



**U.S. OFFICE OF PERSONNEL MANAGEMENT
OFFICE OF THE INSPECTOR GENERAL
OFFICE OF AUDITS**

Final Audit Report

**AUDIT OF THE U.S. OFFICE OF PERSONNEL
MANAGEMENT'S PURCHASE CARD PROGRAM**

**Report Number 2023-IAG-008
February 20, 2024**

EXECUTIVE SUMMARY

Audit of the U.S. Office of Personnel Management's Purchase Card Program

Report No. 2023-IAG-008

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Why Did We Conduct the Audit?

The objectives of our audit were to determine whether the U.S. Office of Personnel Management's (OPM) internal controls for its purchase card and convenience check program were adequately developed and implemented to prevent and detect purchase card fraud, misuse, or abuse. Specifically, the objectives were to determine if the Office of Procurement Operations (OPO) has proper internal controls in place for the issuance and closing of purchase cards; ensure OPM's purchase card transactions and convenience checks were properly authorized/approved, adequately documented, reallocated, monitored, and for legitimate business purposes; and determine if all program participants, including cardholders, Agency/Organization Program Coordinators (AOPCs), and Approving Officials were trained in charge card management.

What Did We Audit?

The Office of the Inspector General has completed a performance audit of OPM's Purchase Card Program. Our audit fieldwork was conducted from April 6 through July 13, 2023, at OPM's headquarters, located in Washington D.C.



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What Did We Find?

Overall, we found that OPO needs to strengthen their internal controls over OPM's Purchase Card Program. While we determined that OPO has proper internal controls in place for the closing of purchase cards, our audit identified the following areas requiring improvement:

1. OPO is using outdated policies and procedures, dated August 14, 2018, that do not reflect recent organizational changes or clearly define all roles and responsibilities.
2. We identified purchase card transactions, totaling \$599,962, that did not have all the required documents to support the purchases.
3. All 11 convenience check transactions, from October 1, 2021, through March 31, 2023, totaling \$2,134, did not have all the required documentation to support the purchases.
4. There are inconsistencies with how OPO assessed the documentation used in their review in 20 out of 61 cardholder reviews and the checklists that were used were not thoroughly completed by the AOPCs.
5. All 13 new cardholders, from October 1, 2021, through March 31, 2023, met the requirements for receiving a purchase card with the exception that none of the 13 had the required *Responsibility Acknowledgement Form* in their file.
6. Training records were outdated or incomplete. We found 1 out of 36 Approving Officials was missing documentation to support completion of training and 3 were missing documentation to show that training was completed timely. In addition, 7 out of 36 Approving Officials and 3 out of 17 cardholders did not complete training timely.
7. OPO's report to the General Services Administration was submitted by the deadline and included all required statistical and narrative information; however, all statistical data was not supported.

ABBREVIATIONS

AO	Approving Official
AOPC	Agency/Organization Program Coordinator
FY	Fiscal Year
GSA	U.S. General Services Administration
OCFO	Office of the Chief Financial Officer
OIG	Office of the Inspector General
OMB	U.S. Office of Management and Budget
OPM	U.S. Office of Personnel Management
OPO	Office of Procurement Operations

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I. BACKGROUND

This final audit report details the findings, conclusions, and recommendations resulting from our performance audit of the U.S. Office of Personnel Management's (OPM) Purchase Card Program. The audit was performed by OPM's Office of the Inspector General (OIG), as authorized by the Inspector General Act of 1978, as amended.

Federal Acquisition Regulations Part 13.301 authorizes the use of Governmentwide commercial purchase cards for making and/or paying for purchases of supplies, services, or construction. Governmentwide commercial purchase cards may be used to make micro-purchases,¹ place a task or delivery order, or make payments when the contractor agrees to accept payment by the purchase card.

A third-party financial institution issues cards to approved employees. Charges made on the card by the employees authorize the financial institution to make immediate payment to the vendor for approved purchases. The Government reimburses the financial institution at a later date for its payment to the vendor.

Citibank is OPM's card issuing bank under the U.S. General Services Administration's (GSA) SmartPay program.² OPM's purchase card program's intent is to save the Government time, money, and resources by limiting its involvement in the payment process of its frequent purchase of products and services. The program provides OPM with financial management control over low dollar, high volume procurements, and serves as a payment tool for large transactions.

The Office of Procurement Operations (OPO) is responsible for administering OPM's Purchase Card Program and providing oversight and administration assistance for the Purchase Card Program throughout OPM at the agency level, as follows:

Director /Senior Procurement Executive:³ Possesses overall authority for the Purchase Card Program and is responsible for approving cardholder applications, delegating purchase card authority to prospective cardholders, and ensuring effective management and oversight of the purchase card program.

Agency/Organization Program Coordinator (AOPC): Works on behalf of OPO's Director/Senior Procurement Executive and is responsible for effectively managing card issuance and providing oversight of OPM's Purchase Card Program to ensure compliance with all authoritative guidance. The AOPC is the primary liaison between OPM and Citibank.

¹ Micro-purchases are acquisitions of supplies or services using simplified acquisition procedures, the aggregate amount of which does not exceed the micro-purchase threshold. The micro-purchase threshold is \$10,000.

² The GSA SmartPay program is the name of the Federal government's purchase, travel, and fleet charge card program. Each Federal agency issued a task order to one of the three card-issuing banks (Citibank, JPMorgan Chase, and U.S. Bank) contracted with the Federal Government to provide purchase, travel, and fleet card services.

³ The Director of OPO also serves as the Senior Procurement Executive.

Numerous OPM program offices and individuals are also involved in the Purchase Card Program at the program level, including:

Purchase Cardholder: The individual to whom a purchase card is issued, and is authorized to use a purchase card bearing the cardholder's name, for the sole purpose of acquiring authorized OPM purchases. The cardholder must allocate and accept transactions in DELPHI⁴ to confirm that the transaction is valid, resolve or dispute billing or transaction problems, and maintain records for reconciliation.

Approving Official (AO): The individual, typically a supervisor, responsible for verifying and approving the purchase cardholder's transactions in DELPHI. An AO can be assigned to one or more purchase cardholders in their office. The AO also verifies that the cardholder accesses DELPHI and allocates and accepts transactions.

