

Information Report: Department of State 2020 Purchase Charge Card Risk Assessment AUD-CGI-21-02

Summary of Review

The Government Charge Card Abuse Prevention Act of 2012,¹ as implemented by Office of Management and Budget (OMB) Memorandum M-13-21,² requires the Office of Inspector General (OIG) to conduct annual risk assessments of agency purchase and travel card programs to identify and analyze risks of illegal, improper, or erroneous purchases and payments for use in determining the scope, frequency, and number of periodic audits of these programs.³

Accordingly, OIG conducted a risk assessment of the Department of State's (Department) purchase card program. Specifically, OIG reviewed the Department's FY 2019 purchase card data and concluded that the risk of illegal, improper, or erroneous use in the Department's purchase card program is "medium." OIG based its conclusion on the purchase card program's size, internal controls, training, previous audits, violation reports, and OIG Office of Investigations (INV) observations.

Because OIG concluded that risk to the purchase card program is "medium," and recognizing that OIG recently audited the Department's purchase card program,⁴ OIG is not recommending that an audit of the Department's purchase card program be included in its FY 2022–FY 2023 work plan. However, OIG encourages the Department's purchase card manager to continue prudent oversight of the purchase card program to ensure that internal controls intended to safeguard taxpayer funds are implemented and followed by Department purchase cardholders.

¹ Pub. L. No. 112-194 (October 5, 2012).

² OMB Memorandum M-13-21, "Implementation of the Government Charge Card Abuse Prevention Act of 2012" (September 6, 2013).

³ Pub. L. No. 112-194 at Sec. 2 § 1909(d)(1) and Sec. 3 (h)(3).

⁴ OIG, *Audit of Department of State Purchase Card Program* (AUD-CGI-19-24, March 2019).