

# OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

## Assessment of MCC's Charge Card Programs Showed Low Risk of Improper Purchases and Payments in FY2022

Final Report 0-MCC-23-007-C  
June 29, 2023



Financial Audits Division



# OFFICE OF INSPECTOR GENERAL

## U.S. Agency for International Development

### MEMORANDUM

**DATE:** June 29, 2023

**TO:** Millennium Challenge Corporation, Vice President, Department of Administration and Finance and Chief Financial Officer, Fouad Saad

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

**SUBJECT:** Assessment of MCC's Charge Card Programs Showed Low Risk of Improper Purchases and Payments in FY2022 (0-MCC-23-007-C)

Enclosed is the final report on the risk assessment of the Millennium Challenge Corporation's (MCC) charge card programs for fiscal year (FY) 2022. The Office of Inspector General (OIG) contracted with the independent certified public accounting firm of RMA Associates LLC (RMA) to conduct the assessment.<sup>1</sup> The contract required RMA to perform the assessment in accordance with Public Law 112-194, the Government Charge Card Abuse Prevention Act of 2012 (the Act) and Office of Management and Budget Circular No. A-123, Appendix B, A Risk Management Framework for Government Charge Card Programs, August 27, 2019. In addition, RMA conducted their risk assessment in accordance with the Council of the Inspectors General on Integrity and Efficiency Quality Standards for Inspections and Evaluation.

In carrying out its oversight responsibilities, OIG reviewed the firm's report and related assessment documentation and inquired of its representatives. The firm is responsible for the enclosed report and the conclusions expressed in it. We found no instances in which RMA did not comply, in all material respects, with applicable standards.

The objective was to assess the risks of illegal, improper, or erroneous purchases and payments in MCC's FY2022 charge card programs. To answer the objective, RMA analyzed and tested MCC's internal controls over its charge card programs for the fiscal year ending September 30, 2022. Charge card disbursements during this period totaled \$3,822,579.72.

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<sup>1</sup> Pursuant to the James M. Inhofe National Defense Authorization Act for Fiscal Year 2023, Pub. L. No. 117-263, § 5274, which amends the Inspector General Act of 1978, when USAID OIG contracts with an audit firm to perform the work, USAID OIG provides non-governmental organizations and/or business entities specifically identified in the accompanying report, if any, 30 days from the date of report publication to review the final report and submit a written response to USAID OIG that clarifies or provides additional context for each instance within the report in which the non-governmental organization and/or business entity is specifically identified. Any comments received to this effect are posted for public viewing on <https://usaid.oig.gov> with USAID OIG's final transmittal. Please direct related inquiries to [oignotice\\_ndaa5274@usaid.gov](mailto:oignotice_ndaa5274@usaid.gov).

The firm concluded that the overall risk assessment of MCC's charge card programs is low, and an audit is not warranted.

We appreciate the assistance provided to our staff and the audit firm's employees during the engagement.

**Millennium Challenge Corporation**

**Risk Assessment of MCC's Management of Purchase and Travel Cards for FY 2022  
Independent Auditor's Final Report  
June 23, 2023**

To the Inspector General  
U.S. Agency for International Development

To the Board of Directors  
Millennium Challenge Corporation

23 June 2023

RMA Associates, LLC (RMA) conducted a risk assessment of the Millennium Challenge Corporation's (MCC) charge card programs for fiscal year 2022 regarding compliance with the applicable provisions of the Government Charge Card Abuse Prevention Act of 2012.

The objective of the risk assessment was to assess the risks of illegal, improper, and erroneous purchases and payments in MCC's FY 2022 charge card programs.

RMA conducted the risk assessment using the Council of the Inspectors General on Integrity and Efficiency's *Quality Standards for Inspection and Evaluation* guidance (also known as the "Blue Book"). The assessment was conducted under the oversight of the U.S. Agency for International Development's Office of Inspector General.

We concluded the overall risk of illegal, improper, or erroneous purchases and payments through MCC's use of purchase and travel cards during the period of our risk assessment to be:

- Low for the purchase card program; and
- Low for the travel card program.

