



**Office of Inspector General  
Committee for Purchase from People  
Who Are Blind or Severely Disabled  
(U.S. AbilityOne Commission OIG)**

355 E Street, SW (OIG Suite 335)  
Washington, DC 20024-3243

May 4, 2022

MEMORANDUM

FOR: Jeffrey A. Koses  
Chairperson  
U.S. AbilityOne Commission

Kimberly M. Zeich  
Executive Director (Acting)  
U.S. AbilityOne Commission

FROM: Stefania Pozzi Porter  
Inspector General (Acting)  
U.S. AbilityOne Commission OIG

SUBJECT: FY2020 and 2021  
Risk Assessment of the Commission's Government Charge Card

We are pleased to provide the risk assessment report over the U.S. AbilityOne Commission's (Commission) charge card programs for fiscal years (FY) 2020 and 2021, as required by the Government Charge Card Abuse Prevention Act of 2012 (Charge Card Act) conducted by RMA Associates, LLC (RMA), an independent public accountant firm. The U.S. AbilityOne Commission Office of Inspector General (OIG) engaged RMA to conduct the risk assessment and issue its report.

The objectives of the risk assessment were to 1) assess, identify, and analyze the risks of illegal, improper, or erroneous purchases as well as payments and 2) determine whether the results of the risk assessment justify performing an audit in compliance with the Government Charge Card Abuse Prevention Act of 2012.

To answer the audit objective, the RMA team obtained and documented their understanding of the Commission. The team also assessed the Commission's controls by 1) gathering data and reports prepared by the Commission, 2) inquiring with management regarding the previous engagements, and implementation of any corrective actions, 3) evaluating key Commission's controls, and 4) determining instances of noncompliance with provisions of laws, regulations, and contracts for service providers.

Overall, the Commission's charge card programs had a low risk of illegal, improper, or erroneous purchases and payments during the period of review. As such, RMA concluded that an audit of the charge card programs was not warranted. There were also opportunities for improvement within the charge card programs. For example, the Commission did not provide a Federal Managers' Financial Integrity Act of 1982 (FMFIA) assurance statement, nor did they develop a risk profile related to the purchase and travel card programs. Furthermore, the Commission didn't sufficiently identify training requirements within its Charge Card Management Plan and did not document its controls over key charge card processes.

We appreciate the Commission's assistance during the course of the audit. If you have any questions, please contact me or Rosario A. Torres, CIA, CGAP, Assistant Inspector General for Auditing, at 703-772-9054 or at rtorres@oig.abilityone.gov.

cc: Kelvin Wood  
Chief of Staff,  
U.S. AbilityOne Commission

George Govan  
Chief Financial Officer  
U.S. AbilityOne Commission

Shelly Hammond  
Director, Contracting and Policy  
U.S. AbilityOne Commission



# Results in Brief

## *Risk Assessment Report on the U.S. AbilityOne's Government Charge Card Program*

Office of Inspector General Report No. 2022-01. Report Date: April 13, 2022

### **Why We Performed This Assessment**

We engaged RMA Associates, LLC to conduct a risk assessment of the U.S. AbilityOne Commission (Commission) Charge Card Program. Our objectives were to 1) assess, identify, and analyze the risks of illegal, improper, or erroneous purchases and payments; and 2) determine whether the results of the risk assessment justify performing an audit in compliance with the Government Charge Card Abuse Prevention Act of 2012.

### **What We Reviewed**

We reviewed the Commission's charge card program (purchase and travel card) to identify and analyze the risks of illegal, improper, or erroneous transactions with purchase and payments from October 1, 2019, through September 30, 2021, and all applicable procedures, certifications, documentation, and controls to achieve this process.

We based our risk assessment on the following criteria:

- (1) Program size relative to the agency's budget;
- (2) Design of entity-level and program controls in the Charge Card Management Plan;
- (3) Internal controls implemented;
- (4) Compliance with laws and regulations; and
- (5) Ongoing investigations or legal proceedings relevant to the programs.

### **What We Found**

Overall, we concluded the risk of illegal, improper, or erroneous purchases and payments through the Commission's use of purchase and travel cards during the period of our risk assessment to be:

- Low for the purchase card program; and
- Low for the travel card program.

