



**U.S. International Trade Commission
OFFICE OF INSPECTOR GENERAL**



Management Report Fiscal Year 2025 Charge Card Risk Assessment



THE INSPECTOR GENERAL



UNITED STATES INTERNATIONAL TRADE COMMISSION

WASHINGTON, DC 20436

December 18, 2024

OIG-WW-022
OIG-MR-25-05

Chair Karpel:

This memorandum provides the results of the Office of Inspector General's (OIG) risk assessment of the U.S. International Trade Commission's (Commission) charge card program, as required by the *Government Charge Card Abuse Prevention Act of 2012* (Charge Card Act), P.L. No. 112-194. The Charge Card Act, as implemented by the Office of Management and Budget (OMB) Circular A-123, Appendix B, requires OIGs to use annual periodic risk assessments to determine the necessary scope, frequency, and number of OIG audits or reviews of agency charge card programs. It also requires federal agencies to establish and maintain safeguards and internal controls for purchase cards, convenience checks, travel cards, and integrated cards. OIGs must report the results of their analyses to the agency head and the OMB by January 31 of each calendar year.

In assessing the risk of the purchase, travel, and vehicle fleet card transactions in Fiscal Year (FY) 2024, we considered the size of the Commission, the number of active purchase cardholders, the Commission's oversight, controls in place to prevent cardholders from exceeding the single purchase and monthly purchase card limits, recently completed OIG audits and spending patterns.

The scope of our risk assessment for FY 2024 included a review of the Commission's internal controls for the charge card programs against the requirements identified in OMB M-13-21.¹ We obtained and reviewed documentation, including FY 2024 charge card transaction reports, internal monthly reviews, the Commission's Purchase Card Handbook, the Commission's Travel Handbook, trip logs and support, evidence of Annual Federal Acquisition Service Training (FAST) reporting, and the Office of Internal Control and Risk Management's performance reviews of the purchase and travel card programs.²

For the Commission's FY 2024 charge card programs, we determined that the overall risk of illegal, improper, or erroneous charge card transactions was low. As a result, we are not planning to conduct additional reviews of the Commission's charge card programs in FY 2025. We did identify areas in the Commission's purchase, vehicle fleet, and travel card programs where controls can be added or strengthened to ensure:

- procedures are followed to obtain the signatures of purchase cardholders and approving officials;
- documents are submitted timely and complete, and
- monitoring activities are performed and documented.

Purchase Card Program

Historically, the Commission's controls over the purchase card program have included monthly reviews from the Office of Procurement. However, in December 2023, monthly reviews of purchases and supporting documentation were paused due to the retirement of the Purchase Card Program Coordinator (PCPC). The final review completed by the PCPC stated that the Director of Procurement would assume the responsibilities of monthly reviews, which the Commission's Purchase Card Handbook requires. During our review, the Director of Procurement explained that the responsibility of monthly reviews moved to the Office of Finance. November 2024 will be the first month reviewed, leaving a gap from January 2024 to October 2024.

¹ https://www.whitehouse.gov/wp-content/uploads/legacy_drupal_files/omb/memoranda/2013/m-13-21.pdf

² As of November 2024, the Office of Internal Control and Risk Management had completed purchase card reviews for the first through third quarters and travel card reviews for the first and second quarters of FY 2024.

For FY 2024, we reviewed 24 purchases and identified actions that deviated from the Commission’s Purchase Card Handbook requirements. While cardholders could provide documentation for some of the requested items, the documentation was not uploaded to the Purchase Card Log as required by the Commission’s Purchase Card Handbook. The results are shown in Table 1 below.

Table 1: Purchase Card Transaction Issues Identified in FY 2024 Sample

Issue Identified	Number of Samples
Missing One or More Required Signatures	9 [^]
Requisition Form Signed After Purchase	1
Missing Documentation in Transaction Log in the Purchase Card Holders App in SharePoint	5 ^{^^}
No Log Entry in the Purchase Card Holders App in SharePoint	1 ^{^^^}

Source: OIG Analysis of the Requisition Forms from FY 2024 Sample.

