

Department of Health and Human Services

**OFFICE OF
INSPECTOR GENERAL**

**RISK ASSESSMENT OF THE
ADMINISTRATION FOR CHILDREN AND
FAMILIES' TRAVEL CARD PROGRAM FOR
FISCAL YEAR 2021**

*Inquiries about this report may be addressed to the Office of Public Affairs at
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Amy J. Frontz
Deputy Inspector General
for Audit Services

August 2023
A-04-22-06263

Office of Inspector General

<https://oig.hhs.gov>

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OFFICE OF AUDIT SERVICES FINDINGS AND OPINIONS

The designation of financial or management practices as questionable, a recommendation for the disallowance of costs incurred or claimed, and any other conclusions and recommendations in this report represent the findings and opinions of OAS. Authorized officials of the HHS operating divisions will make final determination on these matters.

Report in Brief

Date: August 2023
Report No. A-04-22-06263



Why OIG Did This Audit

The Government Charge Card Abuse Prevention Act of 2012, P.L. No. 112-194, requires Offices of Inspectors General (OIGs) to conduct periodic risk assessments of agency purchase card programs. OIGs must report to the Office of Management and Budget (OMB) on agency progress in implementing recommendations made to address audit findings by January 31 of each year.

Our objective was to analyze the risk of illegal, improper, or erroneous purchases in the Administration for Children and Families (ACF) travel card program and to determine whether ACF has designed and implemented controls and strategies to mitigate these potential risks.

How OIG Did This Audit

We developed six risk areas using the five components of the Committee of Sponsoring Organizations of the Treadway Commission's (COSO) Enterprise Risk Management (ERM) – Integrated Framework and OMB Compliance Standards. Within these 6 risk areas, we identified 45 sub-risk areas. We developed a questionnaire to gather data from ACF, evaluated ACF's responses to this questionnaire, reviewed documents ACF provided, and conducted interviews with ACF management. We assessed the data gathered above and assigned a level of risk (low, moderate, high, or critical) to each sub-risk area. The risk factors were assigned a numerical score and calculations were run to arrive at an overall risk rating for the ACF travel card program for fiscal year 2021.

Risk Assessment of the Administration for Children and Families' Travel Card Program for Fiscal Year 2021

What OIG Found

Overall, we assessed the risk of illegal, improper, or erroneous purchases in the ACF travel card program as moderate. Within the 6 risk areas related to ACF's travel card program, we identified 45 sub-risk areas and rated 29 as low risk, 13 as moderate risk, and 3 as high risk.

The program was rated as moderate because it (1) did not provide adequate oversight of employee compliance with travel procedures; (2) did not provide adequate training for proper travel card use; and (3) did not maintain adequate documentation to support employee travel. As a result, ACF reimbursed unallowable travel charges to its employees. Without proper training and policy education, ACF employees could continue to charge the Federal government for unallowable travel expenditures.

Table: Risk Assessment of ACF's Purchase Card Program

● ACF Travel Card Overall Risk: Moderate	
● GOVERNANCE AND CULTURE Low	● REVIEW AND REVISION Moderate
● STRATEGY AND OBJECTIVE SETTING Low	● INFORMATION, COMMUNICATION, AND REPORTING Low
● PERFORMANCE Low	● OMB COMPLIANCE STANDARDS Moderate

What OIG Recommends and ACF Comments

We recommend that ACF develop mitigating controls and strategies to lower the high and moderate risks we identified.

In response to our draft report, ACF concurred with our recommendation. ACF stated that it takes its oversight responsibilities seriously and is fully committed to take the necessary actions to address the identified risks in our report.

