



OFFICE OF
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Progress Made by the U.S. Department of the Interior in Implementing Government Charge Card Recommendations, Fiscal Year 2020



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

JAN 29 2021

Rob Fairweather, Acting 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 2020*
Report No. 2021-FIN-013

Dear Mr. Fairweather:

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) 2020, as well as information about other DOI-related charge card activities and Office of Inspector General (OIG) reviews.

The Government Charge Card Abuse Prevention Act of 2012 (Pub. L. 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 reinforces 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. Over the past year, our newly formed data analytics unit assisted in this process, and we anticipate expanding its role in these reviews in the coming months.

The act also requires us to report to you on the DOI's progress in implementing our audit recommendations related to Government charge cards. In FY 2020, the DOI had more than \$631 million in charge card purchases, and we issued one audit report related to internal controls over Government purchase cards at the DOI. That report, *The U.S. Department of the Interior Needs to Improve Internal Controls Over the Purchase Card Program* (2018-FIN-059), was issued on November 13, 2019, and included five recommendations. As of the end of FY 2020, four of the five recommendations were resolved and implemented; one remains unresolved (see attachment for additional details). In addition, on August 25, 2020, we issued a "flash" report, *Lessons Learned for Purchase Card Use* (2020-FIN-055). While the report did not contain recommendations, it presented lessons learned and risks identified in our prior work—both audits and investigations—that the DOI should consider as it uses purchase cards to spend CARES Act funds.

We also reviewed the status of the recommendations we made in two FY 2019 audit reports. Between the two reports, we made 10 recommendations, all of which have been resolved and implemented. The attachment to this letter includes a complete list of these recommendations.

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

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark Lee Greenblatt', written in a cursive style.

Mark Lee Greenblatt
Inspector General

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

Attachment

Attachment: Status of Government Charge Card Recommendations

2018-FIN-059, *The U.S. Department of the Interior Needs to Improve Internal Controls Over the Purchase Card Program*

Report Date: 11/13/2019

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| 1. Develop internal controls and increase accountability actions so that cardholders and approving officials review transactions and attach supporting documents that can be used to identify what was purchased, for whom, and why. | Resolved and implemented |
| 2. Hold the individuals accountable who do not perform reviews in accordance with ICCP policy manual. | Resolved and implemented |
| 3. Develop policies and procedures that require cardholders and approving officials to use the bank's online system to review and approve transactions. | Unresolved |
| 4. Develop internal controls to ensure that cardholders and approving officials are taking and documenting completion of the required annual purchase card training. | Resolved and implemented |
| 5. Develop internal controls to ensure that only warranted contracting officers make purchases above the micropurchase threshold. | Resolved and implemented |
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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 and implemented |
| 2. The DOI and its bureaus train staff on the ICCP manual's requirement for separation of duties. | Resolved and 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 and 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 and implemented |

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| 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 and implemented |
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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 and implemented |
| 2. Establish and implement policy on the requirements for completing IRS Form 1099 when using a convenience check to pay for services. | Resolved and implemented |
| 3. Provide updated guidance on proper use and limitations of convenience checks. | Resolved and implemented |
| 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 and 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 and implemented |
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