



## OFFICE OF INSPECTOR GENERAL U.S. Agency for International Development

### MEMORANDUM

**DATE:** July 13, 2023

**TO:** Inter-American Foundation, President and Chief Executive Officer, Sara Aviel

**FROM:** Deputy Assistant Inspector General for Audit, Alvin Brown /s/

**SUBJECT:** Assessment of the Inter-American Foundation Charge Card Program Showed Low Risk for Fiscal Year 2022 (0-IAF-23-011-S)

Dear Ms. Aviel:

The purpose of this memorandum is to inform you of the results of the Office of Inspector General's (OIG's) risk assessment of the Inter-American Foundation's (IAF) fiscal year (FY) 2022 charge card program, as required by Public Law No. 112-194, the Government Charge Card Abuse Prevention Act of 2012 (Charge Card Act) and performed in accordance with the Office of Management and Budget Circular No. A-123, Appendix B, A Risk Management Framework for Government Charge Card Programs, August 27, 2019 (OMB Appendix B). The Charge Card Act requires each Inspector General to conduct periodic risk assessments of their agency's charge card program to identify and analyze the risks of illegal, improper, or erroneous purchases and payments. OIGs use these risk assessments to determine the necessary scope, frequency, and number of audits or reviews of the program.

Our objective was to assess the risks of illegal, improper, or erroneous purchases and payments in IAF's FY2022 charge card program. Based on our risk assessment, we determined that the charge card program poses a low risk to IAF. In addition, the agency's charge card spending did not exceed \$10 million; therefore, an audit or review of the program is not necessary. We also found that the agency has policies and procedures that address the applicable charge card internal control requirements identified in the Charge Card Act and OMB Appendix B. In addition, we also found that the agency has adequate monitoring and reconciliation procedures to reduce the risk of illegal, improper, and erroneous purchases in the charge card program. We also found that the agency has policies and procedures that address the applicable charge card internal control requirements identified in the Charge Card Act. However, we found one instance of noncompliance with OMB Appendix B related to the lack of implementation of a metrics and benchmarking program for the charge card program for FY 2022. This issue does not change or impact the risk level.

We conducted this assessment following internally established OIG policies that govern this work product's planning, conducting, and reporting. Those policies require the assessment team

to be competent and independent, conduct its work with reasonable care, and follow established quality control procedures. Those policies also require that we obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions in accordance with our assessment objectives. We believe that the evidence obtained provides that reasonable basis.

To assess the risk of illegal, improper, and erroneous purchases to IAF's FY 2022 charge card program, which includes travel (individually and centrally-billed) and purchase cards, we reviewed IAF's policies and procedures, including the Charge Card Management Plan, to determine whether the agency established and maintained internal controls as required by the Charge Card Act and OMB Appendix B.

Furthermore, we interviewed IAF's Chief Operating Officer and the Senior Management Analyst to follow up on any changes to the program and obtain an understanding of the agency's efforts to monitor and reconcile charge card data as they relate to risks of illegal, improper, and erroneous purchases. Additionally, we reviewed cardholders accounts and charge card transaction data and calculated total travel and purchase expenses made in FY 2022.

We also inquired with OIG's Office of Investigations about cases related to IAF's charge card program. Our efforts did not identify any instances of misuse of the government charge cards or illegal purchases made on the part of IAF.

Finally, IAF has contacted OMB's Office of Federal Financial Management and discussed a metrics and benchmarking program suitable for an agency of IAF's size and usage and specific recommendations regarding metrics from General Services Administration are still pending. Therefore, we are not making any recommendations to address IAF's noncompliance with OMB Appendix B related to the lack of a metrics and benchmarking program.

We appreciate the assistance you and your staff provided to us during the engagement.