OPM's Purchase Card Program is regulated by the *Government Charge Card Abuse Prevention Act of 2012 (Public Law 112-194)* and the *U.S. Office of Management and Budget (OMB) Circular A-123 (Circular), Appendix B, A Risk Management Framework for Government Charge Card Programs (OMB A-123)*. The Act requires all Federal agencies to establish and maintain safeguards and internal controls, while the *Circular* sets the policies and procedures used to maintain internal controls that reduce the risk of fraud, waste, and error in the Government charge card programs. The *Circular* also establishes statistical and narrative reporting requirements and suggested best practices for card use.

To provide guidance to Purchase Card Program participants on purchase card usage and roles and responsibilities, OPO issued *Contracting Policy 13.301 Revision 5 (Contracting Policy)*, dated August 14, 2018, and its *Purchase Card Management Plan*.⁵ Additional guidance for purchase cards is addressed in Chapter 11 of OPM's *Financial Management Manual*.

The *Contracting Policy* provides guidance to be followed by purchase cardholders. Specifically, it discusses:

- OPO, the purchase cardholder, AO, AOPC, and the Director of Acquisition and Policy Innovation's responsibilities pertaining to purchase cards;
- conditions for using purchase cards;
- spending limits;
- use of convenience checks;
- training requirements;
- descriptions of unauthorized purchase card use;

⁴ DELPHI is OPM's financial management system that aids in the management of the agency's financial resources, including management of the general ledger, accounts payable, and purchasing.

⁵ The *Purchase Card Management Plan*, also known as the Charge Card Management Plan, is required by OMB Circular A-123 Appendix B and states that each agency must develop and maintain written policies and procedures for the appropriate use of charge cards consistent with the requirements of the guidance.

- OPM’s Standards of Conduct;
- record keeping;
- cancellation of purchase cards;
- reviews and audits of purchase card transactions; and
- administrative actions taken for card misuse.

Chapter 11, Section 16, of the *Financial Management Manual* provides purchase card guidance to be followed by purchase cardholders. The guidance contained in Section 16 implements or references the *Contracting Policy*. Specifically, it discusses the Office of the Chief Financial Officer (OCFO), AOPC, and purchase cardholders’ responsibilities pertaining to purchases, including cardholder account set-up in DELPHI and reallocating and approving transactions in DELPHI. In addition, OPM’s *Purchase Card Management Plan* outlines the policies and procedures for the management of the Purchase Card Program.

To operate and manage OPM’s Purchase Card Program, program participants use the CitiManager⁶ system to obtain the following reports:

- Convenience Checks: Used as payment only when the vendor does not accept a purchase card and will not accept a purchase order.
- Cardholder Report: Shows active accounts and cardholder information for each account such as cardholder name, account limits, and card status.
- Transaction Detail Report: Provides cardholder transaction information such as transaction description, purchase amount, date, Merchant Category Codes, and transaction identification.
- Potential Split Purchases⁷ Report: Identifies transactions that have the potential to be split purchases by providing transactions where the combined individual transaction amount with the same merchant potentially exceeds the single purchase limit of \$10,000.
- OMB Purchase Report: Shows statistical and narrative transaction data which is submitted to GSA’s Center for Charge Card Management annually at the end of each fiscal year (FY).
- Quarterly Refund Report: Provides refund calculation data for completed quarters, including amounts used to calculate the sales and productivity refunds earned.

⁶ CitiManager is a purchase card account management system used by OPM to order new cards, assign Merchant Category Codes, cancel cards, modify spending limits, review transactions, and generate management reports.

⁷ A Split Purchase, also known as a split transaction, is where a single purchase is intentionally divided into two or more separate purchases to avoid exceeding the single purchase limit or to avoid obtaining competition.

OPO conducts quarterly purchase card transaction reviews to detect card misuse, abuse, and fraud. OPO's review process is designed to review at least one transaction for every cardholder each year. At a minimum, purchases below the micro-purchase threshold of \$10,000 will be reviewed at least twice each FY and purchases above the micro-purchase threshold will be reviewed at least once each FY. Convenience check reviews are also conducted once each FY. The reviewer of convenience checks must be independent of the AOPCs.

The Charge Card Abuse Act mandates the submission of a semi-annual Joint Violation Report for agencies with more than \$10 million in purchase card spending from the prior FY. The report describes confirmed violations involving misuse of a purchase card following the completion of an agency or OIG review and a summary description of all adverse personnel actions and punishments taken in response to each violation. OPO uses their purchase card transaction and convenience check reviews for the semi-annual Joint Purchase Card Violation Report. However, OPO has not been required to prepare these reports since January 2021 when OPM's annual purchase card spending fell below \$10 million.

OPM reports purchase card usage in its annual Agency Financial Report. OPM measures its effectiveness in purchase card usage by monitoring the percentage of the total outstanding balances that are 61 days or older.

PREVIOUS OFFICE OF THE INSPECTOR GENERAL REPORTS

In FY 2017, the OIG completed an audit of *OPM's Purchase Card Program* and issued Report Number 4A-OO-00-16-046 on July 7, 2017. The objective of that audit was to determine if OPO's internal controls for purchase cards were effectively developed and implemented to prevent and detect purchase card fraud, misuse, or abuse. We determined that OPO needed to strengthen its controls over its Purchase Card Operation's processes and issued 12 recommendations. All recommendations from the prior audit have been closed; however, 2 of the previous 12 recommendations regarding training and document retention are repeated in this report.

In October 2016, the Council of the Inspectors General on Integrity and Efficiency's Information Technology Committee initiated a Government-wide purchase card project, led by the U.S. Department of Agriculture's Office of the Inspector General, to analyze and review government purchase card data to determine risks associated with purchase card transactions. The OIG participated in the project and completed a *Limited Scope Audit of OPM's Purchase Card Transactions* and issued Report Number 4A-OO-00-17-046 on November 27, 2017. The objective of our limited scope audit was to determine whether OPM made purchase card transactions that were potentially illegal, improper, or erroneous. We selected a random statistical sample of 46 purchase card transactions, totaling \$24,187, from October 1, 2016, through March 31, 2017. We found that 23 purchase card transactions, totaling \$12,956, had one or more exceptions. Our results were reported to the U.S. Department of Agriculture, and the Council of the Inspectors General on Integrity and Efficiency published a report with the

aggregated information for all participating Inspectors General. No recommendations were issued to OPM based on the findings of this project, since they were consistent with the findings, and related recommendations, from our report issued July 17, 2017, described in the prior paragraph.

