered Unsatisfactory. NOTE: The randomly selected files are the same files selected for the transactional portion of the review.

Table 4-4

Sample Size (Files Reviewed)	NTE AO Validation of Receipt Deficiencies
2	0
3	0
5	1
8	1
13	1
20	2
32	3
50	5
80	8
125	12
200	20
315	32

- (b) If an activity fails four or more of the internal management control critical elements, they will fail the internal management control portion of the review.
- (6) Other Review Elements. COMSPAWARSYSCOM HQ 2.0 analyst must also review, at a minimum, the following elements in addition to those elements found in the transactional and internal management review. Where deficiencies are noted, COMSPAWARSYSCOM HQ 2.0 analyst should make findings within the body of the report to address those deficiencies. If COMSPAWARSYSCOM HQ 2.0 analyst is conducting a purchase card desk audit, he or she will telephone the activity APC to discuss issues related to the subject areas.
- (a) Dispute Process. COMSPAWARSYSCOM HQ 2.0 analyst should ensure an activity has a process to track and resolve disputes. Is the activity process followed per the bank Disputes Guide?
 - (b) Delinquencies. Does the activity have payment problems which cause delinquencies? See NAVSUPINST 4200.99 (Series) for delinquency standards.
 - (c) Corrective actions taken as a result of semi-annual reviews. Has the activity documented corrective actions taken to correct deficiencies noted in semi-annual reviews?
 - (d) Accountability of personal property purchased with purchase card. Does the activity have a process to track property purchased with the GCPC? Does the activity have a program to track for highly pilferable items valued below the level for plant property and are these items being controlled to ensure items are being tracked properly?
 - (e) Approval Process. Does the purchase card file adequately reflect that appropriate levels of approval were obtained and documented for those items noted in NAVSUPINST 4200.99 (Series) "List of Prohibited and Special Attention Items" and other items requiring special attention?
 - (f) Proper use of the increased purchase authority for procurements used to facilitate defense against or recovery from terrorism or nuclear, biological, chemical or radiological attack per FAR 2.101 definitions.

(g) Inactive Accounts. Has the APC closed all accounts which have not been used in the previous six months or have been used, on average, less than three times in a six-month period? Supervisory justification is required to remain open. In cases where the review of the other elements reveal the activity lacks the ability to effectively manage their purchase card program, COMSPAWARSYSCOM HQ 2.0 analyst shall contact COMSPAWARSYSCOM HQ 2.0 Policy Branch Head to discuss. Based on the magnitude and severity of the issues, an unsatisfactory rating may be warranted.

c. Conducting Desk Audits/Site Reviews of Level 5 APCs Managing Multiple Programs. For the purpose of this section, multiple programs are defined as Level 5 APCs with multiple Level 5 designators in their hierarchy. The decision to perform a desk audit vice a site visit at each of the multiple activity sites shall be based on Table 4-5 below.

Table 4-5

Review Schedule	Review Period	On-Site Audit	Desk Audit
All activities operating a PC program	18-months	Any program with >3,200 PC transactions every 18-months	Any program with <3,200 or less PC transactions every 18-months

If one or more programs exceed the 3,200 transaction threshold, an on-site review of all programs shall be conducted simultaneously. COMSPAWARSYSCOM HQ 2.0 analyst may choose to schedule site visits at the location of the APC or Commanding Officer/HA of the APC to facilitate the Internal Management Review and the PPMAP debrief. In cases where COMSPAWARSYSCOM HQ 2.0 analyst is performing a desk audit or site review of a Level 5 APC who is managing more than one activity, the COMSPAWARSYSCOM HQ 2.0 analyst should conduct the review as follows:

(1) The COMSPAWARSYSCOM HQ 2.0 analyst will conduct a transactional review on each of multiple programs independently. This includes establishing the total population and sample size, selecting the random files to be reviewed and reviewing the selected files against the critical elements separately for each of the activities. If the number of deficiencies exceeds the NTE number authorized in Table 4-7, the activity will fail the transactional review. The result will be that the activity exceeding the maximum number of deficiencies will be closed vice all of the activities under the APC. A stand-down shall be conducted at the activity(s) which failed, per paragraph (d) (3) below.

(2) Perform the Internal Management Review for all activities under the APC. The APC of multiple programs is responsible for the overall management of the purchase card program at all sites, including oversight of each program. APCs are responsible for ensuring their multiple units are in compliance with both the transactional review and the internal management review elements noted above. If the GCPC program under the APC fails four or more of the internal management review elements across all managed activities, the APC and all the activities under their cognizance shall fail the overall desk audit or site review.

