



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

OFFICE OF
INSPECTOR GENERAL

August 26, 2015

MEMORANDUM

SUBJECT: Project Notification:
Fiscal Year 2015 Risk Assessment of EPA's Purchase Card and
Convenience Check Programs
Project No. OA-FY15-0064

FROM: Kevin Christensen, Assistant Inspector General
Office of Audit

A handwritten signature in black ink, appearing to read "Kevin Christensen", is written over the printed name in the "FROM:" field.

TO: Karl Brooks, Acting Assistant Administrator
Office of Administration and Resources Management

The U.S. Environmental Protection Agency (EPA) Office of Inspector General (OIG) plans to begin the preliminary research phase of auditing the agency's purchase card and convenience check programs. According to requirements outlined in the Government Purchase Card Abuse Prevention Act of 2012, the Inspector General is to conduct periodic assessments of agency purchase card and convenience check programs to identify and analyze risks of illegal, improper or erroneous purchases and payments.

The objective for the preliminary research phase of the audit is to assess the risk of illegal, improper and erroneous purchases made through the agency's purchase card and convenience check programs and determine the nature, timing and extent of testing necessary. We plan to interview EPA personnel about internal controls and implementation of prior audit recommendations, and review purchase card and convenience check policies, procedures and guidance documents. We will conduct work within the Office of Administration and Resources Management (OARM). Applicable generally accepted government auditing standards will be used in conducting our project. The anticipated benefits of this project are to improve operational efficiency and ensure effective oversight and management.

We will contact your audit liaison to arrange a mutually agreeable time to discuss our objective and the purpose of the preliminary research phase of our audit. We would also be particularly interested in any areas of concern that you may have. We will answer any of your questions about the project process, reporting procedures, methods used to gather and analyze data, and what we should expect of each other during the course of the project. Throughout the project, we will provide updates on a regular basis as needed, through meetings, emails and phone calls.

To ensure the success and timely completion of this project, we request that you provide the following to the extent possible before or at the kickoff meeting:

1. EPA Purchase Card Biennial Review (and supporting data) for each region and program office for 2014.

2. Contract Management Assessment Program self-assessments and reviews completed during fiscal year 2015.
3. A current list of authorized purchasers and convenience check writers.
4. A list of fiscal year 2015 (through June 2015) purchase card and convenience check transactions, or provide directions for accessing EPA information systems that store this data.
5. The latest EPA quarterly report to the Office of Management and Budget on purchase card transactions and convenience checks.

We respectfully note that the OIG is authorized by the Inspector General Act of 1978 to have timely access to personnel and all materials necessary to complete its objectives. We will request your resolution if an agency employee or contractor refuses to provide requested records to the OIG, or otherwise fails to cooperate with the OIG. We may report unresolved access matters to the Administrator, and include the incident in the Semiannual Report to Congress.

The project will be supervised by me, and the Project Manager will be Michael Petscavage. Should you or your staff have any questions, please contact me at (202) 566-1007 or christensen.kevin@epa.gov, or Michael Petscavage at (202) 566-0897 or petscavage.michael@epa.gov. Any information related to the project should be addressed to Mr. Petscavage.

cc: Donna Vizian, Principal Deputy Assistant Administrator, OARM
Brandon McDowell, Audit Follow-Up Coordinator, OARM
John Bashista, Director, Office of Acquisition Management, OARM
Lisa Maass, Special Assistant to the Director, Office of Acquisition Management, OARM
Nic Grzegozewski, Agency Audit Follow-Up Coordinator
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Arthur A. Elkins Jr., Inspector General
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Aracely Nunez-Mattocks, Chief of Staff, OIG
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Jeffrey Lagda, Congressional and Media Liaison, OIG