



INSPECTOR GENERAL

U.S. FEDERAL LABOR RELATIONS AUTHORITY
OFFICE OF INSPECTOR GENERAL

**Purchase Card Risk Assessment
and Review of the Charge
Card Program for
Fiscal Year 2025**

**Report No. MAR-26-02
January 28, 2026**

**Federal Labor Relations Authority
Office of Inspector General
1400 K Street, NW 3rd Floor
Washington, D.C. 20424**

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Acronyms

| | |
|------|-----------------------------------|
| ASD | Administrative Services Division |
| FLRA | Federal Labor Relations Authority |
| FY | Fiscal Year |
| OIG | Office of Inspector General |
| OMB | Office of Management and Budget |
| TDY | Temporary Duty Travel |

Purchase Card Risk Assessment and Review of the Charge Card Program for Fiscal Year 2025

Report No. MAR-26-02

January 28, 2026

The Honorable Colleen Duffy Kiko
Chairman

The Federal Labor Relations Authority (FLRA), Office of Inspector General (OIG) performed a risk assessment and a review of FLRA's administration of its charge card program. The objective of this review was to comply with the requirements of the Government Charge Card Abuse Prevention Act of 2012 (Charge Card Act),¹ which requires the OIG to perform periodic risk assessments and to use the results of the risk assessments to perform compliance reviews of the agency's charge card program. This report covers FLRA's administration of its charge card program for Fiscal Year (FY) 2025.

Results in Brief

We determined the risk of illegal, improper, or erroneous charge card activity for FLRA's purchase card program to be low. Based on the results of our risk assessment, we then performed limited testing to ensure FLRA was compliant with applicable requirements of the Charge Card Act, Office of Management and Budget (OMB) guidance, and FLRA policy. Our testing did not find any exceptions or violations of the Charge Card Act, OMB guidance, or FLRA policy. Therefore, recommendations were not made in this report.

Background

The Charge Card Act requires all executive branch agencies to establish and maintain safeguards and internal controls for purchase and travel cards consistent with OMB guidance that was subsequently issued by OMB. OMB guidance is contained in Circular No. A-123.² The Charge Card Act also requires each OIG to perform periodic risk assessments and periodic audits, if necessary, to detect illegal, improper, or erroneous purchase and travel card activity. The OIG is also to report to the Director of OMB on the status of the implementation of any open recommendations related to the charge card program.

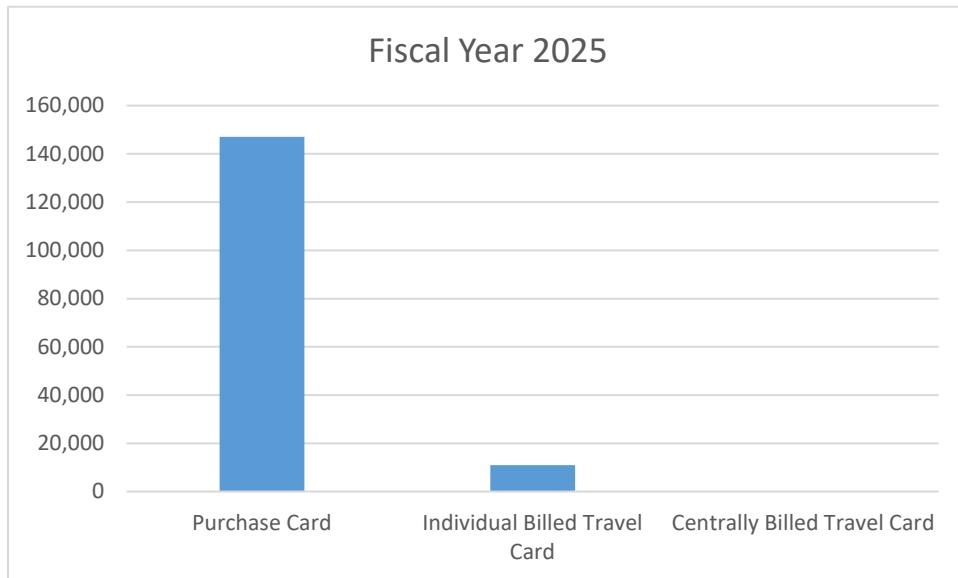
FLRA does conduct business using both purchase cards and travel cards. FLRA had approximately \$157,000 in total charge card and travel card transactions during FY 2025.

¹ Pub. L. No. 112-194, 126 Stat. 1445 (codified, in relevant part, at 41 U.S.C. § 1909 and 5 U.S.C. 5701 note).

² Circular No. A-123, Appendix B, *A Risk Management Framework for Government Charge Card Programs* (Aug. 27, 2019).

Nearly 93 percent (approximately \$146,000) of these charges were through FLRA's purchase card program (Figure 1).

Figure 1: FLRA Charge Card Expenditures for FY 2025



Results of Review

Purchase Card Risk Assessment

The Charge Card Act requires our office to conduct periodic risk assessments of FLRA's purchase card program. Our risk assessment is limited to the purchase card program for the period of October 1, 2024, through September 30, 2025 (FY 2025).

OIG purchase card assessments are conducted by agency Inspectors General to evaluate the risk of illegal, improper, or erroneous purchases and payments in the Government purchase card programs. These assessments use a variety of factors like program size, internal controls, training, and prior audits to determine a risk level, which guides whether further compliance reviews are necessary as well as the frequency and scope of those compliance reviews. Our risk analysis is based on the following criteria and analysis shown in Table 1.

