



January 22, 2020

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

SUBJECT: OIG Risk Assessment of the Inter-American Foundation Charge Card Program for Fiscal Years 2017 and 2018

Dear Mr. Mulvaney:

The purpose of this letter is to inform you of the results of the Office of Inspector General's (OIG) risk assessment of the Inter-American Foundation's (IAF) FY2017 and FY2018 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 will use these risk assessments to determine the necessary scope, frequency, and number of audits or reviews of the program.

Based on our risk assessment, we determined that the charge card program poses a low risk to the agency, and an audit of the program is not necessary. We found that the agency has policies and procedures in place that address the applicable charge card internal control requirements identified in the Charge Card Act and related OMB guidance. 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 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. 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.

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 IAF's FY2017 and FY2018 charge card program, we reviewed IAF's management plans and relevant documents to verify the agency's internal controls and the elements required under OMB Circular A-123. The management plan does not discuss cases of fleet cards because the program does not apply to these cases.

Furthermore, we interviewed the agency's Chief Operating Officer 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 data in detail such as cardholders/active cards; calculated total travel and purchase expenses made in each of the fiscal years; and interviewed investigators about cases from OIG Investigations Division. Our efforts did not identify any instances of misuse of the government charge cards or illegal purchases made on the part of IAF.

No response to this letter is necessary. If you have any questions concerning this report, please contact me at 202-712-1133 or abrown@usaid.gov

Sincerely,

/s/

Alvin Brown
Deputy Assistant Inspector General for Audit

cc: IAF / Chief Operating Officer, Lesley Duncan