Overall, MCC's charge card programs had a low risk of illegal, improper, or erroneous purchases and payments being made through MCC's charge card programs during the period of review. Subsequently, the results of the risk assessment did not warrant an audit.

Respectfully,



RMA Associates, LLC

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## Executive Summary

RMA Associates, LLC (RMA) conducted a risk assessment of the Millennium Challenge Corporation's (MCC) charge card programs for fiscal year (FY) 2022 regarding compliance with the applicable provisions of the [Government Charge Card Abuse Prevention Act of 2012](#) (Charge Card Act). RMA conducted the risk assessment using the Council of the Inspectors General on Integrity and Efficiency (CIGIE) *Quality Standards for Inspection and Evaluation* guidance (also known as the "[Blue Book](#)"). The assessment was conducted under the oversight of the U.S. Agency for International Development (USAID) Office of Inspector General (OIG).

The objective of the risk assessment was to:

1. Assess the risks of illegal, improper, and erroneous purchases and payments in MCC's FY 2022 charge card programs.

The scope of the risk assessment encompassed MCC's charge card programs compliance and transactions for the fiscal year ending on September 30, 2022. We tested the design of policies and procedures, interviewed key stakeholders, conducted a walk-through, and selected judgmental samples to perform control testing on MCC's charge card programs.

We concluded the overall risk of illegal, improper, or erroneous purchases and payments through MCC's use of purchase and travel cards during the period of our risk assessment to be:

- Low for the purchase card program; and
- Low for the travel card program.

MCC's charge card programs had a low risk of illegal, improper, or erroneous purchases and payments being made through MCC's charge card programs during the period of review. Subsequently, the results of the risk assessment did not warrant an audit. Our overall risk assessment rating is low.

## Background

The Charge Card Act was enacted to prevent fraud, delinquency, or misuse that may exist in a federal agency's charge card program. The Charge Card Act requires the OIG to conduct periodic reviews of the charge card program for illegal, improper, or erroneous transactions. OIGs are required to use these risk assessments to determine the scope, number, and frequency of audits of the federal charge card program.

[Office of Management and Budget \(OMB\) Circular A-123, Appendix B](#)<sup>1</sup> (Appendix B) addresses controls, policies, and practices for government charge card programs. Risk management controls, policies, and practices are critical tools for ensuring the efficiency and integrity of charge card programs. These controls, policies, and practices are put in place with the intention of reducing

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<sup>1</sup> Reference Appendix B to OMB Circular A-123, *A Risk Management Framework for Government Charge Card Programs*, dated August 27, 2019.

payment delinquencies, charge card misuse, fraud, and other forms of waste and abuse. Appendix B also sets forth general training requirements for all charge card program participants. Specifically, all participants must:

- Complete required trainings before being appointed a government charge card;
- Take refresher trainings, at a minimum, every three years, and must certify that they have received the training;
- Understand applicable regulations and procedures; and
- Know the consequences of inappropriate actions.

The U.S. General Services Administration (GSA) SmartPay program provides charge cards to US federal agencies, organizations, and Native American tribal governments (collectively, termed agencies), through master contracts negotiated with major national banks. In June 2007, the GSA Office of Charge Card Management (CCM) awarded the GSA SmartPay master contracts to three US banks. Through these contracts, agencies can obtain different types of charge cards to support their mission needs to include:

- Purchase Cards – for purchasing general supplies and services;
- Travel Cards – for travel expenses related to official government travel (airline, hotel, meals, and incidentals);
- Fleet Cards – for fuel and supplies for government vehicles;
- Integrated Cards – for two or more business lines (card types) whose processes are integrated into one card; and
- Convenience Checks – instruments written, dated, and signed against a card/account within established dollar limits.

During FY 2022, MCC had a combined 320 Charge Cards between the purchase and travel card programs.<sup>2</sup> MCC's purchase card is the primary purchase method for all requirements valued at or less than the Micro Purchase Threshold (MPT), as stated by the Federal Acquisition Regulation (FAR). Additionally, MCC has two types of accounts within its travel card program:

1. Centrally Billed Accounts (CBA) – established by MCC to pay for official purchases, travel, and travel-related expenses. Payments are made directly to the bank by the Interior Business Center (IBC), MCC's accounting service provider on behalf of MCC; and
2. Individually Billed Accounts (IBA) – issued to MCC employees to pay for official travel and travel-related expenses. Payments are made directly to the bank by the employee.