Table 1: OIG Risk Assessment of FLRA Purchase Card Program for FY 2025

| Criteria | Low=1 | Moderate=2 | High=3 | Determination | Score |
|--|-----------------------|-----------------------------------|---------------|-----------------------|-------|
| Program Size (Percentage of Agency Budget): | < 5% | 5%-10% | > 10% | 0.50% | 1 |
| Internal Control: Electronic Systems in Use for Enforcing Policy: | Complete | Incomplete | None | Complete | 1 |
| Internal Control: Controls Implemented: | Implemented & Current | Mostly Implemented or Not Current | None | Implemented & Current | 1 |
| Outstanding Recommendations: | 0 | 1-3 | 4+ | 0 | 1 |
| Substantiated improper credit card use or policy violations: | 0 | 0 | 1 | 0 | 1 |
| Yellow highlight indicates assigned risk level | | | Average Score | | 1 |

We determined the risk for illegal, improper, or erroneous purchases and payments in FLRA's purchase card program is low. Based on this determination, we performed limited testing of FLRA's purchase and travel card compliance. We note that the risk assessment is a periodic assessment and does not imply the risk assessment will continue to remain the same for future assessments. Existing internal controls could become inadequate due to changing conditions or a variation in compliance with applicable policies or procedures, or a combination of both. Additional or different criteria could also be used for future assessments that could potentially change the assigned level of risk. Also, our risk assessment is not intended to replace or be a substitute for FLRA management and responsible officials' responsibility to conduct their own risk assessment of FLRA's charge card program.

Purchase Card Review Results

Our review of FLRA's purchase card policy³ found that the policy is compliant with the requirements in the Charge Card Act and OMB Circular A-123, Appendix B. FLRA officials stated that the policy is reviewed at least yearly to ensure no changes have occurred that would require an update to the policy. FLRA uses the servicing bank's web-based electronic system for cardholder reconciliation and approving official approval of each transaction for each monthly statement. The system will not process payment until both the cardholder and approving official have signed-off on each transaction. Our review found that invoices were processed and paid in a timely fashion.

³ FLRA Policy No. 4420.1, *Government Purchase Card Policy Instruction* (Feb. 26, 2016).

We also selected a sample of transactions to test compliance with select internal controls. Our testing included reviewing purchases that were: 1) above the micro-purchase threshold; 2) exceeding the cardholder limit, 3) did not receive tax-exempt status; and 4) purchases not properly supported by documentation. At the start of FY 2025, FLRA had eight active purchase cardholders. Throughout FY 2025, three cardholders left FLRA, and three had their purchase card limits reduced to \$1, leaving only two active purchase cardholders by the end of FY 2025. We reviewed all transactions from August 2025 for compliance. Our sample consisted of 24 transactions out of a total of 259 transactions that occurred in FY 2025. Our testing revealed no exceptions to these controls. We concluded that the internal controls established for the purchase card program operated effectively.

We also reviewed training records for all cardholders and approving officials to ensure they were compliant with the training requirements. We found that all cardholders and approving officials were current with the training requirements.

Travel Card Review Results

Our review of FLRA's travel card policy⁴ found that the policy was compliant with the requirements in the Charge Card Act and OMB Circular A-123, Appendix B. FLRA had limited employees on official travel during FY 2025. Approximately \$11,000 was expended by employees on temporary duty travel (TDY). FLRA uses a servicer's platform as part of its inter-agency agreement for financial related services with the Bureau of the Fiscal Service's Administrative Resource Center. All travelers must use the platform for travel authorization, voucher approval, and travel reimbursement. Without supervisory approval of both the travel and the voucher, the platform will not book travel or process any reimbursement to the traveler.

We selected three out of nine instances of employees on TDY for review. All three were processed through the platform. We did not identify any instances of noncompliance. Proper authorizations and allowable expenses were noted on the travel vouchers that were reviewed. Additionally, a sample of five out of the 67 travel cardholders were reviewed to confirm that the travelers were current with the required training. There were no exceptions found. It was noted that there was one new travel cardholder in FY 2025. FLRA ensured that all requirements were met prior to issuing a travel card.

We determined that FLRA's policies and procedures and internal controls in place for the travel card program operated effectively.

⁴ FLRA Policy No. 1511, *Government Contractor-Issued Travel Charge Cards* (Sept. 7, 2018).

Appendix 1: Objectives, Scope, and Methodology

The objectives of this review were to determine whether FLRA was compliant with the Charge Card Act and related OMB requirements as well as the effectiveness of internal controls over FLRA's charge card program. An entrance conference was held with the Executive Director and Director of the Administrative Services Division (ASD) on December 3, 2025. Our fieldwork was conducted December 3, 2025 through January 21, 2026.

We reviewed FLRA's purchase card and travel card policy documents for compliance with statutory and OMB requirements. We conducted a risk assessment using various criteria to determine the risk for illegal or improper usage of FLRA's purchase cards.

Based on our risk assessment finding, we developed testing of both FLRA's purchase and travel card program. We tested compliance with training requirements, requirements for new travel cardholders, and a sample of 24 of 259 purchase transactions and three of nine occurrences of TDY for compliance with statutory and policy requirements.

Our conclusions were based on our review of FLRA's policy documents, discussions with the Executive Director and the Director of ASD, and our review of purchase and travel card data. We documented our risk assessment and review activities and provided a draft report to management for their review and comments.

Appendix 2: Report Distribution

Federal Labor Relations Authority

The Honorable Anne M. Wagner, Member
The Honorable Charles Arrington, Member
Executive Director
Director, Administrative Services Division



INSPECTOR GENERAL

Contacting the Office of Inspector General

If you know of fraud, waste, abuse, or misconduct relating to an FLRA program, contract, or employee, you may report it to the FLRA OIG Hotline:

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[HTTP://WWW.FLRA.GOV/OIG-HOTLINE](http://www.flra.gov/oig-hotline)

CALL: (771) 444-5712 FAX: (202) 208-4535
WRITE: 1400 K Street, NW, 3rd Floor
Washington, D.C. 20424

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