TABLE OF CONTENTS

INTRODUCTION.....1

 Why We Did This Audit.....1

 Objective.....1

 Background.....2

 Administration for Children and Families.....2

 Federal Government Travel Card Program.....2

 Federal Requirements.....2

 Enterprise Risk Management.....3

 How We Conducted This Audit.....4

RESULTS OF AUDIT.....5

 Governance and Culture.....6

 Strategy and Objective-Setting.....7

 Performance.....7

 Review and Revision.....8

 Information, Communication, and Reporting.....9

 OMB Compliance Standards.....10

CONCLUSION.....11

RECOMMENDATION.....12

ADMINISTRATION FOR CHILDREN AND FAMILIES COMMENTS.....12

APPENDICES

 A: Audit Scope and Methodology.....13

 B: ACF’s Travel Card Risk and Sub-Risk Areas.....15

 C: Administration for Children and Families Comments.....16

INTRODUCTION

WHY WE DID THIS AUDIT

The Government Charge Card Abuse Prevention Act of 2012 (Charge Card Act), P.L. No. 112-194, requires Offices of Inspectors General (OIGs) to conduct periodic risk assessments of agency purchase card programs, including convenience checks, combined integrated card programs, and travel card programs.¹ These assessments are intended to analyze the risks of illegal, improper, and erroneous purchases and payments. In addition, OIGs must report to the Office of Management and Budget (OMB) on agency progress in implementing recommendations made to address audit findings by January 31 of each year.

This report contains the results of our assessment of the Administration for Children and Families (ACF) travel card program for fiscal year (FY) 2021.^{2,3} We selected ACF's travel card program for review because (1) an assessment of this program has not been performed previously, and (2) ACF experienced operational challenges due to COVID-19 that necessitated volunteers incurring travel expenses while assisting the Office of Refugee Resettlement (ORR) in providing care and related services to unaccompanied children.⁴

OBJECTIVE

Our objective was to analyze the risk of illegal, improper, or erroneous purchases in the ACF travel card program and to determine whether ACF has designed and implemented controls and strategies to mitigate these potential risks.

¹ Convenience checks are used in the purchase card program to make purchases from merchants that do not accept purchase cards.

² ACF is 1 of the 12 operating divisions within Health and Human Services (HHS).

³ We also have an ongoing risk assessment of ACF's purchase card program. We plan to issue a separate report on the results of that work.

⁴ HHS Operating Divisions, including ACF, may obtain travel card support from the Program Support Center (PSC). Because ACF obtained PSC support, ACF's travel card program was included in a FY 2013 travel card risk assessment of PSC. The risk assessment consisted of interviewing PSC management, reviewing documents, and evaluating PSC's responses to an OIG questionnaire. The result of this risk assessment was a low rating for the PSC travel card program.

BACKGROUND

Administration for Children and Families

ACF's mission is to promote the economic and social well-being of families, children, individuals, and communities through a range of educational and supportive programs in partnership with States, tribes, and community organizations.

ACF program offices are specialized to support a variety of initiatives that are intended to empower families and individuals and improve access to services to create strong, healthy communities. These programs fund a variety of projects, including Native American language preservation, refugee resettlement and child care.

ACF participates in the HHS Travel Card Program to help accomplish its mission. ACF uses government travel cards for purchases of travel-related services or products, such as rental cars and hotel rooms.

The Program Support Center (PSC), housed within HHS's Assistant Secretary for Administration's office, is a shared service provider for HHS. PSC provides authoritative interpretation of the Federal Travel Regulation (FTR) by developing agency-wide travel management policies, programs, and procedures that align with the FTR.

Federal Government Travel Card Program

The General Services Administration's (GSA) SmartPay Program is the world's largest commercial payment solution program, providing services to more than 560 Federal agencies, organizations, and Native American tribal governments.

GSA SmartPay enables authorized government employees to make purchases on behalf of the Federal Government in support of their organization's mission. Government travel card holders can pay for travel and travel-related expenses with their GSA SmartPay travel card.

Agencies using the GSA SmartPay travel card must establish procedures for use and control of the card that are consistent with Federal law and the terms and conditions of the current GSA SmartPay contract.

Federal Requirements

Federal agencies are required to comply with regulations and OMB guidance governing Federal grants. The Charge Card Act requires agencies to establish and maintain safeguards and internal controls for the charge card program.⁵ The charge card program includes purchase,

⁵ Section 2(a) of the Charge Card Act, P.L. 112-194 (enacted Oct. 5, 2012).

travel, integrated, and centrally billed government credit cards.⁶ The Charge Card Act also requires agencies to be aware of charge-card-related audit findings and to ensure that the findings are promptly resolved after completion of an audit.

