



# OFFICE OF INSPECTOR GENERAL

---

## ASSESSMENT OF THE U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT'S FISCAL YEAR 2015 GOVERNMENT CHARGE CARD PROGRAMS

ASSESSMENT REPORT NO. 0-000-16-005-S  
August 31, 2016

WASHINGTON, D.C.



*Office of Inspector General*

August 31, 2016

**MEMORANDUM**

**TO:** Chief Financial Officer, Reginald W. Mitchell

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

**SUBJECT:** Assessment of the U.S. Agency for International Development's Fiscal Year 2015 Government Charge Card Programs (Assessment Report No. 0-000-16-005-S)

This memorandum transmits our final report on the assessment of U.S. Agency for International Development's Fiscal Year 2015 Government Charge Card Programs. We acknowledge that USAID Management reviewed the draft and decided not to provide comments.

The assessment report did not have any recommendations, and your office is not required to take any additional action to address the results.

Thank you for the cooperation and assistance extended to the assessment team during this assessment.

# CONTENTS

**Assessment Results**.....1

**Appendix I—Scope and Methodology**.....3

# ASSESSMENT RESULTS

Under the Government Charge Card Abuse Prevention Act of 2012 (the Charge Card Act), USAID's Office of Inspector General (OIG) is required to conduct periodic risk assessments of the Agency's purchase card,<sup>1</sup> travel card,<sup>2</sup> centrally billed account,<sup>3</sup> and convenience check programs to analyze the risks of illegal, improper, or erroneous purchases and payments. Based on the results of the risk assessment, the OIG must then determine the scope, frequency, and number of periodic audits or reviews of government charge card programs. As USAID does not use convenience checks, there is no related program to assess.

Additionally, per the Charge Card Act, inspectors general are required to conduct periodic audits or reviews of travel programs of their respective agencies with more than \$10 million in travel card spending.

The objective of this risk assessment was to determine the level of risk of illegal, improper, or erroneous purchases and payments in USAID's government charge card programs. We assessed the level of risk as low for the following reasons.

- Based on our understanding of the policies and procedures management has implemented to issue charge cards, monitor spending, and comply with the reporting requirements of the Charge Card Act in effect during fiscal year (FY) 2015, we found the required controls to be in place and effective.
- Our review of the Agency's charge card management plan for FY 2015 found that they were submitted in accordance with the Office of Management and Budget (OMB) memorandum.
- No open recommendations or any recommendations closed in FY 2015 were related to government charge card programs.

---

<sup>1</sup> USAID issues purchase cards through the General Services Administration's SmartPay program, in which the Agency contracts with a commercial bank to provide purchase card services.

<sup>2</sup> USAID uses SmartPay to contract with a commercial bank to provide travel card services. The charge cards can be used only for authorized travel and related expenses such as transportation, lodging, and meals.

<sup>3</sup> The USAID centrally billed account is used to charge expenses for airline tickets for employees on official travel directly to USAID for payment. USAID employees use a USAID-contracted travel agency to book airline tickets for official travel.

We evaluated the data below to assess the risk level associated with USAID's charge card programs and to determine whether USAID exceeded the \$10 million spending threshold.

**Government Charge Card Data**

<b>Category</b>	<b>Purchase Cards</b>	<b>Travel Cards</b>	<b>Centrally Billed Account</b>
FY 2015 dollar value of transactions	\$11,903,718	\$11,118,729	\$13,980,310
FY 2015 number of transactions	7,592	38,012	27,230
FY 2015 number of cardholders	457	2,816	N/A

Source: Citibank Custom Reports System

We determined that USAID exceeded the \$10 million threshold for travel cards. Therefore, OIG will conduct a review of the travel card program.

# SCOPE AND METHODOLOGY

## Scope

We conducted this assessment following internally established OIG policies that govern the planning, conducting, and reporting of this work product. Those policies require that the assessment team be competent and independent, conduct its work using 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 objective. We believe that the evidence obtained provides that reasonable basis.

USAID OIG performed a risk assessment of USAID's government charge card programs from October 1, 2014, through September 30, 2015, to determine whether to conduct an audit or review of the programs. The risk assessment was conducted at USAID OIG and USAID offices in Washington, D.C.

## Methodology

To conduct the risk assessment, we did the following:

- Interviewed USAID staff to gain an understanding of the policies and procedures management has implemented to issue charge cards, monitor spending, and comply with the reporting requirements of the Charge Card Act.
- Reviewed the Charge Card Act, OMB Memorandum M-13-21, and other laws and regulations.
- Reviewed policies and procedures in effect during FY 2015 to determine whether any controls might have been ineffective or not implemented.
- Determined the number of government charge cards issued to employees in the Agency and the number of centrally billed accounts in FY 2015.
- Obtained and reviewed travel card, purchase card, and centrally billed account transaction data for FY 2015.
- Obtained and reviewed USAID travel card dollar value spending data used for FY 2015 to establish whether USAID OIG will conduct an audit or review of USAID's travel card program, as inspectors general are required to conduct periodic audits or reviews of travel programs of their respective agencies with more than \$10 million in travel card spending.
- Obtained and reviewed FY 2015 charge card management plan
- Inquired about any open recommendations or recommendations that were closed in FY 2015 related to government charge card programs.
- Assessed risk exposure—the likelihood of illegal, improper, or erroneous purchases and payments.

U.S. Agency for International Development  
Office of Inspector General  
1300 Pennsylvania Avenue, NW  
Washington, D.C. 20523  
Tel: 202-712-1150  
Fax: 202-216-3047  
<http://oig.usaid.gov/>  
Assessment Task No. 00100916