Overall, the Commission's charge programs had a low risk of illegal, improper, or erroneous purchases and payments being made through the Commission's charge card programs during the period of review.

We identified areas for improvement within the Commission's purchase and travel card programs:

- Inclusion of agency training requirements for travel card personnel within the Charge Card Management Plan;
- Documentation of internal controls over the purchase card application and charge card management processes; and
- Documentation of internal controls over the travel card review and approval and charge card management processes.

The Commission did not develop a risk profile coordinated with their annual strategic reviews with charge card risk controls implemented into the Enterprise Risk Management (ERM) Process. Further, the Commission did not provide a Federal Managers' Financial Integrity Act of 1982 assurance statement that the appropriate policies and controls are in place to mitigate the risk of fraud and inappropriate charge card practices.

While we determined the risk associated with the use of the charge card program is low or medium, this should not be interpreted that the programs are free from illegal, improper, or erroneous purchases and payments, or the risk will remain unchanged.

The results of the risk assessment did not warrant an audit.

United States AbilityOne  
Office of Inspector General

**Assessment of the U.S. AbilityOne Commission's  
Charge Card Programs Showed Low Risk of Improper  
Purchases and Payments in Fiscal Years 2020 and 2021**

Risk Assessment for Government Charge Card Program  
Contract No: 140D0421P0246/0353/21/3350

April 13, 2022

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April 13, 2022

Stefania Pozzi Porter, Inspector General  
Office of Inspector General  
U.S. AbilityOne

Dear Ms. Porter,

RMA Associates, LLC (RMA) is pleased to submit our risk assessment report over the U.S. AbilityOne Commission's (Commission) Charge Card Programs. Information of our overall determination of risk is included in the accompanying report.

We conducted this risk assessment in accordance with the Council of Inspectors General on Integrity and Efficiency (CIGIE) Quality Standards for Inspection and Evaluation (Blue Book). Those standards require that we plan and perform the risk assessment to obtain sufficient, appropriate evidence to provide a reasonable basis for our overall determination of risk based on our risk assessment objectives. We believe that the evidence obtained provides a reasonable basis for our overall determination of risk based on our risk assessment objectives.

We very much appreciate the opportunity to serve you and will be pleased to discuss any questions you may have.

Sincerely,

*RMA Associates*

RMA Associates, LLC  
Arlington VA

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## Executive Summary

RMA Associates, LLC (RMA) conducted a risk assessment of the AbilityOne Commission's (Commission) charge card programs for fiscal years (FY) 2020 and 2021 as required by the [Government Charge Card Abuse Prevention Act of 2012](#) (Charge Card Act). RMA conducted the risk assessment by the Council of the Inspectors General on Integrity and Efficiency (CIGIE) *Quality Standards for Inspection and Evaluation* (also known as the "[Blue Book](#)"). The assessment was conducted under the oversight of the Commission's Office of Inspector General (OIG).

The objectives of the risk assessment were to:

1. Assess, identify, and analyze the risks of illegal, improper, or erroneous purchases and payments; and
2. Determine whether the results of the risk assessment justify performing an audit in compliance with the Government Charge Card Abuse Prevention Act of 2012.

The scope of the risk assessment encompassed transactions occurring from October 1, 2019, through September 30, 2021.

We concluded that the overall risk of illegal, improper, or erroneous purchases and payments through the Commission's use of purchase and travel cards during the period of our risk assessment to be:

- Low for the purchase card program; and
- Low for the travel card program.

Overall, the Commission's charge programs had a low risk of illegal, improper, or erroneous purchases and payments being made through the Commission's charge card programs during the period of review. Subsequently, the results of the risk assessment did not warrant an audit.

## Background

The Charge Card Act was enacted to prevent fraud, delinquency, or misuse that may exist in a federal agency's charge card program. The Charge Card Act requires the Office of Inspector General (OIG) to conduct periodic reviews of the charge card program for illegal, improper, or erroneous transactions. OIGs are required to use these risk assessments to determine the scope, number, and frequency of audits of the federal charge card program.