OMB Circular No. A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control*, updated July 15, 2016, establishes an assessment framework based on the Government Accountability Office's *Standards for Internal Control in the Federal Government* (The Green Book) and the Committee of Sponsoring Organizations of the Treadway Commission's (COSO) *Enterprise Risk Management—Integrating with Strategy and Performance* (June 2017) (ERM) that managers must integrate into risk management and internal control functions.⁷

OMB Circular No. A-123 also provides guidance to Federal managers and defines management's responsibilities for enterprise risk management and internal control. The circular emphasizes that integrating and coordinating risk management and strong and effective internal controls into existing business activities are integral to managing an agency.

OMB Memorandum M-13-21, *Implementation of the Government Charge Card Abuse Prevention Act of 2012*, supports OMB Circular No. A-123 by directing agencies to use the "Compliance Summary Matrix" to ensure the required safeguards and internal controls are in place. The matrix details the internal control requirements stated in the Charge Card Act.

Enterprise Risk Management

COSO developed ERM. The ERM framework is a set of principles organized into five interrelated components:

- Governance and Culture;
- Strategy and Objective-Setting;
- Performance;
- Review and Revision; and
- Information, Communication, and Reporting.

⁶ An integrated card is a combination of two or more business lines on a single card (e.g., purchase and travel).

⁷ COSO is a joint initiative of five private sector organizations dedicated to providing leadership through the development of frameworks and guidance on enterprise risk management (ERM), internal controls, and fraud deterrence designed to improve organizational performance and governance and to reduce the extent of fraud in organizations. The most recent version of the framework was updated June 2017.

ERM provides concepts, principles, and a common language that facilitate targeting the riskiest organizations and transactions to audit, study, and investigate.

HOW WE CONDUCTED THIS AUDIT

We performed a risk assessment of ACF's travel card program for FY 2021.⁸ To assess ACF's ability to manage internal controls and risk in its travel card program, we developed six risk areas using the five components of ERM and standards derived from the OMB Compliance Matrix. In this report, we refer to the sixth risk area as "OMB Compliance Standards." Within these 6 risk areas, we identified 45 sub-risk areas that include the following:

1. **Governance and Culture**—human resource practices, workplace ethics, employee behavior, orientation, ethics reporting, availability of policies, reinforce policies, communication channels, whistleblower, knowledge and skills, and organizational structure.
2. **Strategy and Objective-Setting**—management responsiveness.
3. **Performance**—decentralized operations, past failures, inherent risk, technology usage, technology processes, risk assessment, corrective action plans, and risk response (control activities).
4. **Review and Revision**—risk management evaluation, travel card need, ongoing monitoring results (management considerations), and recurring monitoring.
5. **Information, Communication, and Reporting**—information infrastructure, program effectiveness, raw data conversions, data availability, management communication, and management involvement.
6. **OMB Compliance Standards**—segregation of duties, transactions authorized, transaction classification, records access, cardholder record, rebates, training, cardholder policies, credit worthiness, employee separation, split disbursement, adverse personnel action guidelines, and, for centrally billed accounts (CBAs), payment authority, disputed charges, and airline refunds.

We developed a questionnaire to gather data from ACF related to these 45 sub-risk areas. We evaluated ACF's responses to this questionnaire, reviewed documents ACF provided, and conducted interviews with ACF management.

⁸ FY 2021 was the most recent data available when we began our annual risk assessment. We therefore examined procedures and analyzed travel card transactions for that fiscal year.

We judgmentally selected for review 50 travel card transactions based on an analysis focusing on airfare credits, credit refunds, and all other transactions. We selected 10 airfare credit transactions, 10 credit refunds transactions, and 30 all other travel transactions for review.⁹

Using the principles established in COSO's ERM and the OMB Compliance Standards, we assessed the data gathered above and assigned a level of risk (low, moderate, high, or critical) to each sub-risk area. The assigned level of risk took into account risk factors such as likelihood of occurrence and severity of impact. The risk factors were assigned a numerical score and calculations were run to arrive at an overall risk rating for the ACF travel card program.¹⁰

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings, and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix A contains our scope and methodology.