The MCC Charge Card program is managed by the Agency/Organization Program Coordinator (A/OPC) and Managing Director in the Contract and Grants Management Division (CGM), who coordinates the MCC team, which includes Agency Program Coordinators (APC). Prior to receiving a charge card, cardholders must complete internal and external applications,<sup>3</sup> receive appropriate designation or nomination from an authorized MCC official, and complete required

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<sup>2</sup> MCC did not use convenience checks and had an inactive fleet card during FY 2022.

<sup>3</sup> The internal application is the Oracle Access Request Form, MCC's main system of record managed by the Department of the Interior's (DOI) IBC. The external application is the bank's application.



GSA training. Upon completion, the APC reviews the package to confirm all items are included and completed, including the necessary approvals. Once the bank processes the application, the APC provides the cardholder with a Delegation Letter. The APC maintains a master file in MCC’s SharePoint Repository of all purchase cardholders, training recertification dates, Approving Officials (AO) and purchase limits.

In FY 2021, MCC’s charge card programs had a low risk of illegal, improper, and erroneous purchases and payments.

## Risk Assessment Results

RMA considered the following factors in our FY 2022 risk assessment of MCC’s charge card programs: (1) program size as a percentage of agency spending; (2) verification of controls in their Charge Card Management Policy; (3) implementation of internal controls; (4) compliance with applicable laws and regulations; and (5) evidence of ongoing investigations or legal proceedings relevant to the programs. We used a scoring methodology to determine the risk for each criterion (**Table 1**).

*Table 1: Risk Scoring Guide*

No.	Criteria	Low	Medium	High
1	Program Size as a Percentage of Agency Spending	< 5%	5-10%	> 10%
2	Charge Card Management Plan/Policy Controls	Submitted complete policy	Submitted an incomplete policy	Did not submit a policy
3	Internal Controls Implemented	Controls implemented	Most controls implemented	Controls not implemented
4	Compliance with Applicable Laws and Regulations	Did not comply with 1-3 criteria	Did not comply with 4-6 criteria	Did not comply with more than 7 criteria
5	Number of Investigations or Legal Proceedings	0	0	1

### *Program Size as a Percentage of Agency Spending*

The Charge Card Act requires the Inspector General of an agency with more than \$10,000,000 in annual travel card spending to perform an audit. Additionally, purchase card spending of over \$10,000,000 requires the Inspector General and head of the agency to submit a joint report on a semiannual basis to the Director of OMB on charge card violations and related actions. Due to the size of the program, an audit was not warranted and identified as low risk. **Table 2** summarizes MCC’s charge card expenditures for FY 2022.

Table 2: MCC’s Charge Card Expenditures

Calculation	Charge Card Program
Number of Cards (A)	320
Number of Transactions (B)	2,481
Transaction Value (C)	\$3,822,579.72
Average Spending/Card (D = C ÷ A)	\$11,945.56
Average Transaction Value (E = C ÷ B)	\$1,540.74
MCC Annual Administrative Spending (F)	\$115,000,000 <sup>4</sup>
Percentage of the total transaction value to spending (C ÷ F)	3.3%
<b>Risk Assessment</b>	<b>Low</b>

**Charge Card Management Plan/Policy Controls**

Appendix B provides guidance to establish minimum requirements for purchase and travel card use as defined in Section 3.3 “What are the required elements of an agency’s charge card management plan?” The Charge Card Management Plan should identify roles and responsibilities, outline the process for appointing cardholders and officials, ensure creditworthiness testing is implemented,<sup>5</sup> identify training requirements, and summarize the available reports for monitoring delinquency, misuse, and performance metrics.

After assessing MCC’s policies, we found their charge card program Standard Operating Procedures (SOP) to be up to date. Since MCC has established and implemented other policies, such as the Temporary Duty (TDY) Travel Policy and the Individually Billed Account (IBA) Travel Charge Card Policy, we believe the SOP builds on their compliance with Appendix B. (Table 3). We identified a low risk for both programs under this criterion.