II. OBJECTIVES, SCOPE, AND METHODOLOGY

OBJECTIVE

The objectives of our audit were to determine whether internal controls for OPM’s purchase cards and convenience checks were adequately developed and implemented to prevent and detect purchase card fraud, misuse, or abuse. Specifically:

- Determine if OPO has proper internal controls in place for the issuance and closing of purchase cards.
- Ensure that OPM’s purchase card transactions and convenience checks were properly authorized/approved, adequately documented, reallocated, monitored, and for legitimate business purposes.
- Determine if all program participants, including cardholders, AOs, and the AOPCs were trained in charge card management.

The recommendations included in this final report address the objectives.

SCOPE AND METHODOLOGY

We conducted this performance audit in accordance with generally accepted Government auditing standards as established by the Comptroller General of the United States. Those standards required that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives.

The scope of our audit covered the Purchase Card Program’s policies and procedures and purchase card transactions from October 1, 2021, through March 31, 2023. We performed our audit fieldwork from April 6 through July 13, 2023, at OPM’s headquarters, located in Washington, D.C.

To accomplish our audit objectives noted above, we:

- Interviewed OPO and OCFO personnel.
- Reviewed relevant laws and regulations and other authorities that govern OPM’s Purchase Card Program.
- Sampled and tested purchase card transactions to determine if the transactions were properly accounted for (reallocated) and authorized in DELPHI, adequately documented, and for legitimate business purposes.
- Analyzed all Merchant Category Codes to determine if any restricted codes were processed.

- Analyzed the necessity and number of purchase cards.
- Sampled and tested training records for the purchase cardholders, the AOs, and the AOPCs.

In planning our work and gaining an understanding of OPM’s Purchase Card Program, we considered, but did not rely on, OPO’s internal control structure to the extent necessary to develop our audit procedures. These procedures were analytical and substantive in nature. We gained an understanding of management procedures and controls to the extent necessary to achieve our audit objectives. The purpose of our audit was not to provide an opinion on internal controls, but merely to evaluate controls over OPM’s Purchase Card Program processes. Our audit included such tests and analysis of training and the purchase card transactions to include OPO’s records, transactional data, and other procedures as we considered necessary under the circumstances.

In conducting our audit, we relied on varying degrees of the CitiManager Transaction Management System. We looked for obvious errors in accuracy and completeness within the reports, interviewed OPO officials who were knowledgeable about the data, and then we verified the data against supporting documentation. While utilizing the computer-generated data during our audit, nothing came to our attention to cause us to doubt its reliability. We believe that the data was sufficient to achieve our audit objectives. We did not evaluate the effectiveness of the general and application controls over computer-processed performance data.

We selected the following samples from our audit universes:

Audit Area	Audit Universe	Total Sample Size	Sample Selection Methodology
Purchase Card Transactions Below the Micro-Purchase Threshold of \$10,000	9,088	15	Using IDEA ⁸ , we randomly selected 15 transactions below the micro-purchase threshold.
Purchase Card Transactions Above the Micro-Purchase Threshold of \$10,000	62	15	Using IDEA, we randomly selected 15 transactions above the micro-purchase threshold.
Convenience Check Transactions	11	11	We selected all 11 convenience check transactions from all 3 convenience check writers.

⁸ Interactive Data Extraction and Analysis (IDEA) is a software program that provides users with the ability to display, read, analyze, manipulate, sample, and extract data from data files.

Audit Area	Audit Universe	Total Sample Size	Sample Selection Methodology
Split Purchase Transactions	156	88	Using Excel, we created a pivot table to identify 25 unique cardholders and judgmentally selected 10 cardholders comprising 88 unique transactions from Citibank's Split Purchase Report.
Potential Split Purchase Transactions	9,150	12	Using Excel, we judgmentally selected 12 transactions that we identified as potential split transactions.
Questionable ⁹ Transactions	9,150	10	Using Excel, we judgmentally selected 10 transactions which were associated with items that were questionable.
Cardholder Training	74	17	Using IDEA, we stratified and randomly selected 14 cardholders with a single purchase limit of \$10,000 and all 3 cardholders with a single purchase limit over \$10,000.
Approving Officials Training	36	36	We selected all 36 Approving Officials.
Agency/Organization Program Coordinators Training	2	2	We selected both Agency/Organization Program Coordinators.

The samples selected during our review were not statistically based. Consequently, the results from our samples were not projected to the populations.

⁹ Questionable transactions are transactions that appear to be unusual based on analytical work we performed. For example, purchases such as food, beverage, gas, and hotels, that appear to be applicable to other charge cards.

III. AUDIT FINDINGS AND RECOMMENDATIONS

The sections below detail the results of our audit of OPM’s Purchase Card Program. We would also like to note that we determined that OPO has proper internal controls in place for the closing of purchase cards.

A. Outdated Policies and Procedures

OPM’s Purchase Card Program is governed by various regulations that require them to develop and maintain written policies and procedures for the appropriate use of charge cards. In FY 2020, the OCFO’s Risk Management and Internal Control office completed a fraud risk assessment of the Purchase Card Program and issued the following three recommendations to OPO:

OPO used outdated policies and procedures, dated August 14, 2018.

- update policies and procedures to reflect operational changes resulting from the migration from the Consolidated Business Information System to CitiManager and DELPHI and, if applicable, the migration to the Federal Aviation Administration;
- update *Contracting Policy 13.301* to clearly define the roles and responsibilities of the OCFO, OPO, and program offices regarding the reallocation process; and
- establish a procedure to confirm all charges for separated employees have been reallocated before closing the account.

We determined that all three recommendations were still open and OPO has not updated its policies and procedures to reflect all operational changes. For example, OPO references the Consolidated Business Information System even though DELPHI was implemented in May 2021; OPO has not updated *Contracting Policy 13.301* to clearly define the roles and responsibilities of the OCFO, OPO, and program offices regarding the reallocation process; and OPO has not established a procedure regarding separated employees and the reallocation of charges. OPO agreed with the recommendations and planned to implement corrective actions by March 2023. During our current audit and after March 2023, however, OPO stated that they were still in the process of updating their policy and procedures to address the three recommendations.

In addition, we found that OPO’s *Contracting Policy 13.301* included an electronic stores Merchant Category Code that was restricted/prohibited. However, we noted 85 transactions, totaling \$74,016, where the code was allowed. OPO informed us that the Merchant Category Code should not be listed as restricted/prohibited in the *Contracting Policy 13.301*.