RESULTS OF AUDIT

Overall, we assessed the risk of illegal, improper, or erroneous purchases in the ACF travel card program as moderate risk. Within the 6 risk areas related to ACF's travel card program, we identified 45 sub-risk areas and rated 29 as low risk, 13 as moderate risk, and 3 as high risk (see table below). We included a detailed assessment of the sub-risk areas in Appendix B.

⁹ Airfare credits refer to charges refunded to the credit card by the airline. Credit refunds refer to reimbursement the cardholder receives once a negative balance is on the credit card. All other transactions consist of all remaining purchases on the travel card.

¹⁰ Our risk appetite for travel card programs is low. Therefore, if we rate an agency charge card program as low risk, our response is to accept the risk and take no further action. However, if we rate an agency charge card program as higher risk, we respond in the following ways: (1) if moderate risk, we consider conducting a follow-up risk assessment; (2) if high risk, we consider conducting a targeted audit of the issues we identified; or (3) if critical risk, we notify HHS officials and our Office of Investigations concerning the possibility of fraud and request immediate action.

Table: Risk Assessment of ACF’s Travel Card Program

ACF Travel Card Risk: Moderate	
Low: Governance and Culture	Sub-Risks: 10 Low 1 Moderate
Low: Strategy and Objective Setting	Sub-Risks: 1 Low
Low: Performance	Sub-Risks: 6 Low 2 Moderate
Moderate: Review and Revision	Sub-Risks: 2 Low 2 Moderate
Low: Information, Communication and Reporting	Sub-Risks: 5 Low 1 Moderate
Moderate: OMB Compliance Standards	Sub-Risks: 5 Low 7 Moderate 3 High

GOVERNANCE AND CULTURE



We rated the Governance and Culture risk area as low. Governance sets the organization’s tone, reinforcing the importance of, and establishing oversight responsibilities for ERM. Culture pertains to ethical values, desired behaviors, and an understanding of risk within the entity.

Of the 11 sub-risk areas within Governance and Culture, we rated 10 as low risk and 1 as moderate risk.

We rated workplace ethics, employee behavior, orientation, ethics reporting, availability of policies, reinforce policies, communication channels, whistleblower, knowledge and skills, and organizational structure as low risk. Some examples of why we rated these sub-risks as low include the following:

- When ACF employees apply for a travel card, applicants are aware of and required to sign the *Travel Charge Card - Do's and Don'ts* document, which highlights the guidelines and policies for the use of travel cards.
- ACF monitored and tracked cardholders who have delinquencies. This information is shared with the ACF Federal Agency Travel Administrator (FATA), who is responsible for notifying cardholders of delinquencies. The FATA monitors delinquencies until they are resolved and deactivates the employee in ConcurGov, if required.

We rated the final sub-risk area, human resource practices as moderate risk because ACF did not ensure travelers took travel card training every three years. Specifically, training data was not tracked in 2020 or 2021. ACF officials stated that a report is being developed in cooperation with Citibank and PSC to identify all travelers who have not completed the required training.

STRATEGY AND OBJECTIVE-SETTING



We rated the Strategy and Objective-Setting risk area as low. Enterprise risk management, strategy, and objective-setting work together in the strategic-planning process. Business objectives put strategy into practice while serving as a basis for identifying, assessing, and responding to risk.

We rated the one sub-risk area, management responsiveness, as low risk because ACF management developed a strategic travel card workgroup to address findings in its A-123 internal control review.

PERFORMANCE



We rated the Performance risk area as low. This area includes identifying and assessing risks that may affect the achievement of strategy and business objectives. Risks should be prioritized by severity in the context of risk appetite. The organization then selects risk responses and takes a portfolio view of the amount of risk it has assumed. The results of this process are reported to key risk stakeholders.

Of the eight sub-risk areas within Performance, we rated six as low risk and two as moderate risk.