Table 3: Charge Card Management Plan/Policy Controls Risk Assessment

Appendix B Requirement	Purchase Card	Travel Card
Identification of key management officials and their responsibilities for each business line.	✓	✓
Establishment of a process for written appointment of purchase and integrated (purchase business line) cardholders per FAR-1.603-3(b). Written appointment for other business lines should be included if required by agency policy.	✓	✓
Implementation of a process to ensure the creditworthiness of new charge card applicants consistent with Chapter 6 – Credit Worthiness for Individually Billed Accounts (IBA) of this Guidance.	N/A	✓
Description of agency training requirements (consistent with and/or in addition to the training requirements of this Guidance).	✓	✓
Management controls, policies, and practices for ensuring appropriate charge card and convenience check use and oversight of fraud, misuse, and delinquency.	✓	✓
Establishment of appropriate authorization controls.	✓	✓
Acknowledgment of agency policies and practices developed to ensure appropriate consideration by cardholders of category management, Acquisition Gateway, and strategic sourcing arrangements consistent with Chapter 8 – Category Management & Strategic Sourcing of this Guidance.	✓	✓

<sup>4</sup> Based on MCC’s FY 2022 Congressional Budget Justification Request.

<sup>5</sup> This requirement is only necessary for the travel card program.

Appendix B Requirement	Purchase Card	Travel Card
<i>Explanation of how available reports and data are used for monitoring delinquency, misuse, performance metrics, spend analysis, and other relevant transactions and program management issues.</i>	✓	✓
<i>Documentation and record retention requirements consistent with NARA and Agency-specific policies.</i>	✓	✓
<i>Policies for the closure or transfer of charge cards and maintenance of other documentation when employees terminate employment, and if applicable, when an employee moves to a different organization.</i>	✓	✓
<b>Risk Assessment</b>	<b>Low</b>	<b>Low</b>

**Internal Controls Implemented**

Section 2.4 “Purchase Card Internal Controls” and Section 2.5 “Travel Card Internal Controls” of Appendix B outline the required purchase and travel card internal controls into four processes:

1. Application;
2. Transaction;
3. Review and approval; and
4. Charge card management.

RMA reviewed MCC’s Purchase and Travel Card policies and procedures and determined the agency’s internal controls are designed to prevent or detect travel card misuse, fraud, waste, and abuse. In the FY 2021 risk assessment, RMA issued a finding because MCC did not have a required metrics and benchmarking program for its government charge card program. In response, MCC updated their SOP to include this requirement, complying with OMB Appendix B requirements.

Additionally, in the FY 2021 risk assessment, RMA found control deficiencies when testing the purchase and travel cards. Specifically, we noted deficiencies pertaining to the timeliness of travel voucher submissions for the Travel Card IBA and CBA. Subsequently, a finding was issued to address this control deficiency. In response, MCC updated the traveler certification acknowledgment required when individuals submit their travel authorizations, thereby closing the recommendation.

We concluded the risk of MCC’s internal controls is low considering the corrective actions MCC has implemented. Testing results were also consistent with last year. **Table 4** summarizes individual risk assessments for each internal control process.

*Table 4: Internal Controls Implemented Risk Assessment*

Appendix B Requirement	Purchase Card	Travel Card
Application Process	✓	✓
Transaction Process	✓	✓
Review and Approval Process	✓	✓
Charge Card Management Process	✓	✓
<b>Risk Assessment</b>	<b>Low</b>	<b>Low</b>

**Compliance with Applicable Laws and Regulations**

The Charge Card Act and Appendix B outline requirements to help reduce the risk of fraud, waste, and error within charge card programs. One requirement speaks to maintaining and reviewing written policies and procedures for the appropriate use of charge cards in accordance with the requirements. In the FY 2021 risk assessment, RMA issued a finding because MCC did not document the consideration of their charge card program risk in their FY 2021 annual A-123 enterprise risk management (ERM) risk process as required by Appendix B. In response, MCC included charge card program risks in its Department of Administration and Finance (A&F) Risk Register. In addition, RMA issued a finding in the FY 2021 risk assessment because MCC had not updated their Charge Card Management Policy since 2012, causing the agency to neglect OMB requirements for an ERM and metrics and benchmarking program. In response, MCC updated their Charge Card Management plan with the 2023 Charge Card Program SOP. Following closure requests from MCC, the USAID OIG has approved the closure of all four recommendations from the FY 2021 report.

