

Report in Brief

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U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES
OFFICE OF INSPECTOR GENERAL



Why OIG Did This Audit

The Government Charge Card Abuse Prevention Act of 2012 (Charge Card Act) requires agencies to establish and maintain safeguards and internal controls for their Government purchase card programs.

Additionally, HHS-OIG is required to conduct annual risk assessments of travel card programs to analyze the risks of illegal, improper, and erroneous purchases.

Under the provisions of the Charge Card Act, we performed a risk assessment of HHS's charge card program for Federal fiscal year 2017 and identified the Office of Intergovernmental and External Affairs (IEA) as having a high risk of inappropriate purchase card transactions.

Our objective was to determine whether IEA's purchase card program complied with Federal requirements.

How OIG Did This Audit

During calendar years 2020 and 2021 (audit period), IEA cardholders made 866 purchase card transactions totaling \$283,212, from which we judgmentally selected 50 transactions totaling \$104,169. We reviewed each selected transaction as well as the purchase card training records of all cardholders and approving officials.

The Office of Intergovernmental and External Affairs' Purchase Card Program Did Not Comply With Federal and HHS Requirements

What OIG Found

During our audit period, IEA's purchase card program did not comply with Federal and HHS requirements. Specifically, IEA cardholders purchased items that were prohibited or excessive and did not have supporting documentation for 44 of the 50 judgmentally selected purchase card transactions. Further, IEA did not properly account for purchases of sensitive items and allowed transactions to be made by cardholders after their last day of employment. In addition, IEA cardholders and approving officials did not complete required training.

These deficiencies occurred because IEA had inadequate internal controls and oversight over its purchase card program and did not comply with those internal controls. Further, because the controls were not adequate, IEA staff indicated that they were unaware of their responsibilities and requirements related to the purchase card program.

As a result, IEA's purchase card program had an increased risk of improper purchases, and \$93,495 in purchases may have constituted misuse of the purchase card.

What OIG Recommends and IEA Comments

We made several procedural recommendations, including that IEA create and maintain a centralized database to store supporting documentation for all purchase card transactions and remind approving officials to notify the Property Management Office when purchases of accountable property are made by IEA cardholders to ensure accountability and timely updating of property records. The detailed recommendations are in the report.

In written comments on our draft report, IEA agreed with all of our recommendations and described the corrective actions it has already taken or is planning to take. For example, IEA stated that it has created folders on its shared drive for each cardholder to store the supporting documentation for all approved purchases as well as folders for the training certificates for all cardholders and AOs. All cardholders were also notified about mandatory training and the established due date for certain training to be completed. We commend IEA for its cooperation throughout the audit as well as its ongoing efforts to improve the purchase card program.