We rated decentralized operations, past failures, inherent risk, technology usage, technology processes, and corrective action plans as low risk. Some examples of why we rated these sub-risks as low include the following:

- ACF employed technology through its use of CitiManager and ConcurGov to identify improper travel purchases. For example, the Agency/Organization Program Coordinator (A/OPC) runs a monthly transaction report in CitiManager to validate the transaction dates against the trip data in ConcurGov and to ensure that the employee did not approve their own travel authorization/voucher. If the transactions dates do not match or the employee approved their own travel authorization/voucher, the A/OPC contacts the cardholder by email and phone for explanation.
- ACF used its travel card workgroup to take corrective action on past deficiencies by reviewing key control activities. For example, in the past, supporting documentation that confirmed the A/OPC contacted the cardholder to notify them of their delinquent

account was not available. However, the delinquency tracking sheet has been updated to include columns for the date of when an email to the cardholder was sent, the resolution date, and any necessary notes.

We rated risk assessment and risk response as moderate risk. Some examples of why we rated these sub-risks as moderate include the following:

- The FY 2021 annual A-123 internal control review identified several control deficiencies that ACF has not addressed, including the following:
 - Separated employees were confirmed to still have an active travel card and/or an active ConcurGov profile after their departure from ACF, and
 - The A/OPC did not always verify that a valid travel authorization existed when expenses were charged to a government travel card.
- During our transaction testing, we identified one instance of an employee who claimed the full price of a flight on their voucher even though part of the flight cost was already reimbursed by the airline to the employees' government credit card. ACF does not have documented procedures to identify when an airline reimburses a traveler's card directly for any part of the original cost of a flight. By not having written procedures in place, ACF is at risk of over-reimbursing other employees for flights.

REVIEW AND REVISION



We rated the Review and Revision risk area as moderate. By “reviewing” the performance of entities within an organization, the organization considers how well the ERM components function over time and what “revisions” are needed as changes occur.

Of the four sub-risk areas within Review and Revision, we rated two as low risk and two as moderate risk.

We rated risk management evaluation and travel card need as low risk. One example of why we rated these sub-risks as low was because ACF expects all employees who travel at least once per year to have a government-issued travel card. As part of ACF's mission, it is important that each traveler have their own travel card because travel cards are not to be used by more than one employee.

We rated ongoing monitoring results and recurring monitoring as moderate risk. We rated these sub-risks as moderate because we identified instances where travel vouchers containing

unallowable charges were approved for reimbursement. For example, our transaction testing identified the following:

- 12 instances where hotel tax was claimed and paid when travel was in a tax-exempt state, and
- 2 instances of employees with hotel stays over 30 nights where the per diem was not reduced, as required.

INFORMATION, COMMUNICATION, AND REPORTING



We rated the Information, Communication, and Reporting risk area as low. An organization should have a continual process of obtaining and sharing necessary information from both internal and external sources across the organization.

Of the six sub-risk areas within Information, Communication and Reporting, we rated five as low risk and one as moderate risk.

We rated information infrastructure, program effectiveness, raw data conversions, data availability, and management communication as low risk. Some examples of why we rated these sub-risks as low include the following:

- ACF used ConcurGov and CitiManager to create a report that identifies improper travel purchases.
- ACF's FATAs conducted a monthly meeting to discuss travel policy updates. ACF management updated these changes to the travel policies and procedures on its intranet.

We rated management involvement as moderate risk. Some examples that led to this rating include the following:

- ACF suspended or canceled a travel card if misuse occurred and then notified the FATA. During our transaction testing, we noted that while ACF canceled a card for misuse, no further personnel action—such as a verbal or written reprimand, termination, or salary offset—was taken.
- Charges to the government-issued travel card should not be incurred without an associated travel authorization. ACF's A-123 review identified this as a deficiency. Our transaction testing confirmed this because we identified one instance where this occurred.

OMB COMPLIANCE STANDARDS



We rated the OMB Compliance Standards risk area as moderate. The OMB Compliance Standards are designed to assist agencies in employing an effective charge card internal control program that balances the need to maintain card flexibility with ease of use in support of agency mission activities.

Of the 15 sub-risk areas within OMB Compliance Standards, we rated 5 as low risk, 7 as moderate risk, and 3 as high risk.

