



UNITED STATES RAILROAD RETIREMENT BOARD

OFFICE OF INSPECTOR GENERAL

January 28, 2021

Via Electronic Transmission through OMB Max

Mr. Robert Fairweather
Acting Director
Office of Management and Budget
1650 Pennsylvania Avenue, NW
Washington, DC 20503

Dear Mr. Fairweather:

The Government Charge Card Abuse Prevention Act of 2012 (the Act) mandates that the Inspector General of each executive agency conduct periodic risk assessments of agency purchase and travel card programs to identify and analyze the risks of illegal, improper, or erroneous purchases and payments and to develop a plan to determine the scope, frequency, and number of Inspector General audits that are to be performed.

The Act further mandates that the Inspector General perform analysis or audits, as necessary, of purchase card transactions that is designed to identify potentially illegal, improper, or erroneous uses of purchase cards; any patterns of such uses; and categories of purchases that could be made by means other than purchase cards in order to better aggregate purchases and obtain lower prices.

The Act also mandates that the Inspector General report agency progress in implementing audit recommendations annually to the Director of the Office of Management and Budget.

The Railroad Retirement Board (RRB) Office of Inspector General (OIG) conducted a risk assessment of the RRB's purchase and travel card programs for fiscal year 2020 that included a review of the implementation status of existing audit recommendations related to those programs. The RRB's purchase and travel card spending totaled approximately \$1,042,000 and \$194,000, respectively. The RRB's spending was below the \$10 million threshold established for increased oversight and reporting, however, our office is currently performing an audit of purchase cards. Based on consideration of the low financial impact for fiscal year 2020 spending for the purchase and travel card programs, the lack of corrective actions for 8 related recommendations that remain open, and risks identified in an OIG fiscal year 2017 data analysis of purchase card transactions, our office assessed the overall risk level of illegal, improper, or erroneous purchases and payments as moderate.

In fiscal year 2017, OIG performed an audit of the RRB’s compliance with the Federal Travel Regulation (FTR).¹ 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 six recommendations regarding the RRB’s travel card program. Four of the six recommendations remain open.

In fiscal year 2015, OIG performed an audit of RRB’s internal controls over obligations.² 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 three recommendations regarding the RRB’s purchase card program. Two of the three recommendations remain open.

In fiscal year 2013, OIG performed an audit of RRB’s compliance with the Government Charge Card Abuse Prevention Act of 2012.³ The purpose of this audit was to determine whether the RRB was in compliance with the Government Charge Card Abuse Prevention Act of 2012. Two of the three recommendations made in this report remain open.

All open recommendations related to the purchase and travel card programs are shown in table 1.

Table 1: Open Recommendations for Travel and Purchase Card Programs

| Audit Report Title and Number | Date Issued | Open Recommendations |
|------------------------------------------------------------------------------------------------------------------------------------------|-------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Audit of the Railroad Retirement Board’s Compliance with the Government Charge Card Abuse Prevention Act of 2012 Report No. 13-10 | 09/19/13 | Office of Administration should 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) |
| | | Office of Administration should develop written procedures for continuing need reviews, to include when and how often the review should be performed. (Recommendation 2) |

¹ 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).

² RRB OIG, *Audit of the Internal Controls Over Obligations at the Railroad Retirement Board*, Report No. 15-08 (Chicago, IL: August 14, 2015).

³ 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).

| Audit Report Title and Number | Date Issued | Open Recommendations |
|------------------------------------------------------------------------------------------------------------|-------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Audit of the Internal Controls Over Obligations at the Railroad Retirement Board Report No. 15-08 | 08/14/15 | Office of Administration should 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) |
| | | Office of Administration revise agency administrative circulars and control activities when agency systems are replaced, or as needed. (Recommendation 11) |
| Railroad Retirement Board Did Not Always Comply with the Federal Travel Regulation Report No. 17-04 | 04/11/17 | Bureau of Fiscal Operation should 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) |
| | | Bureau of Fiscal Operation should revise RRB travel policies and procedures to require the non-usage of a travel card be justified and documented. (Recommendation 10) |
| | | Office of Administration should conduct refresher training on required travel card usage requirements for travel cardholders and approvers to ensure compliance with the FTR. (Recommendation 11) |
| | | Office of Administration should 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) |

Source: RRB OIG

We will continue to conduct periodic risk assessments and review the RRB’s purchase and travel card programs as part of our audit and review functions.

If you have any questions regarding the information in this submission, please contact Debra Stringfellow-Wheat, Assistant Inspector General for Audit, (312) 751-4864 or Debra.Wheat@oig.rrb.gov.

Sincerely,

Original Signed By:

Martin J. Dickman
Inspector General