OMB’s Circular A-123, Appendix B requires that “each agency must develop ... and maintain written policies and procedures for the appropriate use of charge cards consistent with the requirements of this Guidance.” The plan should be updated annually, or more frequently, if necessary to remain current.

OMB Memorandum 13-21 states, “Additional requirements of the Charge Card Act include augmentation of existing internal controls. At a minimum, all agency Charge Card Management Plans shall be reviewed and updated, as necessary, to ... deter employee misuse of Government cards”

As a result of OPO not maintaining current policies and procedures, there is a risk that OPO employees are not compliant with Appendix B. Furthermore, it may create confusion among users and decrease the accountability between employees and their program managers.

Recommendation 1

We recommend that the Office of Procurement Operations update its policies and procedures, annually or more frequently, as necessary, to reflect operational changes, and to clearly define the roles and responsibilities of the Office of Procurement Operations and program offices regarding the reallocation process.

OPO’s Response:

“OPO concurs with the recommendation and is currently in the process of revising Contracting Policy 13.301 Revision 5. The revised policy is expected to be issued in FY24 Quarter 1. Policies and procedures related to the purchase card program are developed and updated by OPO when the need is identified, but will be reviewed for updates annually, at a minimum to address this recommendation going forward.”

B. Weak Internal Controls Over Purchase Card Transactions

1. Purchase Card Transactions

We randomly selected a sample of 30 purchase card transactions, totaling \$337,706, out of 9,150 transactions, totaling \$8,673,795, from October 1, 2021, through March 31, 2023, to determine if transactions were reviewed, approved, and supported by sufficient documentation.

We also judgmentally selected 10 out of 25 cardholders from Citibank’s Split Purchase Report from October 1, 2021, to September 30, 2022, to determine if they were split purchases and to determine if the transactions were reviewed, approved, and supported by sufficient documentation. Those 10 cardholders accounted for 88 transactions totaling \$201,811, out of 156 transactions that appeared on the Citibank Split Purchase Report.

We determined that for all 30 purchase card transactions sampled, documentation to support that the transactions were reviewed, approved, and supported by OPO was missing

Purchase card transactions, totaling \$599,962, did not have all the required documents to support the purchases.

for one or more attributes that are required for all purchase card transactions. Out of the 88 transactions from the Split Purchase Report, we determined that 65 transactions were not split purchases; however, we did find that each of the 65 transactions was missing supporting documentation.

For the remaining 23 potential split purchase transactions, we were unable to determine if they were split purchases because sufficient documentation was not provided by the cardholder to OPO.

We also performed analytical work on all 9,150 purchase card transactions and 11 convenience check transactions and identified 12 potential split purchase transactions that were not included in Citibank’s Split Purchase Report. We determined that the 12 transactions, totaling \$53,845, were not split purchases; however, we found that each of the transactions was missing supporting documentation. Additionally, we identified three transactions, totaling \$6,600, from two cardholders that did not have any documentation to support the purchases.

Documentation was not provided by the cardholders to OPO for the following:

Attribute	Number of Transactions
Transaction Log	36
Review for Price Reasonableness	101
Receipt(s)	44
Simplified Acquisition Checklist	53
Mandatory Sources	15
Preapproval by Approving Official	60
Credit Card Statement	30
Verification that Sales Tax was Not Included	79
Documentation to support Reallocation	30
Approval of Reallocation	30

The results for each exception reported in the table on the prior page are independent of each other. Details of our review were provided to OPO separate from this report.

The *Government Charge Card Abuse and Prevention Act of 2012* requires all Executive Branch agencies to establish and maintain safeguards and internal controls to prevent waste, fraud, and abuse of purchase cards.

Revised Appendix B of OMB Circular A-123 states, “Controls exist to promptly ... detect potentially improper transactions, which may include ... purchasing prohibited goods and services.” *Revised Appendix B of OMB Circular A-123* states, “Controls exist ... to promptly detect potentially improper transactions, which may include splitting purchases, buying outside of business line authority, spending over authorized limits, and purchasing prohibited goods and services”

According to OPO’s *Contracting Policy 13.301*, “The [cardholder] must document all purchases, purchase decisions, and any other pertinent data or information.” *Contracting Policy 13.301* also states, “The A/OPC has overall responsibility for the OPM purchase card program. To assure the success of the program, the A/OPC must perform various reviews throughout the year. These reviews are performed to confirm that [cardholders] are complying with Federal regulations and OPM policy, and to verify that established internal controls are working appropriately.”

OPM’s Purchase Card Management Plan Section 7.1. Cardholder Documentation Requirements states:

“The cardholder shall perform the following actions:

- a. Maintains an audit trail, including, but not limited to, all original itemized receipts, waivers, requests for purchases, approvals, and supporting documentation.
- b. The required minimum supporting documentation includes an itemized receipt, any required prior approvals, the origin and details of the request if not ‘self-generated’, and any additional documentation to verify required processes were followed. In extenuating circumstances where pre-approval or post-approval and/or independent receipt/acceptance processes cannot be accommodated, the cardholder should document the purchase card file with the reasons as to why these functions were not performed in accordance with agency policy.
- c. Cardholders are required to maintain transaction files consistent with National Archives and Records Administration and Federal Acquisitions Regulations Part 4 requirements, which both currently require a minimum of six (6) years from the date of transaction for all financial and acquisition records.

d. Maintains purchase card log. Purchase Card logs are available for each statement cycle in CTMS [CitiManager Transaction Management System]. Cardholders are required to include a note on each transaction that includes a brief description of the purchase.”

The cardholders are supposed to maintain supporting documentation for their transactions and that documentation should be readily available when requested by OPO. Although the cardholder is responsible for maintaining the documentation, the AOPC has oversight responsibility to ensure that cardholders are complying with regulations and policy.

As a result of OPO not having controls to ensure review and retention of purchase card documentation, the risk that cardholders may make unauthorized purchases and violate Federal law is increased.

Recommendation 2

We recommend that the Office of Procurement Operations implement controls to ensure that all required documentation for purchase card transactions is being reviewed and retained for completeness, accuracy, and to support all purchase card transactions.