We concluded the risk of MCC’s non-compliance with government charge card laws and regulations is low. **Table 5** summarizes the individual program risk assessment.

*Table 5: Compliance with Applicable Laws and Regulations Risk Assessment*

No.	Charge Card Program Requirements	Purchase	Travel
1	<i>Each agency head shall provide an annual certification that the appropriate policies and controls are in place or that corrective actions have been taken to mitigate the risk of fraud and inappropriate charge card practices. The certification should be included as part of, the existing annual assurance statement under the FMFIA.</i>	✓	✓
2	<i>Agency must develop a risk profile coordinated with their annual strategic reviews with charge card risk controls implemented into the ERM Process.</i>	✓	✓
3	<i>Maintain and review written policies and procedures for the appropriate use of charge cards in accordance with the requirements of the Charge Card Act and Appendix B.</i>	✓	✓
4	<i>Establishment of a process for written appointment of purchase and integrated (purchase business line) cardholders per FAR-1.603-3(b). Written appointments for other business lines should be included if required by agency policy.</i>	✓	✓
5	<i>Charge card managers must review their agency’s refund agreement in accordance with Appendix B and the Charge Card Act.</i>	✓	✓
6	<i>Agencies must develop and implement policies and practices that ensure products and services meet the sustainability requirements in statutes and EO 13693 - Planning for Federal Sustainability in the Next Decade of March 19, 2015.</i>	✓	✓
7	<i>Charge card managers should perform periodic reviews of the number of charge card accounts in use for appropriateness of number as well as evaluate the span of control for approving officials in accordance with the requirements of the Charge Card Act and Appendix B.</i>	✓	✓
8	<i>Pursuant to the Consolidated Appropriations Act, 2008 (Pub. L. No. 110-161, Division D, Title VII, section 743), each agency/organization must ensure a creditworthiness assessment is conducted of all new IBA travel charge card applicants prior to issuing a card.</i>	<i>Not required for Purchase Card.</i>	✓

No.	Charge Card Program Requirements	Purchase	Travel
9	Agencies with more than \$10,000,000 in annual purchase business line spend must submit a joint agency and IG report to the Director of OMB on violations or other actions covered in 41 U.S.C. § 1909 (c)(l).	N/A	N/A
10	Appropriate training is provided to each charge card holder and Approving Official in accordance with Appendix B.	✓	✓
<b>Risk Assessment</b>		<b>Low</b>	<b>Low</b>

**Number of Investigations or Legal Proceedings**

There were no ongoing investigations or legal proceedings for the period of performance that would create additional risks related to the charge card programs (Table 6).

Table 6: Investigations or Legal Proceedings Risk Assessment

Program	Investigations or Legal Proceedings
Purchase Card	0
Travel Card	0
<b>Risk Assessment</b>	<b>Low</b>

**Conclusion**

The risk of illegal, improper, or erroneous purchases and payments being made through MCC’s travel and purchase card programs, during the period of review was low, and the overall risk assessment of MCC’s charge card programs is low. Based on the results of our risk assessment, we concluded an audit was not warranted.

While we determined the risk associated with the use of the charge card programs is low, this should not be interpreted that the programs are free from illegal, improper, or erroneous purchases and payments, or the risk will remain unchanged. A summary of our assessment follows (Table 7).

