Assessment of the Overseas Private Investment Corporation’s Fiscal Year 2016 Government Charge Card Programs
The Office of Inspector General provides independent oversight that promotes the efficiency, effectiveness, and integrity of foreign assistance provided through the entities under OIG’s jurisdiction: the U.S. Agency for International Development, U.S. African Development Foundation, Inter-American Foundation, Millennium Challenge Corporation, and Overseas Private Investment Corporation.

Report waste, fraud, and abuse

**Overseas Private Investment Corporation Hotline**
Email: opichotline@usaid.gov
Phone: 202-712-1023 or 800-230-6539
Mail: USAID OIG Hotline, Attn: OPIC Hotline, P.O. Box 657, Washington, DC 20044-0657
MEMORANDUM

DATE: July 24, 2018

TO: Overseas Private Investment Corporation, Senior Administrative Counsel, Genevieve Stubbs

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

SUBJECT: Assessment of the Overseas Private Investment Corporation’s Fiscal Year 2016 Government Charge Card Programs (0-OPC-18-004-S)

This memorandum transmits the final report on our assessment of the Overseas Private Investment Corporation’s (OPIC) fiscal year 2016 Government charge card programs. Our objective was to determine the level of risk of illegal, improper, or erroneous purchases and payments in OPIC’s Government charge card programs. In finalizing the report, we acknowledge your informal comments and agreement with the draft.

We do not make any recommendations.

We appreciate the assistance you and your staff extended to us during this assessment.
ASSESSMENT RESULTS

Under the Government Charge Card Abuse Prevention Act of 2012 (the Charge Card Act), Public Law 112-194, USAID’s Office of Inspector General (OIG) is required to conduct periodic risk assessments of OPIC’s purchase card, travel card, centrally billed account, and convenience check programs to analyze the risks of illegal, improper, or erroneous purchases and payments. Based on the results of the risk assessment, OIG must then determine the scope, frequency, and number of periodic audits or reviews of Government charge card programs.

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 OPIC’s Government charge card programs. We determined the level of risk for the charge card programs was low for the following reasons.

- Based on our understanding and review of the internal control structure, which includes 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) 2016, we found the required controls were in place.
- Our review of OPIC’s charge card management plan for FY 2016 found that it was in compliance with the Office of Management and Budget (OMB) Circular A-123 and OMB Memorandum M-13-21 and was submitted before the January 31, 2017, deadline established in the OMB memorandum.
- No open recommendations or any recommendations closed in FY 2016 were related to Government charge card programs.

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

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1 OPIC issues purchase cards through the General Services Administration’s SmartPay program, in which OPIC contracts with a commercial bank to provide purchase card services.

2 OPIC uses travel charge cards. The travel charge cards can only be used for authorized travel and related expenses such as transportation, lodging, and meals.

3 The OPIC centrally billed account, part of the travel charge card program, is used mainly to charge expenses for airline tickets for employees on official travel directly to OPIC for payment.
OPIC FY 2016 Government Charge Card Data

<table>
<thead>
<tr>
<th>Category</th>
<th>Purchase Cards</th>
<th>Travel Cards</th>
<th>Centrally Billed Account</th>
<th>Convenience Checks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dollar value of transactions</td>
<td>$687,841</td>
<td>$4,530,215</td>
<td>$18,546</td>
<td>$27,745</td>
</tr>
<tr>
<td>Number of transactions</td>
<td>944</td>
<td>9,664</td>
<td>46</td>
<td>166</td>
</tr>
<tr>
<td>Number of cardholders</td>
<td>15</td>
<td>227</td>
<td>1</td>
<td>6</td>
</tr>
</tbody>
</table>


These data showed that OPIC did not exceed the $10 million threshold for travel card spending which triggers an audit or review. Therefore, OIG will not conduct a review or an audit of the travel card program.

Further, we determined the overall level of risk was low for the charge card programs and do not recommend that an audit or review be conducted at this time.
APPENDIX A. SCOPE AND METHODOLOGY

We conducted this assessment from January 2017 through June 2018 following internally established OIG policies that govern the planning, conducting, and reporting of this work product. Those policies require that the assessment team is competent and independent, conducts its work using reasonable care, and follows 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.

Our objective was to determine the level of risk of illegal, improper, or erroneous purchases and payments in OPIC’s Government charge card programs for FY 2016.

To conduct the risk assessment, we performed the following work in Washington, DC:

- Interviewed OPIC 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 applicable laws and regulations.
- Reviewed policies and procedures in effect during FY 2016 to determine whether any controls might be ineffective or not implemented.
- Determined the number of Government charge cards issued to OPIC employees and the number of centrally billed accounts in FY 2016.
- Obtained and reviewed travel card, purchase card, centrally billed account, and convenience check transaction data for FY 2016.
- Obtained and reviewed OPIC travel card dollar-value spending data for FY 2016 to determine whether that spending reached the threshold for OIG conducting an audit or review of OPIC’s travel card program.
- Reviewed the work performed during the FY 2016 Federal Information Security Management Act (FISMA) audit to assess the reliability of the disbursement data.
- Obtained and reviewed the FY 2016 charge card management plan.
- Inquired about any open recommendations or recommendations that were closed in FY 2016 related to Government charge card programs.
- Using these data, assessed the likelihood of illegal, improper, or erroneous purchases and payments.
APPENDIX B. MAJOR CONTRIBUTORS TO THIS REPORT

The following people were major contributors to this report: Rohit Chowbay, director; Damian Wilson, assistant director; Chinwe Mbanefo, auditor; Waheed Nasser, auditor; and Jerry Lawson, associate legal counsel.