OPO’s Response:

“OPO concurs with the recommendation and has established procedures for proper reviews and documentation retention in accordance with the requirements of OMB Circular No A-123 Appendix B. As a result of the observations and findings from the reviews, it was realized that there was a gap in the policy and templates made available to cardholders and Approving Officials that contributed to cardholders’ lack of understanding on documentation requirements. Therefore, these observations and findings were incorporated into an extensive draft revision to the OPO Contracting Policy for the Purchase Cards Program. New templates have been created to better assist cardholders and Approving Officials with ensuring the proper documentation is reviewed, recorded, and maintained. Upon FY24 implementation of the revision to the policy, OPO will carry out all reviews, and will ensure follow up communication and appropriate corrective action is taken to address any findings or lack of documentation.”

OIG Comment:

We will review updated policies, procedures, templates, etc. during the audit resolution process. This comment applies to all other responses referencing updated documents created by OPO.

Recommendation 3

We recommend that the Office of Procurement Operations determine if the three transactions totaling \$6,600, which were missing all required supporting documentation, were properly authorized/approved, reallocated, monitored, and for legitimate business purposes.

OPO’s Response:

“OPO concurs with the finding and has initiated a follow up with the cardholders who are currently in the process of collecting the missing documentation to determine it was authorized and approved. If not provided by the suspense date, a memorandum will be processed with the recommendation to the Head of the Contracting Activity (HCA) to suspend the cardholders’ accounts for a period of 30 days to allow for retraining on the proper use of the purchase card and documentation for purchase transaction files.”

2. Convenience Checks

We selected all 11 convenience check transactions, totaling \$2,134, from October 1, 2021, through March 31, 2023, to determine if the cardholder’s transaction file was complete; the transaction was reallocated by the cardholder and approved by the AO in DELPHI; and the purchase was for a legitimate business purpose.

All convenience check transactions, totaling \$2,134, were missing required documentation.

For all 11 transactions, we found that one or more required documents were missing, as follows:

- 10 out of 11 convenience check transactions did not have documentation to support reallocations completed in DEPHI and the approvals of the reallocations by the AO;
- 7 out of 11 convenience check transactions did not have invoices to support the purchases; and

- 2 out of 11 convenience check transactions did not have documentation for mandatory sources. All cardholders must maintain documentation that mandatory sources were used or considered prior to purchasing from another source.

The results for each exception are independent of each other. Details of our review were provided to OPO separate from this report.

OPO's *Contracting Policy 13.301* states, "The [cardholder] must document all purchases, purchase decisions, and any other pertinent data or information."

As a result of OPO not having controls to ensure review and retention of convenience check documentation, the risk that cardholders may make unauthorized purchases and violate Federal law is increased.

Recommendation 4

We recommend that the Office of Procurement Operations follow up with the three cardholders to ensure that the 11 convenience check transactions were for legitimate purposes, properly reallocated and approved, and that disciplinary action is taken if support is not provided.

OPO's Response:

"OPO concurs with the finding and initiated a follow up with the three cardholders to ensure the transactions were legitimate and was within legislative and agency policy. OPO has revised the Contract Policy for the Purchase Card Program to address weaknesses related to the convenience check process and has developed several tools that will assist cardholders in maintaining precise files."

Recommendation 5

We recommend that the Office of Procurement Operations ensure that all convenience check cardholders maintain proper documentation to support their purchases.

OPO's Response:

"OPO concurs with the recommendation and has established procedures for proper reviews and documentation retention in accordance with the requirements of OMB Circular No A-123 Appendix B. Upon FY24 implementation of the revision to the policy, OPO will carry out all reviews, and will ensure all convenience check writers maintain proper documentation."

3. Transaction Reviews

We judgmentally selected 20 cardholders out of 61 transactions reviewed by OPO, 10 cardholders each from OPO’s March 2023 and April 2022 quarterly reviews, to determine if cardholders are following the *Purchase Card Management Plan*.

We confirmed that quarterly reviews were conducted on cardholders’ transactions, and we did not find any fraud or misuse of the purchase card from the reviews; however, there are inconsistencies with how OPO assessed the documentation used in their reviews. When OPO conducts their quarterly reviews of cardholder files, the AOPC uses a checklist that outlines all the documents that should be included in the file; however, OPO does not have instructions or procedures on how to complete the checklists. The following is an example of OPO’s checklist that is required to be completed during the transaction reviews:

Documentation Required in Transaction File	YES	NO	N/A
Purchase Card Transaction Log	X		
Memorandum or Notes Authorizing Purchase (in advance of purchase)	X		
Mandatory Sources Considered (<i>APC Reminder: check Pcard transaction log</i>)		X	
Evidence of Price Reasonableness Consideration	X		
Copy of Supplier Provided Documentation (Sales Slip, Receipt, Packing Slip, etc.)	X		
Copy of Bank Account Invoice or CBIS Entry	X		
Section 508 (if applicable, end-user IT supplies, software, or services)			X
Section 889 (Part A - as applicable, Part B - ALL AWARDS)			X
Sustainability (if applicable, see below for determining applicability)			X
Sales Tax Excluded (<i>APC Reminder - check Transaction Detail and Receipt</i>)	X		
Price Reasonableness Methods to Document Best Value - At Least One of the Following:			
FSS Purchase (FAR 8.404(d) - no separate price determination required)			
Commercial catalog or published price (website or printed)			
Comparison w/ prior purchase of like item (Historical Prices Paid)			
Price Competition (optional method if first time buying or lack of sufficient price information)			
Cardholder’s knowledge of and previous experience with supply/service (FAR 13.106-2(b))			
<i>APC Reminder: May consider price and other factors, past performance, delivery, features, etc.</i>			

We found that the checklists are not thoroughly completed by the AOPCs. For example, in the checklist above, yes is checked for “Evidence of Price Reasonableness Consideration”; however, “Price Reasonableness Methods to Document Best Value” was left blank. In addition, we found that OPO identified missing documentation in all 20 cardholder files during their reviews; however, there was no documentation to support that OPO followed-up with the cardholder. For example, if there was a missing receipt found during OPO’s review, there was no evidence of communication with the cardholder documenting the results of the review (e.g., missing receipt) or discussion related to the corrective actions that the cardholder needed to complete. Details of our review were provided to OPO separate from this report.

OPO’s *Contracting Policy 13.301* also states, “The A/OPC has overall responsibility for the OPM purchase card program. To assure the success of the program, the A/OPC must

perform various reviews throughout the year. These reviews are performed to confirm that [cardholders] are complying with Federal regulations and OPM policy, and to verify that established internal controls are working appropriately.”

