



Office of Inspector General

January 28, 2014

The Honorable Sylvia Mathews Burwell, Director
Office of Management and Budget
725 17th Street, NW
Washington, DC 20503

SUBJECT: Fiscal Year 2013 Report on USAID's Implementation of Audit Recommendations
Relating to Travel and Purchase Cards

Dear Director Burwell:

This is the U.S. Agency for International Development (USAID) Office of Inspector General's (OIG's) first annual report on USAID's implementation of audit recommendations relating to travel and purchase cards, required under the Government Charge Card Abuse Prevention Act of 2012 (Public Law 112-194). The Office of Management and Budget (OMB) provided guidance for interpreting the law's requirements in OMB Memorandum M-13-21, "Implementation of the Government Charge Card Abuse Prevention Act of 2012." OMB directed that executive agency OIGs report annually on the implementation of recommendations concerning purchase and travel cards, including both open recommendations and those closed during the prior fiscal year.

A thorough search of OIG audit recommendations relating to USAID's travel or purchase card (including convenience check) programs did not reveal any open recommendations. However, we identified six recommendations that USAID closed in fiscal year (FY) 2013 relating to its travel card program and summarize USAID's implementation of these recommendations in the attachment to this letter. We did not identify any recommendations closed in FY 2013 relating to USAID's purchase card program.

Sincerely,

/s/

Michael Carroll
Acting Inspector General

Attachment

**USAID's Implementation of the Six OIG Audit Recommendations
Closed in FY 2013 Related to Its Travel Card Program**

Recommendation	Management Decision	Final Action
Audit of Selected Payments by USAID/Egypt for Evacuation Travel and Related Allowances, Report No. 6-263-12-001-P (12/13/2011)		
Recommendation 3. That USAID/Egypt issue a written reminder to all employees to adhere to Agency guidelines that require the use of the government travel card in lieu of an advance of funds and publicize the possible penalties for not following the guidelines.	USAID/Egypt partially concurred. It issued a written reminder (Mission Notice) on 8/18/11 but did not identify penalties for nonuse. USAID/Egypt stated it would be inappropriate for it to develop penalties for an Agency-wide matter.	On 3/5/12, USAID/Egypt issued "Staff Notice No. 12-03, "Penalties for an Administrative Infraction: Non-use of Government Sponsored Credit Card." Closed 12/3/12.
Recommendation 4. That USAID/Egypt determine the type of offense [for not using travel cards in lieu of advances], administer the appropriate penalty, and document the appropriate mission or personnel file accordingly.	USAID/Egypt disagreed, stating: "In the absence of Agency guidelines it would not be appropriate for the Mission to construct a penalty." It decided no oral admonishment was necessary for nonuse of travel cards during the 2011 civil emergency in Egypt and post evacuation.	On 3/5/12, USAID/Egypt issued "Staff Notice No. 12-03, "Penalties for an Administrative Infraction: Non-use of Government Sponsored Credit Card." Closed 12/3/12.
Recommendation 8. That USAID/Egypt review employees' payment requests for lodging to determine the allowability of all payments including the identified questioned costs of \$657, \$240, and \$225 and recover from the employees any amounts determined to be unallowable.	USAID/Egypt concurred. It collected \$240 on 10/12/2011 and planned to collect the remaining questioned costs by 9/30/2012.	USAID/Egypt increased the disallowed amount by \$1,160 for a total recovery of \$2,282 from the evacuees. Closed 3/4/13.
Audit of USAID/Egypt's Emergency Preparedness and Evacuation Travel Payments, Report No. 6-263-12-005-P (2/9/2012)		
Recommendation 3. That USAID/Egypt determine the allowability of questioned costs valued at \$4,175 and nonpayment of \$1,111, and recover from or remit to employees amounts as deemed appropriate.	USAID/Egypt concurred. It initially determined that \$995 of the \$4,175 was allowable and that \$1,072 of the \$1,111 nonpayment was due employees.	USAID/Egypt ultimately recovered \$3,299.66 in disallowed costs and remitted \$271.39. Closed 3/25/13.
Recommendation 4. That USAID/Egypt provide and document training to financial management employees about regulations governing evacuation entitlements.	USAID/Egypt concurred. It developed training, which it planned to conduct by 4/30/12.	USAID/Egypt began conducting training on 4/26/2012. Closed 12/6/12.
Recommendation 8. That USAID/Egypt include the requirement for the use of the government-sponsored travel card in Section 7 of the AID 5-8 Travel Authorization Form to remind employees of their financial management responsibilities.	USAID/Egypt disagreed with the specific remedy included in the recommendation, stating that publication of a mission notice would be more effective and efficient.	USAID/Egypt issued a mission notice on use of the travel card, which will be attached to employee travel authorizations. Closed 12/6/12.