We rated cardholder record, rebates, credit worthiness, split disbursement, and CBA payment authority as low risk. Some examples of why we rated these sub-risks as low include the following:

- If an employee needs to request a temporary increase to their card limit, they must do so in writing, and the request must be approved by a supervisor.
- ACF required all new travel cardholders to sign a copy of the HHS Traveler's Agreement for Government Contractor-Issued Travel Charge Card Users, which notifies the employee that a credit worthiness assessment will be performed to determine whether a regular or restricted card is issued.

We rated transactions authorized, transaction classification, records access, cardholder policies, CBA disputed charges, CBA airline refunds, and employee separation as moderate risk. Some examples of why we rated these sub-risks as moderate include the following:

- One employee claimed and was paid for meals and incidental expenses for their office location, which had a higher per diem rate than their travel location. The supervisor incorrectly approved it.
- ACF has not fully implemented a policy that all individually billed credit card accounts maintain a \$1 limit until the time of actual travel. This would prevent use of cards outside of approved travel times when limits would be increased to the authorized amount.
- During our transaction testing, we identified 1 instance in which an ORR employee reserved and paid for 19 hotel rooms for the same night on their government-issued travel card. ACF officials provided multiple possibilities for why this occurred, including that a waiver may have been issued to allow employees to respond to the unaccompanied children mission. However, ACF was unable to provide a copy of a waiver or other documentation explaining the charge.

We rated segregation of duties, training, and adverse personnel action as high risk. Some examples of why we rated these sub-risks as high include the following:

- No official FATA backup personnel existed.
- ACF did not require travel card training of its personnel in FY 2021. In addition, ACF did not generate reports to track that training requirements are being met. As mentioned above, we identified 1 instance during our transaction testing where an ORR employee paid for 19 hotel rooms for the same night on their government-issued travel card. With proper training, this employee should have been aware that this was a prohibited use of the government-issued travel card and that a documented waiver was needed for emergency transactions of this nature.
- During our transaction testing we identified an instance of the government travel card being used internationally in June 2021 where neither a travel authorization nor travel voucher existed. We were able to obtain documentation that this debt was forgiven and canceled by the credit card company. Also, ACF personnel stated that the employee was no longer employed, and the employee is no longer eligible to receive a government-issued travel credit card with any other Federal agency. However, ACF did not provide documentation to support this determination of ineligibility, nor did it provide evidence that any other adverse personnel action was initiated. Had ACF fully implemented the policy that all employees who are not in travel status have their credit card limit reduced to \$1, the risk that the employee could have improperly used this travel card would have been mitigated.

CONCLUSION

Within the 6 risk areas related to ACF's travel card program, we identified 45 sub-risk areas. We rated 29 as low risk, 13 as moderate risk and 3 as high risk. Overall, we assessed the ACF travel card program as moderate risk and we will consider conducting a follow-up risk assessment in the future.

The program was rated as moderate because it (1) did not provide adequate oversight of employee compliance with travel procedures; (2) did not provide adequate training for proper travel card use; and (3) did not maintain adequate documentation to support employee travel. As a result, ACF reimbursed unallowable travel charges to its employees. Without proper training and policy education, ACF employees could continue to charge the federal government for unallowable travel expenditures.

RECOMMENDATION

We recommend that ACF develop mitigating controls and strategies to lower the high and moderate risks we identified.

ADMINISTRATION FOR CHILDREN AND FAMILIES COMMENTS

In response to our draft report, ACF concurred with our recommendation. ACF stated that it takes its oversight responsibilities seriously and is fully committed to take the necessary actions to address the identified risks in our report. ACF's comments are included in their entirety as Appendix C.

APPENDIX A: AUDIT SCOPE AND METHODOLOGY

SCOPE

We performed a risk assessment of HHS's travel card program for FY 2021, the most recent data available when we began our annual risk assessment. To assess HHS's ability to manage internal controls and risk for its travel card program, we used the ERM, which was developed by COSO. We applied the COSO's ERM framework and standards from the OMB Compliance Matrix to identify 6 risk areas and 45 sub-risk areas.