[Office of Management and Budget \(OMB\) Circular A-123, Appendix B](#)<sup>1</sup> (Appendix B) addresses controls, policies, and practices for government charge card programs. Risk management controls, policies, and practices are critical tools for ensuring the efficiency and integrity of charge card

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<sup>1</sup> OMB Circular A-123, Appendix B, *A Risk Management Framework for Government Charge Card Programs*, dated August 27, 2019, replaced and rescinded the previously issued OMB Circular A-123 Appendix B dated January 15, 2009, and OMB M-13-21, *Implementation of the Government Charge Card Abuse Prevention Act of 2012*, dated September 6, 2013.

programs. These controls, policies, and practices are put in place with the intention of eliminating payment delinquencies, charge card misuse, fraud, and other forms of waste and abuse. Appendix B also sets forth general training requirements for all charge card program participants. Specifically, all participants must:

- Complete required trainings before being appointed a government charge card;
- Take refresher trainings, at a minimum, every three years, and must certify that they have received the training;
- Understand applicable regulations and procedures; and
- Know the consequences of inappropriate actions.

The U.S. General Services Administration (GSA) SmartPay program provides charge cards to U.S. federal agencies, organizations, and Native American tribal governments (collectively, termed agencies), through master contracts negotiated with major national banks. There are currently over 500 agencies holding over 4 million cards participating in the program. The program had spending of \$28.7 billion in FY 2020 on roughly 73.4 million transactions and \$29.1 billion in FY 2021 on roughly 69.5 million transactions.

In June 2007, the GSA Office of Charge Card Management (CCM) awarded the GSA SmartPay master contracts to Citibank, JP Morgan Chase (JPMC), and U.S. Bank. Through these contracts, agencies can obtain different types of charge cards to support their mission needs. These include:

- Purchase Cards – for purchasing general supplies and services;
- Travel Cards – for travel expenses related to official government travel (airline, hotel, meals, and incidentals);
- Fleet Cards – for fuel and supplies for government vehicles;
- Integrated Cards – for two or more business lines (card types) whose processes are integrated into one card; and
- Convenience Checks – instruments written, dated and signed against a card/account within established dollar limits.

### ***Commission's Charge Card Program***

Over the past year, the Commission transitioned from Citibank to SmartPay3 with the servicing bank, U.S Bank and Visa association, for all commercial charge card services. The Commission did not use convenience checks or fleet cards. The Director of Contracting and Policy (DOC-P), who serves as the Agency Program Coordinator (APC), is responsible for managing the purchase card program and appointing cardholders and approving officials (AO). The DOC-P approves the issuance of individual purchase cards as well as maintains and develops the policies and Charge Card Management Plan with the help of GSA guidance. Moreover, each cardholder is given a monthly and single purchase threshold.<sup>2</sup> When onboarding, the APC contacts the cardholder with the card application and provides training requirements through the GSA training site.<sup>3</sup> The purchase cardholder is required to submit a government purchase card (GPC) request form for pre-

<sup>2</sup> GPC has a single purchase threshold of \$2,500 and monthly threshold of \$75,000.

<sup>3</sup> There is no Commission-specific training requirement.

approval of funding.<sup>4</sup> Upon purchase, the cardholder is required to submit the receipt and approval to the billing official (BO) within three (3) to five (5) business days. Travel cardholders must create a travel voucher with tickets, reservations, and receipts attached. APCs maintain documentation of all transactions and run summary reports. Documentation is required to be retained for six years. The purchase and travel card programs also have a centrally billed account (CBA).

As of FY 2021, the OIG has not performed an assessment of the Commission’s compliance with the Charge Card Act.

## Risk Assessment Results

RMA considered the following factors in our risk assessment of the Commission’s charge card programs: (1) program size as a percentage of the agency’s budget; (2) entity-level and program controls in its Charge Card Management Plan; (3) internal controls implemented; (4) compliance with laws and regulations; and (5) ongoing investigations or legal proceedings relevant to the programs. We used a scoring methodology to determine the risk for each criterion (**Table 1**).