(3) Perform the “Other Review Element” portion of the desk audit or site review for all activities under the APC. Although this portion may not impact the final rating, the “Other Review Element” portion of the review can be indicative of successful management of the local purchase card program.

d. Completing the Purchase Card Desk Audit or Site Review

(1) Assigning a Rating: COMSPAWARSYSCOM HQ 2.0 analyst will assign an adjectival rating of their evaluation of the results of the transactional review and the internal management review. If the rating is a result of a desk audit, COMSPAWARSYSCOM HQ 2.0 analyst will conduct a telephone exit briefing with the activity Commanding Officer or Executive Officer or HA. The exit briefing should explain the results of the review, the findings and issues, if any; when the activity should expect the final report and what is expected of the activity as a result of the review. Per guidance below, the COMSPAWARSYSCOM HQ 2.0 analyst shall assign a Satisfactory or Unsatisfactory overall rating for the GCPC review. Table 4-6 below is a guide for determining how a COMSPAWARSYSCOM HQ 2.0 analyst should assign an activity an overall rating as the result of a GCPC review:

Table 4-6

Transactional Review	Internal Management Review	Overall Rating
Pass	Pass	Satisfactory
Pass	Fail	Unsatisfactory
Fail	Pass	Unsatisfactory**
Fail	Fail	Unsatisfactory

** Note: If the review consists of multiple programs under one APC, the overall rating would be Satisfactory for activities passing the transactional review. However, the specific activity which failed the transactional review would fail, and the procedures delineated in paragraph (3) below shall be followed.

(a) Satisfactory Rating. The desk audit or on-site review revealed the activity did not exceed the not to exceed number of deficiencies noted in Table 4-7 below for the transactional review elements and the internal management review revealed three or fewer deficiencies; i.e., unsatisfactory elements.

Table 4-7

# of PC Transactions	Sample Size	NTE Deficiencies
2-15	2	0
16-25	3	0
26-90	5	1
91-150	8	2
151-280	13	3
281-500	20	5
501-1,200	32	7
1,201-3,200	50	10
3,201-10,000	80	14
10,001-35,000	125	21
35,001-150,000	200	21
150,001-500,000	315	21

90.0% Quality Level

90.0% Confidence Level

(b) Unsatisfactory Rating. The desk audit or onsite review revealed the activity had more than the not to exceed deficiencies noted in Table 4-7 above for the transactional review elements and the internal management review revealed four or more deficiencies; i.e., Unsatisfactory elements.

(2) Issuing the Report: If COMSPAWARSYSCOM HQ 2.0 analyst assigns an overall Satisfactory rating to an activity, the COMSPAWARSYSCOM HQ 2.0 analyst will prepare the report for signature. A summary or brief will be provided to the activity at the completion of the review. COMSPAWARSYSCOM HQ 2.0 analyst shall use the standard PPMAP report template to document the results of the purchase card desk audit or site review. The final report shall be provided to the activity within thirty (30) calendar days after completion of the review. When issuing the final report, COMSPAWARSYSCOM HQ 2.0 shall use the standard PPMAP report cover letter. The report should include findings and issues resulting from the deficiencies noted in the report. In addition, copies of the report shall be provided to the applicable HA. For those activities receiving a Satisfactory rating, the activity shall be required to provide a response to the final report within thirty (30) calendar days which shall include a POA&M supporting the corrective actions to be taken to address the findings and issues. If the COMSPAWARSYSCOM HQ 2.0 analyst assigns an Unsatisfactory rating, the procedure below shall be followed.

(3) Activities Receiving Unsatisfactory Ratings: If the activity receives an Unsatisfactory rating, the following actions shall be taken:

- (a) Prior to notifying the activity of its Unsatisfactory rating, COMSPAWARSYSCOM HQ 2.0 analyst will consult with COMSPAWARSYSCOM HQ 2.0 Director to determine the appropriateness of the Unsatisfactory rating. This consultation shall occur prior to notifying the Activity of the Unsatisfactory rating recommendation.
- (b) Out Briefing the Command. COMSPAWARSYSCOM HQ 2.0 analyst will out brief the Commanding Officer or senior leadership of the activity. During the out brief, COMSPAWARSYSCOM HQ 2.0 analyst will note those specific areas which led to the activity receiving an Unsatisfactory rating.
- (c) COMSPAWARSYSCOM HQ 2.0 analyst will leave a “draft report” and/or presentation with the activity identifying the areas which led to the activity receiving an Unsatisfactory rating. This will include highlighting the findings, issues and repeat findings included in the final PPMAP report.
- (d) If an Unsatisfactory rating is deemed appropriate, COMSPAWARSYSCOM HQ 2.0 Director will notify DoN Consolidated Card Program Management Division (CCPMD) of the intent to issue an official Unsatisfactory rating to the assessed activity.
- (e) After discussions with CCPMD, COMSPAWARSYSCOM HQ 2.0 will formally notify the activity of the official Unsatisfactory rating.
- (f) As a result of an Unsatisfactory rating, the failed activity will be required to conduct a PPMAP stand-down. COMSPAWARSYSCOM HQ 2.0 will then proceed as follows:

1. COMSPAWARSYSCOM HQ 2.0 Director will schedule the COMSPAWARSYSCOM HQ 2.0 analyst to provide support to review policies,

procedures and processes to determine root causes of the Unsatisfactory Rating during the stand-down period.