Table 7: Risk Assessment Results

No.	Criteria	Purchase Card	Travel Card	Risk Assessment
1	Program Size as a Percentage of Agency Spending	Low	Low	Low
2	Charge Card Management Plan/Policy Controls	Low	Low	Low
3	Internal Controls Implemented	Low	Low	Low
4	Compliance with Applicable Laws and Regulations	Low	Low	Low
5	Number of Investigations or Legal Proceedings	Low	Low	Low
<b>Overall Risk Assessment</b>				<b>Low</b>

## Appendix I: Scope and Methodology

The objective of the risk assessment was to assess the risks of illegal, improper, or erroneous purchases and payments. The scope of this engagement focused on MCC's charge card programs compliance covering transactions in FY 2022. Our work was conducted from February 2, 2023, to May 5, 2023. To achieve the objectives, we:

1. Documented our understanding of MCC to include the agency's origin, history, size and location, organization, mission, results of prior and current audits, and other considerations.
2. Documented understanding of laws and regulations for Charge Card Act risk assessments and assessed whether management has identified relevant laws and regulations.
3. Issued a list of data and reports to be prepared by MCC with needed due dates in the form of a Provided-By-Client (PBC) document.
4. Inquired with management regarding the previous review, attestation engagements, and other studies. Inquired if any corrective actions from prior engagements were implemented.
5. Assessed MCC's controls by:
  - a. Examining written codes of conduct or other employee-related policies.
  - b. Inquiring of management regarding the following:
    - i. Program-specific entity-level controls;
    - ii. Delegation of authority, responsibility, and accountability;
    - iii. Areas considered to be of risk according to management;
    - iv. Methods of communication of information, such as management objectives;
    - v. Control reporting by lower levels of management, if any; and
    - vi. Periodic/recurring management discussion regarding assessments of program controls.
  - c. Inquiring of management regarding the charge card programs budgets and determining whether MCC must submit a violations report to OMB.
  - d. Assessing MCC's internal controls through:
    - i. Internal control questionnaires/correspondence;
    - ii. Examination of policies, manuals, Standard Operating Procedures, or other literature applicable to conducting daily operations of job responsibilities;
    - iii. Program-level walkthroughs;
    - iv. Observation of operations and control activities; and
    - v. Inquiry of managers/employees as to whether control responsibilities are understood, effectively communicated, and followed.
  - e. Inquiring of management whether a risk profile was conducted specific to the charge card programs and determining if MCC's Enterprise Risk Management incorporates the charge card programs.
  - f. Inquiring whether MCC participates in the Government-wide Charge Card Metrics and Benchmarking Program.
6. Reviewed and assessed MCC's COVID-19 restrictions pertaining to the travel card program.
7. Assessed laws, regulations, contracts, and potential fraud through procedures such as:
  - a. Identifying relevant laws, regulations, and contracts;

- b. Detecting instances of noncompliance with provisions of laws, regulations, and contracts for service providers;
  - c. Examining whether MCC has controls to prevent and detect noncompliance with provisions of laws, regulations, and contracts;
  - d. Requesting information regarding areas of fraud risk; and
  - e. Examining controls to prevent and detect fraud or risk that officials could override internal controls.
8. Reviewed and assessed voucher review agreement between MCC and IBC to ensure voucher complications are addressed accordingly.
9. Assessed ongoing investigations or legal proceedings through procedures such as:
  - a. Identifying ongoing investigations or legal proceedings, if any; and
  - b. Examining whether any ongoing investigations or legal proceedings have a significant impact on the objectives.
10. Determined sufficiency of the evidence to close open recommendations.

## Appendix II: Sampling Plan

MCC provided a list of total purchase and travel card transactions for FY 2022. To select our sample for testing, we exercised professional judgment in determining the number of items to select and the method to use for selection.

A judgmental sample of transactions was selected for review. We have presented the number of transactions and dollar value of the universe and our samples for both the purchase and travel card transactions for FY 2022. We conducted sample testing over FY 2022 charge card transactions due to control deficiencies identified in current and prior year assessments.

Charge Card Program	Universe		Sampling	
	Number of Transactions	Dollar Value	Number of Transactions	Dollar Value
Purchase Card	416	\$406,927.83	6	\$53,302.15
Travel Card IBA	461	\$665,821.14	5	\$47,258.49
Travel Card CBA	1,604	\$2,749,830.75	4	\$57,233.37

### Purchase Card – FY 2022

Our sample was selected from the population of purchase card transactions made in FY 2022, excluding negative amounts that indicate reversals. The universe consisted of 416 purchase card transactions for a total of \$406,927.83. The selected purchase card transaction samples represented 13.1% of the total dollar value in the universe.