Using the principles established in COSO's ERM and the OMB Compliance Matrix, we conducted a risk assessment of the areas that we identified and assigned a level of risk (low, moderate, high, or critical) to each sub-risk area based on our review of documents and responses from ACF.

We focused our review on ACF's internal controls, including policies and procedures related to travel cards and travel card transaction testing.

We performed our audit from March 2022 to May 2023.

METHODOLOGY

To accomplish our objective, we took the following steps:

- reviewed applicable Federal laws, policies, and guidance;
- developed a risk assessment questionnaire, reviewed ACF's responses, and analyzed these responses in the context of the COSO framework;
- judgmentally selected for review 50 travel card transactions based on an analysis focusing on airfare credits, credit refunds, and all other transactions, which included 10 airfare credit transactions, 10 credit refunds transactions, and 30 all other travel transactions;
- held discussions with ACF officials about travel cards and reviewed ACF's policies;
- reviewed the results of ACF's internal monitoring of its travel card program;
- conducted limited travel card transaction testing to verify the effectiveness of internal controls;
- conducted a risk assessment of the risk areas and sub-risk areas that we identified and assigned a level of risk to each sub-risk area;

- assessed mitigating controls and strategies for identified risks; and
- discussed the results with ACF officials.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

APPENDIX B: ACF's TRAVEL CARD RISK AND SUB-RISK AREAS

RISK	● Governance and Culture	● Strategy and Objective Setting	● Performance	● Review and Revision	● Information, Communication and Reporting	● OMB Compliance Standards
SUB-RISK	● Workplace Ethics	● Management Responsiveness	● Decentralized Operations	● Risk Management Evaluation	● Information Infrastructure	● Cardholder Record
	● Employee Behavior		● Past Failures	● Travel Card Need	● Program Effectiveness	● Rebates
	● Orientation		● Inherent Risk	● Ongoing Monitoring Results (Management Considerations)	● Raw Data Conversions	● Credit Worthiness
	● Ethics Reporting		● Technology Usage	● Recurring Monitoring	● Data Availability	● Split Disbursement
	● Availability of Policies		● Technology Processes		● Management Communication	● CBA Payment Authority
	● Reinforce Policies		● Corrective Action Plans		● Management Involvement	● Transactions Authorized
	● Communication Channels		● Risk Assessment			● Transaction Classification
	● Whistleblower		● Risk Response (Control Activities)			● Records Access
	● Knowledge & Skills					● Cardholder Policies
	● Organizational Structure					● Employee Separation
	● Human Resource Practices					● CBA Disputed Charges
						● CBA Airline Refunds
						● Segregation of Duties
						● Training
						● Adverse Personnel Action (Guidelines)

LEVELS OF RISK

- LOW
- MODERATE
- HIGH
- CRITICAL



ADMINISTRATION FOR
CHILDREN & FAMILIES

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August 24, 2023

Amy J. Frontz
Deputy Inspector General for Audit Services
U.S. Department of Health and Human Services
330 Independence Avenue, SW
Washington, DC 20201

Dear Amy Frontz:

The Administration for Children and Families (ACF) appreciates the opportunity to respond to the Office of Inspector General (OIG) **draft** report titled, *Risk Assessment of the Administration for Children and Families' Travel Card Program for FY 2021, (A-04-22-06263)*. The following is ACF's response to the OIG's recommendation:

Recommendation 1:

We recommend that ACF develop mitigating controls and strategies to lower the high and moderate risks we identified.

Response:

ACF concurs with this recommendation.

We take our oversight responsibilities seriously and understand the significance of addressing potential risks. We are fully committed to take the necessary actions to address the identified risks.

Again, thank you for the opportunity to review this draft report. Please direct any follow-up inquiries to Benita Turner, Director, Enterprise Risk Management/Office of Administration Office of Inspector General Liaison, at (202) 401-9379.

Sincerely,

Frezer T.

Woldemichale -S

Frezer Woldemichale,
Director of Organizational Development
Administration for Children and Families

Digitally signed by Frezer T.
Woldemichale -S
Date: 2023.08.24 08:36:05
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