Furthermore, OPO’s *Contracting Policy 13.301* states, “It is the goal ... to review micro-purchase transactions at least twice each fiscal year ... ; however, the frequency at which the subject reviews are performed is under the discretion of the A/OPC” Additionally, “The [cardholder] must document all purchases, purchase decisions, and any other pertinent data or information.”

Failure to communicate errors found during OPO’s reviews and corrective actions can result in misuse of the card and lead to possible fraud, waste, or misuse. As stated in our Finding – *Purchase Card Transactions* in this report, we found instances where purchase card transactions were missing one or more types of required documentation to support the transaction.

Recommendation 6

We recommend that the Office of Procurement Operations develop and implement controls to ensure that if purchase card documentation is missing from the purchase cardholder’s file, follow-up is completed with purchase cardholders to obtain the documentation to confirm that cardholders are complying with Federal regulations and the Office of Procurement Operations’ policy, and to ensure that the cardholder is documenting all purchases, purchase decisions, and any other pertinent data or information.

OPO’s Response:

“OPO concurs with the recommendation and has established procedures for proper reviews and documentation retention in accordance with the requirements of OMB Circular No A-123 Appendix B. Upon FY24 implementation of the revision to the policy, OPO will carry out all reviews, and will ensure follow up communication and appropriate corrective action is taken to address any findings or lack of documentation. Furthermore, OPO is in the process of drafting an SOP for the Purchase Transaction Review Process, which will outline the process for the A/OPC to create a document of findings to capture both missing and received items from each cardholder along with recommended corrective actions.”

Recommendation 7

We recommend that the Office of Procurement Operations implement internal controls (e.g., instructions, procedures, training) to ensure that their review checklists are consistently and thoroughly completed.

OPO's Response

“OPO concurs with the recommendation and has reassessed the transaction review process for proper reviews and documentation retention in accordance with the requirements of OMB Circular NO A-123 Appendix B. OPO has included the plan for the monthly checklist review process in the extensive draft revision to the OPO Contracting Policy for the Purchase Card Program, as well as drafting Standard Operating Procedure – Purchase Card Transaction Process. Upon FY24 implementation of the revision to the policy, OPO will carry out all reviews as stated in policy.”

Recommendation 8

We recommend that the Office of Procurement Operations reassess how frequently and how many reviews they complete on each cardholder to ensure that cardholders are maintaining documentation to support all purchases.

OPO's Response:

“OPO concurs with the recommendation and has reassessed the transaction review process for proper reviews and documentation retention in accordance with the requirements of OMB Circular NO A-123 Appendix B. OPO has included the plan for the monthly review process in the extensive draft revision to the OPO Contracting Policy for the Purchase Card Program, as well as drafting the Standard Operating Procedure – Purchase Card Transaction Process. Upon FY24 implementation of the revision to the policy, OPO will carry out all reviews as stated in the policy.”

C. Issuance of New Cardholders

We selected all 13 new cardholders from October 1, 2022, through March 31, 2023, to determine if the cardholders completed all requirements prior to receiving a purchase card. All 13 new cardholders met the requirements with the exception that all 13 were missing the *Responsibility Acknowledgement Form*.

OPO's *Contracting Policy 13.301*, Attachment 2, requires applicants for new purchase cards to submit the following five items: *Purchase Card Request Form*; *Responsibility Acknowledgement Form*; GSA SmartPay Purchase Card Training certificate; Section 508 Micro Purchase Training certificate; and a justification of purchase card need.

If new cardholders do not sign the *Responsibility Acknowledgement Form*, it is possible that they may not fully understand their responsibilities, which may lead to misuse of the purchase card.

Recommendation 9

We recommend that the Office of Procurement Operations strengthen its oversight and monitoring to ensure that new purchase cardholders sign the *Responsibility Acknowledgement Form*, and that the completed forms are properly maintained by the cardholder and the Office of Procurement Operations.

OPO's Response:

“OPO concurs with the recommendation. The Responsibility Acknowledgement Form is no longer a separate form and has been integrated into the Purchase Card and Maintenance Template that requires a signature from the Cardholder, AO, and the A/OPC based on the action that is being requested. OPO's SOP [Standard Operating Procedures] – Application Process thoroughly identifies the procedures the A/OPC must follow when creating a new account. In addition to the SOP, OPO has created and maintains electronic files on all cardholders purchase card account containing all administrative actions processed on the account.”

D. Training

We randomly selected 36 AOs, 17 cardholders, and 2 AOPCs out of 78 Purchase Card Program participants to determine if initial and refresher training requirements were met. Details of our review were provided to the OPO separate from this report; however, we found that training records were either outdated or incomplete due to poor monitoring and oversight for cardholder training requirements by the OPO.

Training records were outdated or incomplete.

Specifically, we found that:

- 1 out of 36 AOs did not provide documentation to support that they completed training;
- 3 out of 36 AOs did not provide documentation to support that they completed the initial and refresher micro-purchase Section 508 training;
- 7 out of 36 AOs did not complete the refresher GSA SmartPay training within the required 3-year timeframe; and
- 3 out of 17 cardholders did not complete the refresher GSA SmartPay and micro-purchase Section 508 training within the required 3-year timeframe.

OMB's Circular No. A-123, Appendix B, January 2009, Section 3.4, requires all Purchase Card Program participants to be “trained prior to appointment” and to take refresher training at least every three years.

OPM's *Purchase Card Management Plan*, dated February 2022, Section 3.1, OPM requires all cardholders, AOs, and AOPCs to complete initial training before being appointed in the OPM Purchase Card Program, as well as refresher training at a minimum of every 3 years. Section 3.2, *Cardholders*, requires purchase cardholders and their AOs to complete GSA SmartPay Purchase Card Training modules for account holders. Section 3.3, *Agency/Organization Program Coordinators*, requires AOPCs to take GSA SmartPay Purchase Card Training modules for APCs. Furthermore, Section 3.4, *Record Keeping*, requires OPO to "maintain and retain copies of the training certifications for three years."

OPO's *Contracting Policy 13.301*, states, "The A/OPC has overall responsibility for the OPM PCP [Purchase Card Program]. Ongoing management and oversight of the program is critical in ensuring that the program is running effectively. To assure the success of the program, the A/OPC must perform various reviews throughout the year. These reviews are performed to confirm that CHs [cardholders] are complying with Federal regulations and OPM policy, and to verify that established internal controls are working appropriately."

