



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



Management Report Fiscal Year 2024 Charge Card Risk Assessment



THE INSPECTOR GENERAL



UNITED STATES INTERNATIONAL TRADE COMMISSION

WASHINGTON, DC 20436

January 31, 2024

OIG-WW-001
OIG-MR-24-04

Chairman Johanson:

This memorandum provides the results of the Office of Inspector General’s 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 Office of Management and Budget by January 31 of each calendar year.

In assessing the risk of the purchase, travel, and fleet services card transactions in Fiscal Year (FY) 2023, we considered the size of the Commission, the small number of active purchase cardholders, the Commission’s oversight, and controls in place to prevent cardholders from

exceeding the single purchase card limits, monthly purchase card limits, recently completed OIG audits,^{1,2} and spending patterns.

The scope of our risk assessment for FY 2023 included a review of the Commission's internal controls for the charge card programs against the requirements identified in OMB M-13-02. We obtained and reviewed documentation, including FY 2023 charge card transaction reports, internal monthly and quarterly reviews, the Commission's Purchase Card Handbook, the Travel Handbook: Policy and Process, and the Office of Internal Control and Risk Management's performance reviews of the purchase and travel card programs.

We did not look at the fleet card transactions this year due to our prior oversight activities and the Commission's low usage of the one leased vehicle. The OIG recommended in last year's Charge Card Risk Assessment Report, [OIG-MR-23-04](#), that the Commission reevaluate and strengthen internal controls over the Commission's GSA Fleet Services Card Program to ensure the adequate management and supervision of the program. In addition, the OIG audited the fleet vehicle program in FY 2023, issuing six recommendations in our report, [OIG-AR-23-07](#). The Commission completed management decisions addressing the fleet-related recommendations.

For the Commission's FY 2023 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 2024.

During this year's review, we identified areas in the Commission's purchase and travel card programs where controls need to be added or strengthened to ensure:

- procedures are followed, especially (1) obtaining the signature of purchase cardholders and approving officials and (2) timely approval and submission of documentation;
- the vendors used and purchase prices are consistent with those approved; and
- corrective actions are taken when cardholders and approving officials do not follow required or proper procedures.

¹ [OIG AR-23-07](#)

² [OIG-ML-24-03](#)

The Commission's Purchase Card Handbook 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. The Commission's Purchase Card Handbook also states that the cardholder is required to upload on the SharePoint site by the fifth day of the month following the previous month's statement close (Day 23 to Day 22) all documentation (requisition forms, emails, receipts, etc.) on each purchase made during that period. Failing to meet the monthly documentation requirements and timely uploads to the SharePoint site may result in the following corrective actions:

- Additional training for the cardholder;
- Probation (30, 60, 90 days) requiring the pre-approval of the Director of Procurement for any purchase;
- Temporary suspension of the individual's charge card, or
- Permanent revocation of the individual's charge card.

As part of the Commission's controls over the purchase card program, the cardholder prepares a requisition form with an estimated cost that is signed by the purchase cardholder, the approving official, and the cost center manager. The cardholder's approving official also signs off on monthly credit card statements, and the Purchase Card Coordinator in the Office of the Chief Financial Officer conducts a monthly quality review of the cardholder's documentation. The Commission collects requisition forms, receipts, monthly statements, information on purchases, and other details in an online database, sometimes recording some of the same information in multiple places. The Office of Internal Control and Risk Management performs quarterly reviews of the purchase card program.

Despite the multiple review steps and redundant information collected for the purchase card program, the OIG identified issues in the sample reviewed. In five of the 22 transactions the OIG reviewed, there were issues with the agency's required requisition form. Requisition forms for four transactions did not contain purchase cardholder signatures. A requisition form provided to the OIG for a fifth transaction had the proper approvals; however, the actual purchase was for a similar product sold by a different vendor for almost four thousand dollars higher than the estimated cost on the requisition form.

In the Commission's monthly reviews, the Purchase Card Program Coordinator noted missing or untimely Approving Official or Purchase Cardholder signatures in eight of the twelve reports to the Director of Procurement. In addition, purchase cardholders did not always meet the five-day timeline for uploading documentation to the Commission's SharePoint site. The problems identified by the Purchase Card Program Coordinator persisted after reminder emails were sent. Additional corrective actions listed in the Purchase Card Handbook were not taken.

In the Travel Card Program, the Travel Officer's records showed that eight travel cardholders had not completed the required online refresher travel cardholder training. OMB Circular A-123 Appendix B requires each agency to provide training to all account holders and account managers. As described in the Commission's Charge Card Management Plan, travel charge card program participants receive training before appointment or issuance of a card and are required to take the online refresher training every three years.

The Commission's Travel Officer reduced the travel card spending limit to one dollar for all travel cardholders who did not complete the online refresher training. In the past, the Chief Financial Officer has granted waivers to exempt personnel from the training requirements. However, in response to the OIG's recommendation from the FY 2023 Charge Card Risk Assessment Report, the Commission updated its Travel Handbook and Charge Card Management Plan, stating that if the cardholder does not complete the necessary refresher training every three years, the limit on the cardholder's travel card will be reduced to \$1 until the employee has completed the training.

We recommend that the Commission:

- 1. Take steps to improve compliance with signature and documentation requirements for purchase card transactions.**

- 2. Determine whether key internal controls in the purchase card program use the highest quality source data and address the greatest areas of risk for the Commission.**
- 3. Take corrective actions when cardholders are not compliant with the purchase card program requirements and do not remediate issues identified.**
- 4. Educate travelers about the need to submit vouchers within five business days of the trip's conclusion to comply with the existing policy.**
- 5. Explore the possibility of sending travelers automated reminders about voucher submission requirements.**

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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