*Table 1: Risk Scoring Guide*

No.	Criteria	Low	Medium	High
1	Program Size: Percentage of Agency Budget	< 5%	5-10%	> 10%
2	Controls: Management Plan	Submitted Complete Plan	Submitted an Incomplete Plan	Did not submit a plan
3	Internal Controls Implemented	Controls Implemented	Most Controls Implemented	Controls not Implemented
4	Compliance with Laws and Regulations	1-3	4-6	>7
5	Number of Investigations or Legal Proceedings	0	0	1

### **Criteria 1 – Program Size: Percentage of Agency Budget**

The Charge Card Act requires the Inspector General of an agency with more than \$10,000,000 in annual purchases and/or travel card spending to perform an audit. Due to the size of the program, an audit was not warranted.

The Commission’s GPC budget is 2.2% of its annual budget. Specifically, its FY 2020 and FY 2021 budgets were \$7 million and \$8 million, respectively, and its FY 2020 and FY 2021 GPC budgets were \$154,000 and \$182,000 for a total of \$336,000. The total GPC expenditures were \$243,456.55, 72.5% of the GPC budget, and 1.6% of the agency budget. Details of the Commission’s expenditures by charge card program are summarized in **Table 2**.

<sup>4</sup> Noted an exception below since the application process is not documented in internal policy.

Table 2: Commission's GPC Expenditures

Calculation	Purchase Card	Travel Card <sup>5</sup>	Total
Number of Cards (A)	2	72	74
Number of Transactions (B)	248	557	805
Transaction Value (C)	\$178,801.59	\$64,654.96	\$243,456.55
Average Spending/Card (D=C ÷ A)	\$89,400.80	\$897.98	\$3,289.95
Average Transaction Value (E = C ÷ B)	\$720.97	\$116.07	\$302.43
Commission Annual Budget <sup>6</sup>			\$15,000,000
Percentage of the total transaction value to budget	1.2%	0.4%	1.6%
<b>Financial Risk Assessment</b>	<b>Low</b>	<b>Low</b>	<b>Low</b>
<b>Overall Risk Assessment</b>	<b>Low</b>		

**Criteria 2 – Controls: Management Plan**

Appendix B provides guidance to establish the minimum requirements for purchase and travel card use. The Charge Card Management Plan should identify roles and responsibilities, outline the process for appointing cardholders and officials, ensure creditworthiness testing is implemented,<sup>7</sup> identify training requirements, and summarize the available reports for monitoring delinquency, misuse, and performance metrics.

The Commission’s Charge Card Management Plan did not have an issued and approved date in the finalized document; therefore, we could not determine whether it was developed, approved, and in effect during the period of performance.

The Commission’s Charge Card Management Plan included the following elements required by Appendix B (Table 3). Further, we identified individual and overall low risk for the purchase and travel card programs.

Table 3: Charge Card Management Plan Requirements

Appendix B Requirement	Purchase Card	Travel Card
Identification of key management officials and their responsibilities for each business line.	✓	✓
Establishment of a process for written appointment of purchase and integrated (purchase business line) cardholders per FAR-1.603-3(b). Written appointment for other business lines should be included if required by agency policy.	✓	✓
Implementation of a process to ensure the creditworthiness of new charge card applicants consistent with Chapter 6 – Credit Worthiness for Individually Billed Accounts (IBA) of this Guidance.	Not required for Purchase Card.	✓
Description of agency training requirements (consistent with and/or in addition to the training requirements of this Guidance).	✓	✗
Management controls, policies, and practices for ensuring appropriate charge card and convenience check use and oversight of fraud, misuse, and delinquency.	✓	✓
Establishment of appropriate authorization controls	✓	✓

<sup>5</sup> The number of cardholders and transactions include both the CBA and IBA.

<sup>6</sup> The Commission GPC budget is 2.2% of the agency’s annual budget. Specifically, FY 2020 annual budget was \$7 million and the GPC budget \$154,000; FY 2021 annual budget was \$8 million and the GPC budget \$182,000.

<sup>7</sup> This requirement is only necessary for the travel card program.