We selected judgmental samples based on dollar values and areas of risk identified in prior year assessments. **Table 8** includes information on the universe of records.

*Table 8: Universe of FY 2022 Purchase Card Transactions*

Population	No. of Records	Total Amount in Universe	Total Sample Size	Total Amount in Sample	Percent of Total Universe
FY 2022	416	\$406,927.83	6	\$53,302.15	13.1%

### Travel Card IBA – FY 2022

Our sample was selected from the population of travel card IBA transactions made in FY 2022, excluding negative amounts that indicate reversals. The universe consisted of 461 travel card transactions for a total of \$665,821.14. We selected five travel card IBA transactions, 7.1% of the total dollar value in the universe.

We selected judgmental samples based on dollar values and areas of risk identified in prior year assessments. Our sample was selected from the following population of selected travelers due to the high dollar value of their total transaction amounts and average transaction amounts. **Table 9** includes information on the universe of records.



*Table 9: Universe of FY 2022 Travel Card IBA Transactions*

Population	No. of Records in the Universe	Total Amount in Universe	Total Sample Size	Total Amount in Sample	Percent of Total Universe
FY 2022	461	\$665,821.14	5	\$47,258.49	7.1%

Travel Card CBA – FY 2022

Our sample was selected from the population of travel card CBA transactions, excluding negative amounts that indicate reversals. The universe consisted of 1,604 travel card transactions for a total of \$2,749,830.75. We selected four travel card CBA transactions, 2.1% of the total dollar value in the universe. A sample misidentified as a CBA transaction was later moved to Purchase Card testing, bringing the sample total to four.

We selected judgmental samples based on dollar values and areas of risk identified in prior year assessments. **Table 10** includes information on the universe of records and sample selection.

*Table 10: Universe of FY 2022 Travel Card CBA Transactions*

Population	No. of Records in the Universe	Total Amount in Universe	Total Sample Size	Total Amount in Sample	Percent of Total Universe
FY 2022	1,604	\$2,749,830.75	4	\$57,233.37	2.1%

## Appendix III: Management Comments



DATE: June 20, 2023

TO: Alvin Brown  
Deputy Assistant Inspector General for Audit  
Office of Inspector General  
United States Agency for International Development  
Millennium Challenge Corporation

FROM: Fouad Saad /s/  
Vice President and Chief Financial Officer  
Department of Administration and Finance  
Millennium Challenge Corporation

**FOUAD P  
SAAD  
(affiliate)** Digitally signed  
by FOUAD P  
SAAD (affiliate)  
Date: 2023.06.21  
09:39:05 -04'00'

SUBJECT: MCC's Management Response to the OIG Report, "Assessment of MCC's Charge Card Programs Showed Low Risk of Improper Purchases and Payments in FY2022," dated June 20, 2023

The Millennium Challenge Corporation (MCC) appreciates the opportunity to review the Office of Inspector General (OIG) report titled "Assessment of MCC's Charge Card Programs Showed Low Risk of Improper Purchases and Payments in FY2022." MCC concurs with the conclusion of the report and agrees with the low risk assessment of its charge card programs. Based on the assessment results, MCC is proud that the report delivered a second consecutive low risk assessment on our charge card programs and issued no recommendations.

If you have any questions, please contact Jonathan Hamlet, Contracts and Grants Management (CGM) Managing Director at 202-521-3584 or [Hamletjc@mcc.gov](mailto:Hamletjc@mcc.gov) for Purchase Card-related inquiries, or Douglas Fairfield, Domestic and International Security (DIS) Managing Director at 202-521-3679 or [Fairfieldddh@mcc.gov](mailto:Fairfieldddh@mcc.gov) for Travel Card-related inquiries. Additionally, you can also contact Jude Koval, Senior Director of Internal Controls and Audit Compliance (ICAC), at 202-521-7280 or [Kovaljg@mcc.gov](mailto:Kovaljg@mcc.gov).

CC: Damian Wilson, Director, OIG, USAID  
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Lisa Smith-Kulley, Deputy Managing Director, CGM, A&F, MCC  
Michael Wright, Controller, FMD, A&F, MCC  
Candace Lockhart, Travel Manager, DIS, A&F, MCC  
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