



UNITED STATES RAILROAD RETIREMENT BOARD

OFFICE OF INSPECTOR GENERAL

---

*Memorandum*

January 28, 2021

**TO:** Erhard R. Chorlé, Chairman

Original Signed By:

**FROM:** Martin J. Dickman, Inspector General

**SUBJECT:** Fiscal Year 2020 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 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 of agency purchase and travel cards.<sup>1</sup> The Act requires Inspectors General to report the results of such assessments to the head of the executive agency.

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 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 2020. RRB's purchase and travel card spending totaled approximately \$1,042,000 and \$194,000, respectively. 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.

---

<sup>1</sup> Public Law 112-194.

Although the risk of financial impact is low for fiscal year 2020 spending for the purchase and travel card programs, based on the lack of corrective actions for 8 related open recommendations, 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.

### **Prior RRB-OIG Audits**

In fiscal year 2017, OIG performed an audit of the RRB's compliance with the Federal Travel Regulation (FTR).<sup>2</sup> 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 related to the travel card program; four of which remain open. They are as follows:

1. 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);
2. Revise RRB travel policies and procedures to require the non-usage of a travel card be justified and documented (Recommendation 10);
3. Conduct refresher training on required travel card usage requirements for travel cardholders and approvers to ensure compliance with the FTR (Recommendation 11); and
4. 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).

In fiscal year 2015, OIG performed an audit of RRB's internal controls over obligations.<sup>3</sup> 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 related to the purchase card program, two of which remain open. They are as follows:

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); and

---

<sup>2</sup> 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).

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

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

In fiscal year 2013, OIG performed an audit of RRB's compliance with the Government Charge Card Abuse Prevention Act of 2012.<sup>4</sup> The purpose of this audit was to determine whether the RRB was in compliance with the Government Charge Card Abuse Prevention Act of 2012. 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 of illegal, improper, or erroneous purchases and payments as moderate.

cc: John Bragg, Labor Member  
Thomas R. Jayne, Management Member  
Amal S. Amin, Chief of Staff  
Ana M. Kocur, General Counsel  
Daniel J. Fadden, Director of Administration  
Shawna R. Weekley, Chief Financial Officer  
Timothy Hogueisson, Director of Audit Affairs and Compliance  
Stephanie Hillyard, Secretary to the Board

---

<sup>4</sup> 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).