



UNITED STATES RAILROAD RETIREMENT BOARD

OFFICE OF INSPECTOR GENERAL

Memorandum

January 23, 2019

TO: Office of the Chairman (Vacant)

Original Signed By:

FROM: Martin J. Dickman, Inspector General

SUBJECT: Fiscal Year 2018 Risk Assessment for the Government Charge Card Abuse Prevention Act of 2012

The Government Charge Card Abuse Prevention Act of 2012 (the Act), mandates that Inspectors General conduct periodic risk assessments of agency purchase and travel card programs to determine the scope, frequency, and number of Inspector General audits or reviews of agency purchase and travel cards.¹ The Act requires Inspectors General to report the results of such assessments to the head of the executive agency. The Act also mandates that Inspectors General report annually to the Director of the Office of Management and Budget on agency progress in implementing prior audit recommendations.

In compliance with the Act, the Railroad Retirement Board (RRB) Office of Inspector General (OIG) conducted a risk assessment related to RRB's purchase and travel card programs for fiscal year 2018. RRB's purchase and travel card spending totaled approximately \$755,000 and \$407,000, respectively. RRB's spending was below the \$10 million threshold established for increased oversight and reporting, therefore our office did not perform any such audits or reviews during fiscal year 2018.

Based on low financial impact and the lack of corrective actions for 11 related recommendations that remain open, our office assessed the overall risk level as moderate.

¹ Public Law 112-194.

Prior RRB-OIG Audits

In fiscal year 2017, our office performed an audit of the RRB's compliance with the Federal Travel Regulation (FTR).² The purpose of this audit was to determine if the RRB complied with the FTR and implemented and enforced adequate internal controls. In this report, the OIG made the following six recommendations related to the RRB's travel card program:

1. Revise wording of RRB travel policies and procedures to mirror FTR requirements regarding usage of travel cards (Recommendation 7);
2. Revise RRB travel policies and procedures to require the use of travel cards by the traveler unless an FTR exemption is met (Recommendation 8);
3. Revise RRB travel policies and procedures to require that temporary duty travel approvers verify that the travel card was used by the traveler, if applicable (Recommendation 9);
4. Revise RRB travel policies and procedures to require the non-usage of a travel card be justified and documented (Recommendation 10);
5. Conduct refresher training on required travel card usage requirements for travel cardholders and approvers to ensure compliance with the FTR (Recommendation 11); and
6. Update their process for the issuance and deactivation of travel cards to ensure compliance with Federal law and RRB travel policies and procedures (Recommendation 12).

All six of these recommendations remain open.

In fiscal year 2015, our office performed an audit of RRB's internal controls over obligations.³ The purpose of this audit was to assess the effectiveness of internal controls in ensuring that obligations are recorded and reported in accordance with applicable laws and regulations. In this report, the OIG made the following three recommendations related to the purchase card program:

1. Strengthen internal controls to ensure that purchase card training is completed by each purchase card holder within the timeframes required by OMB and agency guidance (Recommendation 1);
2. Revise and issue updated Delegation of Authority Letters for Purchase Cards (Recommendation 2); and

² Railroad Retirement Board (RRB) Office of Inspector General (OIG), *Railroad Retirement Board Did Not Always Comply with the Federal Travel Regulation*, Report No. 17-04 (Chicago, IL: April 11, 2017).

³ RRB OIG, *Audit of the Internal Controls Over Obligations at the Railroad Retirement Board*, Report No. 15-08 (Chicago, IL: August 14, 2015).

3. Revise agency administrative circulars and control activities when agency systems are replaced, or as needed (Recommendation 11).

All three of these recommendations remain open. However, the RRB's Program Administrator for these programs informed us that the agency is actively working on taking corrective action to address recommendation 2. They anticipate issuing updated Delegation of Authority Letters for Purchase Cards by the end of January 2019.

In fiscal year 2013, our office performed an audit of RRB's purchase and travel card program.⁴ The purpose of this audit was to determine whether the RRB was in compliance with the Act. In this report, the OIG made three recommendations; two of which remain open. They are as follows

1. update management control review documentation for the Procurement Assessable Unit to include a control for periodic continuing need reviews of charge card holders (Recommendation 1); and
2. develop written procedures for continuing need reviews, to include when and how often the review should be performed (Recommendation 2).

Conclusion

We have assessed the overall risk as moderate.

cc: Walter A. Barrows, Labor Member
Steven J. Anthony, Management Member
Ana M. Kocur, General Counsel
Daniel J. Fadden, Senior Executive Officer
Keith B. Earley, Director of Administration
Shawna R. Weekley, Chief Financial Officer
Jeffrey G. Baer, Director of Audit Affairs and Compliance
Sylvia G. Zaragoza, Acting Secretary to the Board
Daniel J. Bartnicki, Executive Assistant to the General Counsel

⁴ RRB OIG, *Audit of the Railroad Retirement Board's Compliance with the Government Charge Card Abuse Prevention Act of 2012*, Report No. 13-10 (Chicago, IL: September 19, 2013).