



OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

MEMORANDUM

DATE: July 7, 2023

TO: USADF, President and Chief Executive Officer, Travis Adkins

FROM: Deputy Assistant Inspector General for Audit, Alvin Brown /s/

SUBJECT: Assessment of the U.S. African Development Foundation Charge Card Programs Showed Low Risk of Improper Purchases and Payments in FY 2022 (0-ADF-23-008-S)

Dear Mr. Adkins:

The purpose of this memorandum is to inform you of the results of the Office of Inspector General's (OIG's) risk assessment of the U.S. African Development Foundation's (USADF's) fiscal year (FY) 2022 charge card program, as required by Public Law 112-194, the Government Charge Card Abuse Prevention Act of 2012 (Charge Card Act) and performed in accordance with the Office of Management and Budget Circular No. A-123, Appendix B, A Risk Management Framework for Government Charge Card Programs, August 27, 2019 (OMB Appendix B). The Charge Card Act requires each OIG to conduct periodic risk assessments of their agency's charge card program to identify and analyze the risks of illegal, improper, or erroneous purchases and payments. OIGs will use these risk assessments to determine the necessary scope, frequency, and number of audits or reviews of the program.

Based on our risk assessment, we determined that the charge card program poses a low risk to USADF, and the agency did not exceed \$10 million in charge card spending; therefore, an audit of the program is not necessary. We found that the agency has policies and procedures in place that address the applicable charge card internal control requirements identified in the Charge Card Act and related OMB Appendix B. We also found that the agency has adequate monitoring and reconciliation procedures to reduce the risk of illegal, improper, and erroneous purchases in the charge card program.

We conducted this assessment following internally established OIG policies that govern the planning, conducting, and reporting of this work product. Those policies require that the assessment team be competent and independent, conduct its work using reasonable care, and follow established quality control procedures. Those policies also require that we obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions in accordance with our assessment objectives. We believe that the evidence obtained provides that reasonable basis.

To assess the risk of illegal, improper, and erroneous purchases from the purchase cards (including convenience checks and fleet cards), integrated cards, travel cards, and centrally billed accounts as part of USADF's FY 2022 charge card program, we reviewed USADF's Charge Card Management Plan and relevant documents to verify the agency's internal controls and the elements required under OMB Appendix B.

Furthermore, we interviewed USADF's Director of Financial Management to follow up on any changes to the program and obtain an understanding of the agency's efforts to monitor and reconcile charge card data as they relate to risks of illegal, improper, and erroneous purchases. Additionally, we reviewed data in detail, such as cardholders and active cards; and calculated total travel and purchase expenses made in FY 2022.

We also inquired about cases related to USADF's charge card program from the OIG Office of Investigations. There is at least one ongoing investigation that involved charge card irregularities and we defer to our Office of Investigations for any further information on that matter. Our Office of Audit's efforts did not identify any additional instances of misuse of the government charge cards or illegal purchases made on the part of USADF.

We appreciate the assistance you and your staff provided to us during this engagement.