



OFFICE OF INSPECTOR GENERAL U.S. Agency for International Development

MEMORANDUM

DATE: July 15, 2025

TO: Kenneth Jackson
Deputy Administrator for Management and Resources
and Chief Financial Officer, USAID

FROM: Gabriele Tonsil /s/
Acting Assistant Inspector General for Audits, Inspections, and Evaluations

SUBJECT: Risk Assessment of U.S. Agency for International Development's Management of Purchase Cards in Fiscal Year 2024 (0-000-25-007-C)

This memorandum presents the results of our risk assessment of the U.S. Agency for International Development's (USAID) management of purchase cards in fiscal year (FY) 2024. The Government Charge Card Abuse Prevention Act of 2012 (the Charge Card Act) requires the Office of Inspector General (OIG) to conduct periodic risk assessments of Agency purchase card programs (including convenience checks), combined integrated card programs, and travel card programs to analyze the risks of illegal, improper, or erroneous purchases.¹ OIG uses the results to determine the scope, frequency, and number of audits of USAID's purchase card program that need to be conducted.

Our objectives for this assessment were to (1) assess, identify, and analyze the risk of illegal, improper, or erroneous purchases and payments and (2) determine whether the results of the risk assessment justify performing an audit in compliance with the Charge Card Act. To answer the objectives, OIG reviews, among other things, USAID's policies, directives, and procedures; internal controls; compliance with laws and regulations; and Agency actions to address any prior risk assessment recommendations or allegations of misconduct or mismanagement.

We were guided by the Office of Management and Budget's Circular A-123, Appendix B,² and our internal OIG handbook, which includes the policies that govern risk assessment planning, conducting, and reporting. Those policies require the assessment team to be competent and independent, conduct its work with reasonable care, and follow established quality control

¹ Public Law 112-194, October 5, 2012.

² Office of Management and Budget, Appendix B to Circular A-123, "A Risk Management Framework for Government Charge Card Programs," August 27, 2019.

procedures. They also require that we obtain sufficient and appropriate evidence to provide a reasonable basis for our findings and conclusions in accordance with our assessment objectives.

However, we were unable to perform the risk assessment of USAID's management of purchase cards for FY 2024 due to a series of events that followed the President's January 20, 2025, Executive Order, "Reevaluating and Realigning United States Foreign Aid."³ On January 26, 2025, the Secretary of State ordered a pause on all U.S. foreign assistance funded by State and USAID for review, and many USAID staff were put on administrative leave in February 2025. As a result, the Agency lacked the staff to respond to our information requests and could not provide us with access to relevant records and people as required by the Inspector General Act. As such, we could not determine the overall risk of illegal, improper, or erroneous purchases and payments through USAID's use of purchase cards in FY 2024, in accordance with the Charge Card Act.

Agency Management's Responsibility for Financial Data and Other Information Under the Law

The Charge Card Act and Inspector General Act require USAID management to be responsible for:

1. Complying with the requirements of the Charge Card Act, including designing, implementing, and maintaining effective internal controls relevant to the preparation and fair presentation of the financial data and other information that are free from material misstatement whether due to fraud or error.
2. Implementing systems designed to achieve compliance with applicable laws, regulations, and contracts and grant agreements to include contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of program information.
3. Establishing and maintaining a process for tracking the status of engagement findings and recommendations, identifying and providing copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives of this engagement. This responsibility includes relaying corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies to OIG.
4. Making all financial records and related information available to OIG and providing unrestricted access to persons within the Agency from whom OIG determines it necessary to obtain engagement evidence.

Summary of FY 2023 Purchase Card Risk Assessment Results

We contracted with the independent certified public accounting firm of GKA P.C. Certified Public Accountants and Consultants (GKA) to perform the risk assessment of USAID's management of purchase card program in fiscal year 2023.

³ White House, Executive Order 14169, "Reevaluating and Realigning United States Foreign Aid," January 20, 2025.

In the final report issued on August 7, 2024, GKA concluded that the overall risk of illegal, improper, or erroneous purchases and payments through USAID's purchase card program in 2023 was low.⁴ However, the firm stated that the risk assessment should not be interpreted to mean that the program was free from illegal, improper, or erroneous purchases and payments, or that the risk would remain unchanged. GKA concluded that the results of its risk assessment did not warrant an audit for the Agency's use of purchase cards in FY 2023. However, the firm noted one finding related to the lack of supporting documentation and unsigned monthly billing bank statements and made three recommendations.

USAID Could Not Support the FY 2024 Purchase Card Risk Assessment

We were unable to conduct the FY 2024 purchase card risk assessment because USAID did not have staff available to respond to our information requests due to the events noted above. On March 12, 2025, USAID officials informed us that the Agency would not be able to respond to requests related to this risk assessment. We made multiple attempts to contact Agency officials in April and May and were informed that the Agency did not have staff available to respond to our risk assessment.

To conduct its work, OIG needs, and is statutorily entitled to, information relating to its work from all USAID offices. Among other legal authorities conferred by the Inspector General Act, OIG is authorized to "have access to all records, reports, audits, reviews, documents, papers, recommendations, or other material" available to USAID that relate to any of the programs and operations under OIG's oversight authority.⁵ We communicated this requirement to USAID management in our announcement memo for the engagement on January 23, 2025.

USAID did not fulfill its responsibilities under the Inspector General Act, preventing us from obtaining the information needed for this risk assessment. As a result of this limitation, we are unable to perform the risk assessment and determine whether justification exists for a subsequent audit.

⁴ USAID OIG, "[Purchase Card Risk Assessment: USAID's Program Showed Low Risk of Improper Purchases and Payments in Fiscal Year 2023](#)" (0-000-24-009-C), August 7, 2024.

⁵ 5 U.S.C. §§ 401-424.