



At a Glance

Why We Did This Project

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 program. These assessments:

- Identify and analyze the risk of illegal, improper or erroneous purchases and payments.
- Provide a basis for determining the scope, frequency and number of audits of purchase card or convenience check transactions.

For this fiscal year 2019 risk assessment, our objective was to determine whether the U.S. Environmental Protection Agency (EPA) implemented the corrective actions identified as a result of our fiscal year 2018 audit, *EPA's Purchase Card and Convenience Check Program Controls Are Not Effective for Preventing Improper Purchases*, Report No. [18-P-0232](#), issued August 20, 2018.

This report addresses the following:

- *Operating efficiently and effectively.*

Address inquiries to our public affairs office at (202) 566-2391 or OIG_WEBCOMMENTS@epa.gov.

List of [OIG reports](#).

EPA's Purchase Card and Convenience Check Program Merits an Audit in Fiscal Year 2020

What We Found

The agency certified that it implemented corrective actions—including the establishment of additional internal controls—in response to our fiscal year 2018 audit of the EPA's purchase card and convenience check program.

However, some of these internal controls were not in full effect during the EPA's fiscal year 2019 transition to a new commercial purchase card contract. As a result, we assessed that the agency's risk of illegal, improper and erroneous purchases is high enough to merit an audit in fiscal year 2020.

A longer-than-expected transition to the EPA's new purchase card contract adversely affected the agency's internal controls over its purchase card and convenience check program.

The EPA obtains commercial purchase card services from a contractor bank under the U.S. General Services Administration's SmartPay® Program. Beginning on November 30, 2018, when a new SmartPay contract took effect, the EPA transitioned its purchase cards from the previous contractor bank (J.P. Morgan Chase) to the new contractor bank (Citibank N.A.). Although the card changeover took place on schedule, other parts of the transition took much longer than expected due to issues with implementing Citibank's online purchase card management system, CitiManager®. As a result, EPA cardholders could not upload supporting documentation for transactions until late April 2019, which precluded the agency from performing routine transaction testing to verify compliance with federal and agency acquisition requirements.

In addition to the implementation delays, the EPA did not receive needed training on CitiManager bank-generated reports until June 2019. In August 2019, more than 8 months after the transition to the new SmartPay contract, the EPA said that some cardholders and approving officials still could not fully use the CitiManager system.

We determined that we need to revisit the corrective actions implemented as a result of our fiscal year 2018 audit because the EPA's transition to the new purchase card contract adversely affected the agency's internal controls. We will therefore conduct a fiscal year 2020 audit of the EPA's purchase card and convenience check program.

This report contains no recommendations. We issued a discussion document to the agency on June 25, 2019, and the EPA agreed with proceeding directly to a final report.