



At a Glance

Why We Did This Audit

The *Government Charge Card Abuse Prevention Act of 2012* requires the Inspector General of each executive agency to conduct periodic assessments of its agency's purchase card and convenience check programs. A convenience check is linked to the purchase card and used to pay the vendor when the purchase card is not accepted. Risk assessments should identify and analyze risks of illegal, improper or erroneous purchases and payments. These assessments are used to determine the scope, frequency and number of periodic audits of purchase card or convenience check transactions. Our objective was to perform a risk assessment of the U.S. Environmental Protection Agency's (EPA's) purchase card and convenience check program, as required by the act.

This report addresses the following EPA goal or cross-agency strategy:

- *Embracing EPA as a high-performing organization.*

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EPA's Fiscal Year 2015 Purchase Card and Convenience Check Program Assessed as Low Risk

What We Found

We assessed the EPA's fiscal year (FY) 2015 purchase card program to be at a low risk for illegal, improper or erroneous purchases and payments. During the first 9 months of FY 2015, the EPA had total purchase card transactions totaling \$16,242,611 and convenience check transactions totaling \$133,117, for a total of \$16,375,728. Our risk assessment noted the following that led to our low risk assessment.

We determined the EPA's purchase card and convenience check program for FY 2015 to be at a low risk for illegal, improper or erroneous purchases and payments due to strengthened internal controls.

- The EPA made a number of substantial revisions to its purchase card policy in response to prior EPA Office of Inspector General (OIG) audit report recommendations that strengthened internal controls over the program.
- The EPA certified, and the OIG verified, that all corrective actions to address prior EPA OIG audit report recommendations were completed.
- The scope of the Contract Management Assessment Program purchase card reviews appear to be thorough, and will likely improve internal controls over purchase card and convenience check transactions over time.
- The purchase card and convenience check program was automated in the Payment Net system, effective August 1, 2015, which should improve oversight.
- Our analytical review of purchase card transactions for the first 9 months of FY 2015, and judgmental sampling of the EPA's Compass financial reporting system during the third quarter of FY 2015, disclosed no improper or erroneous purchases or payments.
- Our judgmental sampling of purchase card transactions over the \$3,000 micro-purchase threshold determined that the purchases were within the purchase card holders' authority.

Because we assessed the risk of illegal, improper and erroneous purchases in the agency's purchase card and convenience check program to be low, we make no recommendations. We discussed our findings with the agency, and the agency agreed with our findings. We plan to perform another risk assessment of the purchase card and convenience check program covering FY 2016 to determine whether an audit for that period is necessary.