



OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

FINAL MEMORANDUM

DATE: May 26, 2022

TO: USADF, President and Chief Executive Officer, Travis Adkins

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

SUBJECT: OIG Risk Assessment of the U.S. African Development Foundation Charge Card Program for Fiscal Years 2021 and 2020 (0-ADF-22-010-S)

Dear Mr. Adkins:

The purpose of this final memorandum is to inform you of the results of the Office of Inspector General's (OIG's) risk assessment of the U.S. African Development Foundation's (USADF's) fiscal years (FYs) 2021 and 2020 charge card program, as required by the Government Charge Card Abuse Prevention Act of 2012 (P.L. No 112-194) (Charge Card Act) and Office of Management and Budget Appendix B, Circular No. A-123, "A Risk Management Framework for Government Charge Card Programs", August 27, 2019 (OMB Appendix B). 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 USADF and the agency did not exceed \$10 million in charge card spending; therefore, 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 Appendix B. 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. However, we found an instance of noncompliance with OMB Appendix B related to the lack of a metrics and benchmarking program for the charge card program for FYs 2021 and 2020. This issue does not change or impact the risk level.

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 objectives. 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 cards, travel cards, and centrally billed accounts as part of USADF's FYs 2021 and 2020 charge card program, we reviewed USADF's Charge Card Management Plans and relevant documents to verify the agency's internal controls and the elements required under OMB Appendix B.

Furthermore, we interviewed USADF's Chief Financial 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 and active cards; and calculated total travel and purchase expenses made in FYs 2021 and 2020.

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

To address the noncompliance issue identified in the report, we recommend that you:

Recommendation: Revise the charge card management plan to include the requirement regarding the development of a metrics and benchmarking program for its government charge card management program.

In finalizing the memo, we considered your comments on the draft and included them in their entirety in the attachment. The memo contains one recommendation to improve USADF's compliance with OMB Appendix B. After reviewing information you provided in response to the draft memo, we consider the recommendation resolved but open pending completion of planned activities. For recommendation I, please provide evidence of final action to OIGAuditTracking@usaid.gov.

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

Attachment



May 10, 2022

MEMORANDUM

TO: Alvin Brown, USAID Deputy Assistant Inspector General for Audit

FROM: USADF, President and Chief Executive Officer, Travis Adkins /s/

SUBJECT: USAID OIG Risk Assessment of USADF Charge Card Program for Fiscal Years 2021 and 2020 (0-ADF-22-010-S)

USAID OIG Report No. 0-ADF-22-010-S

This is to provide USADF's response to address the instance of noncompliance with OMB Appendix B related to the lack of a metric and benchmarking program identified in the OIG Risk Assessment of the USADF's Charge Card Program for FY 2021 and 2020 (0-ADF-22-010-S) as required by the Government Charge Card Abuse Prevent Action of 2012 (P.L. No 112-194) (Charge Card Act) and Office of Management and Budget Appendix B, Circular No. A-123, "A Risk Management Framework for Government Charge Card Program," August 27, 2019 (OMB Appendix B).

FY 2022 OIG Recommendation 1: We recommend that United States African Development Foundation revise the charge card management plan to include the requirement regarding the development of a metrics and benchmarking program for its government charge card management program.

Management Response: USADF concurs with the recommendation to revise USADF's charge card management plan to include the requirement regarding the development of a metrics and benchmarking program for its government charge card management program. Corrective action for revising USADF's charge card management plan to be completed by June 30, 2022.

If you have any questions, please let me know.
Thank you.

cc: Mathieu Zahui, USADF Chief Financial Officer