2. COMSPAWARSYSCOM HQ 2.0 Director will notify the COMSPAWARSYSCOM HQ 2.0 Level 3 APC to suspend CH and AO accounts of the failed activity for a minimum of three (3) calendar days (with the exception of one CH and AO account which will remain open to accomplish critical mission requirements.) Activities with suspension of card services as a result of an Unsatisfactory Rating cannot have their purchase card authority reinstated until the stand-down has been completed.

(g) After the stand-down, the activity will be returned to full status with all accounts reopened by COMSPAWARSYSCOM HQ 2.0 Director direction.

(h) The activity receiving the Unsatisfactory rating shall provide a POA&M to COMSPAWARSYSCOM HQ 2.0 Level 3 APC within fifteen (15) calendar days of the out brief date of the PPMAP detailing the corrective actions taken to correct the deficiencies noted in the report. COMSPAWARSYSCOM HQ 2.0 Level 3 APC will then review and approve the POA&M in a reasonable amount of time. If the activity fails to submit a POA&M within the 15-day period, COMSPAWARSYSCOM HQ 2.0 Director shall notify the COMSPAWARSYSCOM HQ Level 3 APC to suspend all CH and AO accounts until the POA&M is submitted and approved. The activity CH accounts will remain suspended until the activity POA&M is submitted and approved.

(i) COMSPAWARSYSCOM HQ 2.0 analyst shall provide the activity a final report thirty (30) calendar days after the date of the final out brief to the activity.

(j) When writing the GCPC review report, ALL deficiencies shall be documented (for reporting purposes) regardless of the corrective action taken by the activity.

(k) Whether the Unsatisfactory rating was a result of a desk audit or site visit, COMSPAWARSYSCOM HQ 2.0 analyst shall prepare the report for signature. The report should include findings and issues from the deficiencies noted in the review. The report will also indicate to the activity a "Follow-Up" review will be conducted within 180 calendar days of reestablishing the CH and AO accounts. A copy of the report will be provided to the activity's HA and Level 4 or 5 APC, as applicable.

(4) Follow-Up Review

(a) COMSPAWARSYSCOM HQ 2.0 analyst will conduct an on-site follow-up review within 180 calendar days of re-establishing the CH and AO accounts. The review will be conducted in the same manner as the original review.

(b) An announcement letter will be issued thirty (30) calendar days prior to the "follow-up review" identifying the date the follow-up review will be conducted. The activity's HA and Level 4 or 5 APC, as applicable, will be sent as announcement letter for the follow-up review.

(c) The transaction review will consist of reviewing a random sample of purchase card transactions from the total population of actions accomplished within the 180 calendar days. Using Table 4-7, COMSPAWARSYSCOM HQ 2.0 analyst will choose the appropriate sample size and not to exceed number of deficiencies for the population. COMSPAWARSYSCOM HQ 2.0 analyst will also conduct an internal management review and a review of other elements.

(d) If the activity exceeds the not to exceed number of deficiencies for the selected sample size or fails the internal management review, they will receive an Unsatisfactory rating per Table 4-7.

(e) If an activity fails the “Follow-up Review,” their purchase card authority shall be revoked and their purchase card program will be suspended indefinitely (including suspending all cardholder and AO accounts). COMSPAWARSYSCOM HQ 2.0 will be required to provide procurement support for the duration of the revocation.

(f) COMSPAWARSYSCOM HQ 2.0 will issue the report within five (5) calendar days to the activity identifying the deficiencies and providing findings and issues for improvement. The report will require the activity to establish a POA&M and provide weekly updates. In addition, the report shall require the activity to respond to the findings and issues within thirty (30) calendar days after issuance of the report.

(g) Reinstating Purchase Card Programs

1. Activities whose authority has been revoked and CH and AO accounts suspended, may apply for reinstatement of its purchase card program under the following conditions:
 - a. Written certification by the HA indicating the entire PC staff has been trained, the activity’s program is in compliance with DOD and DON policies and procedures and internal management controls have been put in place to ensure future deficiencies will not occur.
 - b. The activity must receive COMSPAWARSYSCOM HQ 2.0 concurrence to reinstate the Purchase Card Program.
2. Upon Satisfactory completion of above, COMSPAWARSYSCOM HQ 2.0 analyst shall notify COMSPAWARSYSCOM HQ 2.0 Level 3 APC to reinstate account privileges.
3. COMSPAWARSYSCOM HQ 2.0 Level 3 APC will perform a review of the reinstated activity approximately six (6) months after reinstatement and will furnish the results to COMSPAWARSYSCOM HQ 2.0.