



At a Glance

Why We Did This Audit

The Office of Inspector General (OIG) of the U.S. Environmental Protection Agency (EPA) conducted this audit to determine whether the EPA's internal controls over travel card rebates and delinquencies have ensured maximum return of dollars to the EPA and to the U.S. Department of the Treasury (Treasury).

The Government Charge Card Abuse Prevention Act of 2012 requires the Inspector General to conduct periodic audits or reviews of travel card programs to analyze risks of illegal, improper or erroneous purchases and payments.

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

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

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EPA Oversight of Travel Cards Needs to Improve

What We Found

The EPA does not check travel card bank rebates for accuracy. As a result, the agency does not know whether travel card rebates received from the bank are accurate.

The EPA did not comply with the legal requirement to return rebates to each appropriation proportionally or to the U.S. Treasury (an option when rebates are not applied proportionally). Instead, the agency selectively returned travel rebates to only a portion of EPA appropriations within a travel reserve account. As a result, rebates totaling \$240,375 in fiscal year 2014 and \$283,789 in fiscal year 2015 were incorrectly returned to only four of 11 EPA appropriations.

EPA oversight does not maximize sales and productivity-based rebates. The agency's Cincinnati Finance Center does not emphasize that supervisors should hold late-paying travel cardholders responsible, require maximum use of the travel card for official government expenses, or require that all expenses charged on the card are paid directly to the bank. These practices may result in more delinquent accounts and fewer bank rebate dollars.

Improved EPA oversight could increase the agency's annual rebates by \$14,000 or more.

Recommendations and Planned Agency Corrective Actions

We recommend that the EPA's Office of the Chief Financial Officer (OCFO) institute a process to verify the accuracy of travel card rebates, and establish and implement policies and procedures to correctly distribute travel card rebates. We also recommend that OCFO develop controls and a timeline for addressing late vouchers, revise the travel card policy to institute stronger controls, and modify Concur so that lodging and rental car expenses can only result in a bank card payment. In addition, we recommend that the OCFO require travel cardholders to complete training that covers the importance of split payments, timely payments, and the consequences of failure to comply.

The EPA agreed with all recommendations and provided planned corrective actions with milestone dates. Corrective actions that address the intent of Recommendations 1 and 2 have been partially completed and are open pending completion of the remaining corrective actions. Planned corrective actions appear to address the intent of Recommendations 3, 4, 5 and 6, and these four recommendations are open with corrective actions pending.