

2-10. Separation of Duties

a. 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. 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. Key purchase card functions must be handled by different individuals. Inadequate separation of duties could allow errors and fraud to occur without detection. Key duties, such as making purchases (CH), authorizing payments (BO), certifying funding (RM), and reviewing transactions (Level 4 A/OPCs and APOs) must be assigned to different individuals to minimize the risk of loss to the Government to the greatest extent possible.

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 the CH and the BO for a GPC account. In no case will the Accountable Property Officer or any A/OPC (primary or alternate) also be a CH, BO or contracting officer who is 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.

Parent topic: [Chapter 2 - Program Organization, Roles, and Responsibilities](#)