



September 30, 2019

The Honorable Mick Mulvaney
Director
Office of Management and Budget
725 17th Street NW
Washington, DC 20503

SUBJECT: OIG Risk Assessment of the OPIC Charge Card Program for Fiscal Years 2017 and 2018

Dear Mr. Mulvaney:

This letter provides the results of the Office of Inspector General's (OIG) risk assessment of the Overseas Private Investment Corporation's (OPIC) charge card program, as required by the Government Charge Card Abuse Prevention Act of 2012 (P.L. No 112-194) (Charge Card Act). The Charge Card Act requires each OIG 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.

We found that OPIC could not provide required documentation related to cardholders, active cards, and total travel and purchase expenses. This occurred because the corporation did not extract, download, or maintain copies of real time data as instructed by the charge card service provider. OPIC's access to the data expired on July 12, 2019, approximately one week before we first asked for the documentation. Although the lack of required documentation is a risk, we have determined not to expend resources on initiating an audit on OPIC's charge card program at this time for the following reasons.

OPIC will transition to the U.S. International Development Finance Corporation. We are providing this information to the management of the new entity. We are also providing this statement to auditors of OPIC's financial statements for them to consider the significance of this documentation issue in relation to their audit conclusions.¹ This audit is underway.

¹ Under the law 22 U.S. Code § 2199, USAID OIG does not play a role in overseeing OPIC's financial statement audit.

Additionally, we coordinated with our Office of Investigations and did not identify any instances of misuse of government charge cards or illegal purchases made on the part of OPIC. We will continue to monitor the charge card program pursuant to statutory authorities until the new agency's Office of Inspector General is operational and positioned to provide oversight.²

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(s). We believe that the evidence obtained provides that reasonable basis.

To assess the risk of illegal, improper, and erroneous purchases from the purchase cards (including convenience checks and fleet cards), combined integrated card programs, travel card programs and centrally billed account as part of the OPIC's FY2017 and FY2018 charge card program, we reviewed OPIC's management plans and available documents to assess aspects of the agency's internal controls and related elements required under OMB Circular A-123. We also interviewed an OPIC official 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.

If you have any questions concerning this letter, please contact me at 202-712-1133 or abrown@usaid.gov.

Sincerely,

/s/

Alvin Brown
Deputy Assistant Inspector General for Audit
USAID Office of the Inspector General

Cc: William Ellett
Managing Director, Financial Management
Overseas Private Investment Corporation

² As USAID Inspector General Ann Calvaresi Barr mentioned in December 8, 2016, testimony on Top Management Challenges before the Senate Committee on Foreign Relations, Subcommittee on State Department and USAID Management, International Operations, and Bilateral International Development, "Because USAID OIG does not have full authority to oversee OPIC programs and operations, we currently conduct audit and other activities under an annual agreement that has been subject to negotiation, limitations, and delays." The Better Utilization of Investments Leading to Development (BUILD) Act of 2018 (Public Law No. 115-254) calls for the Development Finance Corporation to have its own OIG, separate from USAID OIG. The Board is recruiting for that position.