[^] One cardholder provided an updated requisition form with all the signatures, including the approving official signature that was originally missing however, this was not uploaded to the transaction log in the Purchase Card Holders App in SharePoint.

^{^^} After the OIG’s request, cardholders and approving officials provided supporting documentation for all the transactions.

^{^^^} The approving official could not provide all the supporting documentation for the transaction.

Cardholders must follow the guidelines outlined in the Commission’s Purchase Card Handbook by documenting each purchase card transaction immediately after completion. According to the handbook, this documentation should be recorded in the Purchase Card Log on SharePoint. Additionally, cardholders must timely upload signed monthly statements, receipts, invoices, relevant emails, and requisition forms to the corresponding transaction on the SharePoint site, as applicable. The Commission’s Purchase Card Handbook also states that cardholders are to obtain proper authorization before making a purchase and that agency requisition forms are required for all purchases of goods and/or services (except training) made with the purchase card.

In addition to the issues identified in Table 1, the Director of Procurement suspended a purchase cardholder's account in June 2024 due to an unauthorized signing of a purchase order over the micro-purchase threshold of \$10,000. When reviewing the cardholder’s transactions for FY 2024, we noted that five transactions were processed after the Director of Procurement notified the cardholder and approving official that the account was suspended. Three of the five transactions were reversed, leaving two processed and uncorrected after the cardholder was informed of the suspension.

In response to the OIG's inquiries about the charges on the suspended cardholder's account, the Director of Procurement was unable to provide documentation from the card company in support of the June 2024 suspension date. When the card company was contacted, the date provided for the suspension was July 24, 2024. No purchase transactions were processed after that date.

There are procedures in the Commission's Purchase Card Handbook for deactivating an account when a cardholder separates from the agency or is assigned to another function that does not require cardholder authority. However, we did not identify any policy in the Commission's Purchase Card Handbook or the Charge Card Management Plan that details what the procedures are for suspending a purchase cardholder account, nor did we find controls to prevent the card from being used after suspension, such as returning the card to the Office of Procurement.

Travel Card

We reviewed 14 travel card transactions and identified six travel vouchers that were not submitted on time and one unauthorized fuel charge. Six travelers did not submit vouchers within five business days of the trip's conclusion, as required by the Commission's Travel Handbook. Travel reminder emails are periodically sent out to all employees, but individual travelers are only notified directly once the voucher is 30 days late. Pre-paid refueling is not reimbursable per the Commission's Travel Handbook, with the exceptions to this being when the traveler cannot refill the rental car due to safety issues or when there is no gas station five miles from the route to return the rental car. There was no authorization to include the fuel charge in the voucher and no explanation in the comments section of the late vouchers.

Vehicle Fleet Card

In the Vehicle Fleet Card Program, we reviewed the FY 2024 trip logs and noted that ten trips did not include a complete destination. The trip logs we reviewed were scanned from a paper format. The Commission transitioned to maintaining an electronic trip log in June 2024, which is expected to make the logs more accessible and easier to use. We also reviewed the evidence of the reconciliation of the trip logs and supporting documentation to the General Services Administration (GSA) monthly statement.

We recommend that the Commission:

- 1. Establish a risk analysis process for purchase cardholder transactions as soon as possible to ensure compliance with the monthly review, documentation, requisition form signature, and completeness requirements in the Purchase Card Handbook.**
- 2. Update the Purchase Card Handbook and Charge Card Management Plan to include additional controls and written procedures for suspending and deactivating purchase cardholder accounts due to misuse or abuse, including controls to prevent the use of a suspended card.**
- 3. Continue to send reminders about submitting travel vouchers promptly and monitor any travelers who repeatedly submit vouchers after the five-day period.**
- 4. Add information to the travel card reminder emails about avoiding unauthorized charges, such as refueling.**
- 5. During the monthly vehicle fleet log reconciliation process, review the log to ensure all information is complete, including the destination address, and obtain any additional details needed.**

In the next 30 days, please provide me with your management decision describing the specific actions that you will take to implement the recommendations.

Thank you for the cooperation and courtesies extended to my staff during this review.

Sincerely,



Rashmi Bartlett
Inspector General



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