Appendix B Requirement	Purchase Card	Travel Card
<i>Acknowledgment of agency policies and practices developed to ensure appropriate consideration by cardholders of category management, Acquisition Gateway, and strategic sourcing arrangements consistent with Chapter 8 – Category Management &amp; Strategic Sourcing of this Guidance</i>	✓	✓
<i>Explanation of how available reports and data are used for monitoring delinquency, misuse, performance metrics, spend analysis, and other relevant transactions and program management issues</i>	✓	✓
<i>Documentation and record retention requirements consistent with NARA and Agency-specific policies</i>	✓	✓
<i>Policies for the closure or transfer of charge cards and maintenance of other documentation when employees terminate employment, and if applicable, when an employee moves to a different organization</i>	✓	✓
<b>Program Controls Risk Assessment</b>	<b>Low</b>	<b>Medium</b>
<b>Overall Risk Assessment</b>	<b>Low</b>	

### ***Criteria 3 – Internal Controls Implemented***

Appendix B also outlines the required purchase and travel card internal controls into four processes:

1. Application;
2. Transaction;
3. Review and approval; and
4. Charge card management.

### **Purchase Card**

The Commission’s GPC Operating Procedures did not document internal controls over the purchase card application process. Specifically, its purchase card policies did not mention the completion, approval, and management of charge card applications. Further, the procedures do not delegate the responsibility to the APCs to review and complete the charge card applications. Per OMB requirements, the policies should grant APCs sole authorization to process charge card applications.

### **Travel Card**

The Commission did not document policies and procedures regarding the timely review and approval of travel business line transactions, or receipt retention requirements. There were no policies in place regarding the actions taken when a card is lost, damaged, or stolen. Additionally, the agency did not document steps to recover any illegal, improper, or erroneous purchases. Lastly, the Commission did not have policies for split disbursements; however, the split disbursement process is not offered by the Commission’s Federal shared service provider, the United States Department of Agriculture (USDA).<sup>8</sup>

<sup>8</sup> We did not note an exception for this observation.

We concluded the risk of the Commission’s internal controls is medium, due to an overall non-compliance with seven (7) internal control requirements; specifically, three (3) for the purchase card program and four (4) for the travel card program.<sup>9</sup> The remaining 36 internal control requirements were included in the GPC policies and procedures and its Charge Card Management Plan. **Table 4** summarizes individual program and overall risk assessment for each criterion.

*Table 4: Internal Control Risk Assessment*

Appendix B Requirement	Purchase Card	Travel Card
Application Process	✘	✔
Transaction Process	✔	✔
Review and Approval Process	✔	✘
Charge Card Management Process	✔	✘
<b>Internal Control Risk Assessment</b>	<b>Medium</b>	<b>Medium</b>
<b>Overall Risk Assessment</b>	<b>Medium</b>	

**Criteria 4 – Compliance with Laws and Regulations**

The Charge Card Act and Appendix B outline requirements to help reduce the risk of fraud, waste, and error within GPC programs.

The Commission’s Charge Card Management Plan did not indicate it is reviewed and updated according to OMB guidance. The Commission did not provide a Federal Managers' Financial Integrity Act of 1982 (FMFIA) assurance statement or risk profile related to the purchase and travel card programs. Further, the Commission’s Charge Card Management Plan did not outline the required training specific to the travel card programs.

We concluded that the overall risk of the Commission’s non-compliance with government charge card laws and regulations is medium, due to an overall non-compliance with five (5) charge card requirements; specifically, two (2) for the purchase card program and three (3) for the travel card program. **Table 5** summarizes the individual program risk assessment.

*Table 5: Compliance with Laws and Regulations Assessment*

No.	Charge Card Program Requirements	Purchase	Travel
<b>1</b>	<i>Each agency head shall provide an annual certification that the appropriate policies and controls are in place or that corrective actions have been taken to mitigate the risk of fraud and inappropriate charge card practices. The certification should be included as part of, the existing annual assurance statement under the FMFIA.</i>	✘	✘
<b>2</b>	<i>Agency must develop a risk profile coordinated with their annual strategic reviews with charge card risk controls implemented into the Enterprise Risk Management (ERM) Process.</i>	✘	✘
<b>3</b>	<i>Maintain and review written policies and procedures for the appropriate use of charge cards in accordance with the requirements of the Charge Card Act and Appendix B.</i>	✔	✔

<sup>9</sup> RMA was provided email correspondence from USDA stating their travel card program interface does not consider a process for split disbursements. We did not perform any additional procedures to determine the veracity of USDA’s assertion.

