



OFFICE OF
INSPECTOR GENERAL
U.S. DEPARTMENT OF THE INTERIOR

**PROGRESS MADE BY THE
U.S. DEPARTMENT OF THE INTERIOR
IN IMPLEMENTING GOVERNMENT
CHARGE CARD RECOMMENDATIONS,
FISCAL YEAR 2019**



OFFICE OF
INSPECTOR GENERAL
U.S. DEPARTMENT OF THE INTERIOR

JAN 31 2020

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

Subject: *Progress Made by the U.S. Department of the Interior in Implementing Government Charge Card Recommendations, Fiscal Year 2019*
Report No. 2020-FIN-014

Dear Mr. Mulvaney:

This letter provides the status of progress made by the U.S. Department of the Interior (DOI) in implementing previous Government charge card recommendations as of the end of fiscal year (FY) 2019, as well as other DOI-related charge card activities and Office of Inspector General (OIG) reviews.

The Government Charge Card Abuse Prevention Act of 2012 (Public Law No. 112-194) requires all executive branch agencies to establish and maintain safeguards and internal controls for purchase, travel, and centrally billed accounts. The Act reinforced efforts to prevent fraud, waste, and mismanagement of Governmentwide charge card programs. In addition, the Act requires agency OIGs to conduct periodic risk assessments of agency purchase card or convenience check programs to analyze the risk of illegal, improper, or erroneous purchases and payments. We use these risk assessments to determine the necessary scope, frequency, and number of audits or reviews that we will perform related to these programs. We are also required to report to the Director of the Office of Management and Budget on the DOI's progress in implementing our audit recommendations related to Government charge cards.

In FY 2019, the Department had more than \$696 million in charge card purchases. During this same period, we issued 2 audit reports with a total of 10 recommendations related to internal controls over Government purchase cards at the DOI (see below and attachment).

OIG Charge Card-Related Work

We issued two audit reports in FY 2019:

- 2017-ER-015, *Internal Controls for the Department of the Interior's Purchase Card Program Need Improvement*, was issued on March 29, 2019, with five

recommendations related to internal controls over Government purchase cards. As of the close of FY 2019, all five recommendations are resolved but not implemented.

- 2017-ER-015A, *Improvement Needed in Internal Controls for the Use of Convenience Checks at the Department of the Interior*, was issued on March 26, 2019, with five recommendations related to internal controls over Government purchase cards. As of the close of FY 2019, four recommendations were resolved, implemented, and closed, and one recommendation was resolved but not implemented.

New Purchase Card Contractor and Process Began November 2018

The DOI selected Citibank as its new charge card contractor to replace J.P. Morgan Chase, effective on November 30, 2018. The new DOI charge card is no longer one integrated card with separate business lines for purchase, fleet, and travel; instead, Citibank issues separate cards for each.

If you have any questions about this progress report or require further information, please contact me at 202-208-5745.

Sincerely,



Mark L. Greenblatt
Inspector General

cc: Kenneth R. Casey, Charge Card Program Manager, Office of Acquisition and Property Management

Megan Olsen, Director, Office of Acquisition and Property Management

Attachment

Status of Government Charge Card Recommendations

2017-ER-015, *Internal Controls for the U.S Department of the Interior's Purchase Card Program Need Improvement*

Report Date: 03/29/2019

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| 1. The DOI and its bureaus enforce all governing requirements for supporting documentation and supervisory review of purchase card transactions and hold accountable supervisors who do not perform reviews in accordance with the DOI Integrated Charge Card Policy (ICCP). | Resolved, but not implemented |
| 2. The DOI and its bureaus train staff on the ICCP manual's requirement for separation of duties. | Resolved, but not implemented |
| 3. The DOI establish criteria for requiring cardholders to document a justification for use of non-required sources and third-party vendors for approval by AOs | Resolved, but not implemented |
| 4. The DOI establish internal controls to identify cardholder accounts with invalid or improper purchase limits and to assign limits as designated in applicable policy and guidance. | Resolved, but not implemented |
| 5. The DOI establish and implement a policy for the payment of sales tax. This should include a requirement for documenting attempts to recover any State and local taxes paid. | Resolved, but not implemented |

2017-ER-015-A, *Improvement Needed in Internal Controls for the Use of Convenience Checks at the U.S. Department of the Interior*

Report Date: 03/26/2019

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| 1. Strengthen controls to ensure approving officials review transactions and verify supporting documentation | Resolved, implemented, and closed |
| 2. Establish and implement policy on the requirements for completing IRS Form 1099 when using a convenience check to pay for services. | Resolved, implemented, and closed |
| 3. Provide updated guidance on proper use and limitations of convenience checks. | Resolved, implemented, and closed |
| 4. Generate monthly system reports of transactions over \$2,000 (to identify those over the micro-purchase limits for supplies, services, and construction), and make these reports available for management review. | Resolved, but not implemented |
| 5. Establish procedures for cardholders to document purchases and confirm the availability of funds based on single-purchase and cycle limits prior to making a purchase with a convenience check. | Resolved, implemented, and closed |

