

Report in Brief

Date: September 2023
Report No. A-04-22-06262



Why OIG Did This Audit

The Government Charge Card Abuse Prevention Act of 2012, P.L. No. 112-194, requires Offices of Inspectors General (OIGs) to conduct periodic risk assessments of agency purchase card programs. OIGs must report to the Office of Management and Budget (OMB) on agency progress in implementing recommendations made to address audit findings by January 31 of each year.

Our objective was to analyze the risk of illegal, improper, or erroneous purchases in the Administration for Children and Families (ACF) purchase card program and to determine whether ACF has designed and implemented controls and strategies to mitigate these potential risks.

How OIG Did This Audit

We developed six risk areas using the five components of the Committee of Sponsoring Organizations of the Treadway Commission's (COSO) Enterprise Risk Management (ERM) – Integrated Framework and OMB Compliance Standards. Within these 6 risk areas, we identified 56 sub-risk areas. We developed a questionnaire to gather data from ACF, evaluated ACF's responses to this questionnaire, reviewed documents ACF provided, and conducted interviews with ACF management. We assessed the data gathered above and assigned a level of risk (low, moderate, high, or critical) to each sub-risk area. The risk factors were assigned a numerical score and calculations were run to arrive at an overall risk rating for the ACF purchase card program for fiscal year 2021.

Risk Assessment of the Administration for Children and Families' Purchase Card Program for Fiscal Year 2021

What OIG Found

Overall, we assessed the risk of illegal, improper, or erroneous purchases in the ACF purchase card program as moderate. Within the 6 risk areas related to ACF's purchase card program, we identified 56 sub-risk areas and rated 7 as low risk, 44 as moderate risk, and 5 as high risk.

The program was rated as moderate because it (1) did not provide adequate purchase card training to cardholders, (2) had not corrected prior identified deficiencies, and (3) did not maintain adequate documentation to support purchases. As a result, ACF paid for purchase card expenditures that may not have been allowable. Without proper monitoring of purchase card expenditures, ACF could continue to allow improper purchases.

Table: Risk Assessment of ACF's Purchase Card Program

● ACF Purchase Card Overall Risk: Moderate	
● GOVERNANCE AND CULTURE Moderate	● REVIEW AND REVISION Moderate
● STRATEGY AND OBJECTIVE SETTING Moderate	● INFORMATION, COMMUNICATION, AND REPORTING Moderate
● PERFORMANCE Moderate	● OMB COMPLIANCE STANDARDS Moderate

What OIG Recommends and ACF Comments

We recommend that ACF develop mitigating controls and strategies to lower the high and moderate risks we identified.

In response to our draft report, ACF concurred with our recommendation. ACF stated that it takes its oversight responsibilities seriously and is fully committed to take the necessary actions to address the identified risks in our report.