No.	Charge Card Program Requirements	Purchase	Travel
4	Establishment of a process for written appointment of purchase and integrated (purchase business line) cardholders per FAR-1.603-3(b). Written appointments for other business lines should be included if required by agency policy.	✓	✓
5	Charge card managers must review their agency's refund agreement in accordance with Appendix B and the Charge Card Act.	✓	✓
6	Agencies must develop and implement policies and practices that ensure products and services meet the sustainability requirements in statutes and EO 13693 – Planning for Federal Sustainability in the Next Decade of March 19, 2015.	✓	✓
7	Charge card managers should perform periodic reviews of the number of charge card accounts in use for appropriateness of number as well as evaluate the span of control for approving officials in accordance with the requirements of the Charge Card Act and Appendix B.	✓	✓
8	Pursuant to the Consolidated Appropriations Act, 2008 (Pub. L. No. 110-161, Division D, Title VII, section 743), each agency/organization must ensure a creditworthiness assessment is conducted of all new IBA travel charge card applicants prior to issuing a card.	Not required for Purchase Card.	✓
9	Agencies with more than \$10,000,000 in annual purchase business line spend must submit a joint agency and IG report to the Director of OMB on violations or other actions covered in 41 U.S.C. § 1909 (c)(l).	N/A	N/A
10	Appropriate training is provided to each charge card holder and Approving Official in accordance with Appendix B.	✓	✗
<b>Compliance with Laws and Regulations Risk</b>		<b>Low</b>	<b>Low</b>
<b>Overall Risk Assessment</b>		<b>Medium</b>	

**Criteria 5 – Number of Investigations or Legal Proceedings**

There were no ongoing investigations or legal proceedings for the period of performance that would create additional risks related to the charge card programs (Table 6).

Table 6: Investigations and Legal Proceedings Risk Assessment Results

Program	Investigations or Legal Proceedings
Purchase Card	0
Travel Card	0
<b>Overall Risk Assessment</b>	<b>Low</b>

## Conclusion

Based on the results of our risk assessment, we concluded an audit was not warranted. The risk of illegal, improper, or erroneous purchases and payments being made through the Commission’s travel and charge card programs, during the period of review was low, and the overall risk assessment of the Commission’s charge card program is low. Our conclusion is based on: (1) program size relative to the agency’s budget; (2) design of entity-level and program controls in the Charge Card Management Plan; (3) internal controls implemented; (4) compliance with laws and regulations; and (5) no ongoing investigations or legal proceedings relevant to the programs.

While we determined the risk associated with the use of the charge card program is low or medium, this should not be interpreted that the programs are free from illegal, improper, or erroneous purchases and payments, or the risk will remain unchanged. A summary of our assessment follows in (Table 7).

*Table 7: Risk Assessment Results*

No.	Criteria	Purchase Card	Travel Card	Overall
1	Program Size: Percentage of Agency Budget	Low	Low	Low
2	Controls: Management Plan	Low	Medium <sup>10</sup>	Low <sup>11</sup>
3	Internal Controls Implemented	Medium	Medium	Medium
4	Compliance with Laws and Regulations	Low	Low	Medium <sup>12</sup>
5	Number of Investigations or Legal Proceedings	Low	Low	Low
<b>Overall Risk Assessment<sup>13</sup></b>				<b>Low</b>

<sup>10</sup> RMA’s risk assessment for the Commission’s Travel Card program was determined to be at a Medium risk for Criteria 2 as the agency did not provide explicit detail on required trainings.

<sup>11</sup> RMA’s overall risk assessment for Criteria 2 was Low as the Commission provided a Charge Card Management Plan that discusses all Appendix B requirements, excluding travel card training.

<sup>12</sup> RMA’s overall risk assessment for Criteria 4 was Medium as we identified 5 instances of non-compliance with government charge card laws and regulations.

<sup>13</sup> We calculated the average of all the criteria for the overall risk assessment results.

## Appendix A: Scope and Methodology

The objectives of the risk assessment were to:

- Assess, identify and analyze the risks of illegal, improper or erroneous purchases and payments; and
- Determine whether the results of the risk assessment justify performing an audit in compliance with the Charge Card Act.

