



BRIEFLY...

OASAM NEEDS TO STRENGTHEN CONTROLS OVER THE PURCHASE CARD PROGRAM

WHY OIG CONDUCTED THE AUDIT

The *Government Charge Card Abuse Prevention Act of 2012* requires Inspectors General to conduct periodic assessments of purchase card programs to identify and analyze risks of illegal, improper, or erroneous purchases and payments. Since purchase cards allow cardholders to order, pay for, and receive goods and services, the Office of the Assistant Secretary for Administration and Management's (OASAM) proper design, implementation, and monitoring of controls over the Department of Labor's (DOL) purchase card program are crucial to detecting and preventing fraudulent or improper purchases.

WHAT OIG DID

We conducted this performance audit to determine the following:

Did OASAM establish and implement adequate controls over DOL's purchase card program to reduce the risk of illegal, improper, and/or erroneous purchases?

The audit covered 932 open purchase cards that were used for 57,191 transactions totaling \$19,353,100 during Fiscal Year (FY) 2013 and the first quarter of FY 2014.

READ THE FULL REPORT

To view the report, including the scope, methodology, and full agency response, go to: <http://www.oig.dol.gov/public/reports/oa/2015/17-15-003-07-001.pdf>.

WHAT OIG FOUND

OASAM has established adequate controls over DOL's purchase card program to reduce the risk of illegal, improper, and/or erroneous purchases. However, the controls established were not implemented consistently. We identified issues with both individual transactions and the management of purchase card program participants. Based on our sample results, we estimated about 2,896 purchases had no supporting documentation and about 8,491 purchases lacked one or more required documents to support the transactions. We did not identify the purchase of any inappropriate or unauthorized goods or services.

Our review of 932 purchase cardholders found 3 cardholders exceeded their approved monthly limit by more than \$10,000, 4 cardholders exceeded their approved monthly limit more than once, and 8 cardholders appeared to split purchases to circumvent the micro-purchase limits. Finally, our review of 136 statistically sampled purchase card program participants found 6 had not received any training and 92 had not completed initial training before becoming cardholders.

OASAM has delegated an extensive part of the purchase card process to DOL component agencies, and it needs to improve its monitoring to ensure the component agencies are effectively implementing established controls over purchase card activity. Until then, DOL is vulnerable to unauthorized purchases.

WHAT OIG RECOMMENDED

We made nine recommendations to the Assistant Secretary for Administration and Management to strengthen the controls over the purchase card program.

OASAM officials concurred with our recommendations.