The U.S. Government Accountability Office, Standards for Internal Control in the Federal Government, states, "Management clearly documents internal control and all transactions and other significant events in a manner that allows the documentation to be readily available for examination. The documentation may appear in management directives, administrative policies, or operating manuals, in either paper or electronic form. Documentation and records are properly managed and maintained."

If OPO does not monitor or maintain training documentation to confirm that the required training has been completed, this could result in improper card use and increases the risk that there are cardholders and AOs who have not been properly trained in the proper usage of the purchase card.

Recommendation 10

We recommend that the Office of Procurement Operations coordinate and partner with Approving Officials, program coordinators, and any appropriate program offices to implement internal controls to ensure cardholders and oversight personnel receive the required training on the appropriate use, controls, and consequences of abuse before they are given a charge card, and/or appointment to the position.

OPO's Response:

"OPO concurs with the recommendation. The Contract Policy for the Purchase Card Program, Application Process SOP, and the Purchase Card and Maintenance Template outlines the training requirements and instructions that a cardholder and AO must complete to obtain a purchase card authority or appointment as an AO. The template also requires the applicant to certify they have completed the required training and have read and fully understand OPM Contracting Policy 13.301 OPM Purchase Card Program and

will be in full compliance in their roles as a Purchase Cardholder or AO. The cardholder and AO must submit their Purchase Card Application template with the appropriate signatures along with copies of their training certificates to the A/OPC. Once the full package is received by the A/OPC, the corresponding documents are reviewed for accuracy. OPO’s SOP - Application Process specifies the A/OPCs procedures for this process. OPO has also established additional communication avenues for the cardholders and AOs to request assistance on any area they do not completely understand”

Recommendation 11

We recommend that the Office of Procurement Operations ensure all purchase cardholders and Approving Officials that have not taken the mandatory initial and refresher training immediately complete the training or suspend the use of their purchase card and/or oversight duties until training is completed.

OPO’s Response:

“OPO concurs with the recommendation and has sufficiently addressed the cause of this condition since the two new A/OPCs have established internal processes to monitor, track, and save copies of the participants training certificates in a centralized electronic file. With the result of this review, it was realized copies of training certificates were missing and it was unclear whether cardholders and AOs completed refresher training within the 3-year period. ... OPO continuously monitors the refresher training and suspends accounts as necessary when noncompliance is documented.”

E. Statistical Reporting

Lack of Documentation to Support Statistical Reporting

We reviewed OPM’s statistical and narrative report that was submitted to GSA’s Center for Charge Card Management to determine if the FY 2022 report was submitted timely, included all the required reporting information, and if the data reported was supported.

OPO’s report was submitted by the deadline and included the required statistical and narrative information. We also determined that OPO maintained documentation to support all their reported data except for the:

- total number of accounts across the charge card program as compared to the prior reporting period and
- ratio of the number of confirmed violations reported pursuant to the Government Charge Card Abuse Prevention Act of 2012 as compared to the number of valid transactions within the reporting period.

OPO asserted that upon new staff coming onboard in October 2021 and February 2022, internal procedures had been established to ensure all supporting documentation is saved in a centrally located electronic file for access by all team members. However, these procedures appear to not be fully working since OPO did not provide documentation to support these two items.

The *Revised OMB Circular A-123, Appendix B*, states, “Agencies should maintain for their own use, statistical and narrative information related to each charge card program.” The *Circular* also states that for CFO [Chief Financial Officer] Act agencies, the statistical reporting information outlined in *Revised Appendix B, OMB Circular A-123* “must be posted, at a minimum, on an annual fiscal year basis. Agency-provided information must be furnished to [GSA’s Center for Charge Card Management] no later than 90 calendar days after the end of the fiscal year, count of accounts, as defined by GSA.” In addition, for agencies subject to the CFO Act, specific narrative information as outlined in *Revised Appendix B, OMB Circular A-123* “should be updated *annually on a fiscal year basis and provided to GSA’s Center for Charge Card Management no later than 90 calendar days after the end of each fiscal year*: the date(s) of most recent and next scheduled independent review (e.g., OIG), if known in advance, for all agency charge card programs”

The U.S. Government Accountability Office, *Standards for Internal Control in the Federal Government*, states, “Management clearly documents internal control and all transactions and other significant events in a manner that allows the documentation to be readily available for examination.”

The absence of documents to support the reported statistical data could increase the risk that incorrect data is being reported.

Recommendation 12

We recommend that the Office of Procurement Operations improve internal controls to ensure that documents are maintained to support their reported statistical and narrative information related to the purchase card program.

OPO’s Response:

“OPO concurs with the recommendation and agrees we do not have the FY21 supporting documentation for the purpose of comparing the FY22 total number of accounts and ration of violations to the numbers reported in FY21. Upon new team members coming onboard in October 2021 and February 2022, internal procedures have been established to ensure all supporting documentation is saved in a centrally located electronic file for access by all team members. OPO will continue to improve internal controls to ensure documents are maintained to support the reported statistical and narrative information.”

APPENDIX



UNITED STATES OFFICE OF PERSONNEL MANAGEMENT
Washington, DC 20415

Office of
Procurement
Operations

MEMORANDUM FOR: Nicole Brown-Fennell
Chief, Internal Audits Group

FROM: Shreena L. Morris
Senior Procurement Executive
Office of Procurement Operations

 Digitally signed by SHREENA MORRIS
Date: 2023.10.27 16:05:23 -04'00'

SUBJECT: Draft Report on the Audit of the U.S. Office of Personnel Management's Purchase Card Program, Report No. 20023-IAG-008

Thank you for providing OPM the opportunity to respond to the Office of the Inspector General (OIG) draft report, Audit of the U.S. Office of Personnel Management's Purchase Card Program, 2023-IAG-008.

Recommendation 1: We recommend that OPO update its policies and procedures, annually or more frequently, as necessary, to reflect operational changes, and to clearly define the roles and responsibilities of OPO and program offices regarding the reallocation process.

Management Response: OPO concurs with the recommendation and is currently in the process of revising Contracting Policy 13.301 Revision 5. The revised policy is expected to be issued in FY24 Quarter 1. Policies and procedures related to the purchase card program are developed and updated by OPO when the need is identified, but will be reviewed for updates annually, at a minimum to address this recommendation going forward.