The scope of this engagement focused on the Commission's charge card program and the Commission's compliance with applicable provisions of the Act and covered transactions from October 1, 2019, through September 30, 2021. To achieve the objectives, we:

1. Documented our understanding of the Commission to include the agency's origin, history, size and location, organization, mission, results of prior and current audits, and other considerations.
2. Documented understanding of laws, regulations for Charge Card Act risk assessments, and assess whether management has identified relevant laws, regulations.
3. Issued a list of data and reports to be prepared by Commission with needed due dates in the form of a Provided-By-Client (PBC) document.
4. Inquired with management regarding the previous review, attestation engagements, and other studies. Inquire if any corrective actions from prior engagements were implemented.
5. Assessed the Commission's controls by:
  - a. Examining written codes of conduct or other employee-related policies.
  - b. Inquiring of management regarding the following:
    - i. Program-specific entity-level controls;
    - ii. Delegation of authority, responsibility, and accountability;
    - iii. Areas considered to be of risk according to management;
    - iv. Methods of communication of information, such as management objectives;
    - v. Control reporting by lower levels of management, if any and;
    - vi. Periodic/recurring management discussion regarding assessments of program controls.
  - c. Inquiring of management regarding the visibility and sensitivity associated with the premium travel process.
  - d. Assessing key controls through:
    - i. Internal control questionnaires/correspondence;
    - ii. Examination of policies, manuals, Standard Operating Procedures, or other literature applicable to conducting daily operations of job responsibilities;
    - iii. Program-level walkthroughs;
    - iv. Observation of operations and control activities; and
    - v. Inquiry of managers/employees as to whether control responsibilities are understood, effectively communicated, and followed.
  - e. Assessing laws, regulations, contracts, and potential fraud through procedures such as:
    - i. Identifying relevant laws, regulations and contracts;

- ii. Detecting instances of noncompliance with provisions of laws, regulations, and contracts for service providers;
  - iii. Examining whether Commission has controls to prevent and detect noncompliance with provisions of laws, regulations, and contracts;
  - iv. Requesting information regarding areas of fraud risk; and
  - v. Examining controls to prevent and detect fraud or risk that officials of the audited entity could override internal controls.
- f. Assessing ongoing investigations or legal proceedings through procedures such as:
  - i. Identifying ongoing investigations or legal proceedings, if any; and
  - ii. Examining whether the ongoing investigations or legal proceedings have a significant impact on the audit objectives.

## Appendix B: Management Comments and RMA's Evaluation



### U.S. ABILITYONE COMMISSION

April 11, 2022

PHONE: 703-603-7740  
FAX: 703-603-0655

355 E. St, SW Suite 715  
Washington, DC 20319

MEMORANDUM FOR: STEFANIA POZZI PORTER  
INSPECTOR GENERAL

FROM: KIMBERLY M. ZEICH  
ACTING EXECUTIVE DIRECTOR

SUBJECT: Management Response to Risk Assessment Report on the  
U.S. AbilityOne Commission's Government Charge Card Program  
(Draft Report No. 2022-01, Dated March 24, 2022)

We have reviewed the RMA Associates, LLC (RMA) draft risk assessment report regarding the U.S. AbilityOne Commission's (Commission) Government Charge Card Program and concur with the draft report's conclusions. The Commission is increasing its internal controls and is strengthening its processes to improve Agency operations. We will continue to work cooperatively with the Office of Inspector General as we do so, to receive and act on feedback and recommendations. We appreciate your recognition of the progress observed in the implementation of our effective stewardship activities. Our point of contact for the report is Shelly Hammond, Director of Contracting and Policy ([shammond@abilityone.gov](mailto:shammond@abilityone.gov)).

Sincerely,

A handwritten signature in black ink that reads "Kimberly M. Zeich".

Kimberly M. Zeich  
Acting Executive Director

cc: Kelvin Wood, Chief of Staff  
George Govan, Chief Financial Officer  
Shelly Hammond, Director of Contracting and Policy

***Evaluation of Management Comments***

RMA concurs with management's comments and believes strengthening internal controls surrounding the Agency's Charge Card program would further mitigate the risks of illegal, improper, or erroneous purchases and payments from occurring.