



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

OFFICE OF
INSPECTOR GENERAL

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OIG-CA-18-023

MEMORANDUM FOR IRIS B. COOPER, SENIOR PROCUREMENT EXECUTIVE

FROM: Deborah L. Harker /s/
Assistant Inspector General for Audit

SUBJECT: Termination Memorandum – Audit of the Controls Over
Purchase and Travel Cards (A-MF-13-007)

In November 2012, we initiated an audit of the Department of the Treasury's (Treasury) purchase and travel card programs. We initiated the review in response to the Government Charge Card Abuse Prevention Act of 2012 (Act).¹ The objectives of our audit were to (1) assess, identify, and analyze risks of illegal, improper, or erroneous purchases and payments under the purchase card, convenience check, and travel card programs and (2) determine how reporting of violations are handled so that we may coordinate with the Treasury Office of the Procurement Executive (OPE), Treasury Inspector General for Tax Administration (TIGTA), and Office of the Special Inspector General for the Troubled Asset Relief Program (SIGTARP) for the joint semiannual report to the Office of Management and Budget (OMB) on purchase card violations and other actions.

During our audit fieldwork, we determined that although Treasury generally conducted its purchases and payments under the government charge card programs in accordance with Federal, OMB, and Treasury OPE and bureau/office policies and procedures, controls over the purchase and travel card programs needed improvement. We found that Treasury's (1) government charge cards were not closed timely after an individual terminates employment, (2) Treasury bureau and office reporting of government charge card violations and administrative matters to OPE was not consistent, (3) controls over purchase card programs needed improvement, (4) controls over travel card cash withdrawals from automated teller machines (ATMs) needed improvement, and (5) government charge card program reviews could be enhanced.

We also determined how violations were reported so we could coordinate with OPE, TIGTA, and SIGTARP representatives involved in the Act's joint semiannual reporting to OMB on purchase card violations and other actions.

¹ Public Law 112-194 (October 5, 2012)

In December 2013, we discussed the results with the OPE officials, responsible for Treasury's government charge card program. We also conducted subsequent updates in November 2016 and February 2018 to obtain the status of OPE's actions to address our findings.

OPE officials revised the Treasury Charge Card Management Plan (CCMP),² dated January 2018, which is annually updated, and reported, among other things, the following actions related to the above findings:

- 1) According to CCMP, Section 2.4, and Treasury Directive (TD) 74-12, Section 5(d)(10),³ bureaus should timely cancel the government charge cards of individuals who have terminated employment.
- 2) The CCMP Sections 7.0 and 7.3, have standardized the reporting of violations to be in compliance with OMB guidance⁴ and Public Law 112-194.
- 3) The CCMP was revised to address the purchase card program weaknesses we identified. For example, OPE conducts reviews of bureaus to identify potential split purchases⁵ as required by CCMP, Sections 2.1.2c and 3.1.1.2.
- 4) According to TD 74-12, Section 5(d)(11), bureaus are required to ensure that cash limits for ATM access are commensurate with the employee's assignment and limited to anticipated official travel cash transactions.
- 5) The CCMP, Section 5.2.1, details the required Agency/Organization Program Coordinator (A/OPC) training, which includes data mining tools, to manage their government charge card program. A/OPCs should review purchase card activity using these data mining tools in accordance with CCMP, Section 6.2.1.

In consideration of OPE's actions to address our findings, we believe it would be more beneficial to assess the controls in place in conjunction with the current risk assessment of Treasury's charge card and convenience check programs (job code

² The purpose of the Treasury *CCMP: Government-wide Commercial Purchase Cards* is to establish the policies and procedures for the use of government-wide commercial purchase cards at Treasury.

³ TD-74, 12, *Use of Government Contractor-Issued Travel Charge Cards*, January 28, 2015, which superseded TD 74-12, dated October 20, 2011.

⁴ OMB Circular A-123, *Appendix B: Improving the Management of Government Charge Card Programs*, January 15, 2009.

⁵ A split purchase is defined as a single purchase that is divided into two or more separate purchases to avoid exceeding the micro-purchase threshold and the competitive selection of a vendor requirement. The micro-purchase threshold of \$3,000 at the time of our fieldwork was subsequently increased to \$3,500 in July 2015 (Federal Acquisition Regulation Part 2.101).

A-PA-18-046). Accordingly, we are terminating this audit. Also, please note that the *Controls Over the Purchase and Travel Cards* (job code A-MF-13-007) will be removed from our *Monthly Status Report*.

We appreciate the courtesies and assistance provided by your staff. If you have any questions, please contact me at (202) 927-5762.