Recommendation 2: We recommend that OPO implement controls to ensure that all required documentation for purchase card transactions is being reviewed and retained for completeness, accuracy, and to support all purchase card transactions.

Management Response: OPO concurs with the recommendation and has established procedures for proper reviews and documentation retention in accordance with the requirements of OMB Circular No A-123 Appendix B. As a result of the observations and findings from the reviews, it was realized that there was a gap in the policy and templates made available to cardholders and Approving Officials that contributed to cardholders' lack of understanding on documentation requirements. Therefore, these observations and findings were incorporated into an extensive draft revision to the OPO Contracting Policy for the Purchase Cards Program. New templates have been created to better assist cardholders and Approving Officials with ensuring the proper documentation is reviewed, recorded, and maintained. Upon FY24 implementation of the revision to the policy, OPO will carry out all reviews, and will ensure

Report No. 2023-IAG-008

follow up communication and appropriate corrective action is taken to address any findings or lack of documentation.

Recommendation 3: We recommend that OPO determine if the three transactions, which were missing all required supporting documentation, were properly authorized/approved, reallocated, monitored, and for legitimate business purposes.

Management Response: OPO concurs with the finding and has initiated a follow up with the cardholders who are currently in the process of collecting the missing documentation to determine it was authorized and approved. If not provided by the suspense date, a memorandum will be processed with the recommendation to the Head of the Contracting Activity (HCA) to suspend the cardholders' accounts for a period of 30 days to allow for retraining on the proper use of the purchase card and documentation for purchase transaction files.

Recommendation 4: We recommend that OPO follow up with the three cardholders to ensure that the convenience check transactions were for legitimate purposes and properly reallocated and approved and disciplinary action is taken if support is not maintained.

Management Response: OPO concurs with the finding and initiated a follow up with the three cardholders to ensure the transactions were legitimate and was within legislative and agency policy. OPO has revised the Contract Policy for the Purchase Card Program to address weaknesses related to the convenience check process and has developed several tools that will assist cardholders in maintaining precise files.

Recommendation 5: We recommend that OPO ensure that all convenience check writers maintain proper documentation to support their purchases.

Management Response: OPO concurs with the recommendation and has established procedures for proper reviews and documentation retention in accordance with the requirements of OMB Circular No A-123 Appendix B. Upon FY24 implementation of the revision to the policy, OPO will carry out all reviews, and will ensure all convenience check writers maintain proper documentation.

Recommendation 6: We recommend that OPO develop and implement controls to ensure that if purchase card documentation is missing from the purchase cardholder's file, follow-up is completed with purchase cardholders to obtain the documentation to confirm that cardholders are complying with Federal regulations and OPM policy, and to ensure the cardholder is documenting all purchases, purchase decisions, and any other pertinent data or information.

Management Response: OPO concurs with the recommendation and has established procedures for proper reviews and documentation retention in accordance with the requirements of OMB Circular No A-123 Appendix B. Upon FY24 implementation of the revision to the policy, OPO will carry out all reviews, and will ensure follow up communication and appropriate corrective action is taken to address any findings or lack of documentation.

Furthermore, OPO is in the process of drafting an SOP for the Purchase Transaction Review Process, which will outline the process for the A/OPC to create a document of findings to capture both missing and received items from each cardholder along with recommended corrective actions.

Recommendation 7: We recommend that OPO ensure that their review checklist is consistently completed in the same way.

Management Response: OPO concurs with the recommendation and has reassessed the transaction review process for proper reviews and documentation retention in accordance with the requirements of OMB Circular NO A-123 Appendix B. OPO has included the plan for the monthly checklist review process in the extensive draft revision to the OPO Contracting Policy for the Purchase Card Program, as well as drafting Standard Operating Procedure – Purchase Card Transaction Process. Upon FY24 implementation of the revision to the policy, OPO will carry out all reviews as stated in policy.

Recommendation 8: We recommend that OPO reassess how frequently and how many reviews they complete on each cardholder to ensure that cardholders are maintaining documentation to support all purchases.

Management Response: OPO concurs with the recommendation and has reassessed the transaction review process for proper reviews and documentation retention in accordance with the requirements of OMB Circular NO A-123 Appendix B. OPO has included the plan for the monthly review process in the extensive draft revision to the OPO Contracting Policy for the Purchase Card Program, as well as drafting the Standard Operating Procedure – Purchase Card Transaction Process. Upon FY24 implementation of the revision to the policy, OPO will carry out all reviews as stated in the policy.

Recommendation 9: We recommend that OPO strengthen its oversight and monitoring to ensure that new purchase cardholders sign the Responsibility Acknowledgement Form, and that the completed forms are properly maintained by the cardholder and OPO.

Management Response: OPO concurs with the recommendation. The Responsibility Acknowledgement Form is no longer a separate form and has been integrated into the Purchase Card and Maintenance Template that requires a signature from the Cardholder, AO, and the A/OPC based on the action that is being requested. OPO's SOP – Application Process thoroughly identifies the procedures the A/OPC must follow when creating a new account. In addition to the SOP, OPO has created and maintains electronic files on all cardholders purchase card account containing all administrative actions processed on the account.

Recommendation 10: We recommend that the OPO coordinate and partner with AOs, program coordinators, and any appropriate program offices to implement internal controls to ensure cardholders and oversight personnel receive the required training on the appropriate use, controls, and consequences of abuse before they are given a charge card, and/or appointment to the position.

Management Response: OPO concurs with the recommendation. The Contract Policy for the Purchase Card Program, Application Process SOP, and the Purchase Card and Maintenance Template outlines the training requirements and instructions that a cardholder and AO must complete to obtain a purchase card authority or appointment as an AO. The template also requires the applicant to certify they have completed the required training and have read and fully understand OPM Contracting Policy 13.301 OPM Purchase Card Program and will be in full compliance in their roles as a Purchase Cardholder or AO. The cardholder and AO must submit their Purchase Card Application template with the appropriate signatures along with copies of their training certificates to the A/OPC. Once the full package is received by the A/OPC, the corresponding documents are reviewed for accuracy. OPO's SOP - Application Process specifies the A/OPCs procedures for this process. OPO has also established additional communication avenues for the cardholders and AOs to request assistance on any area they do not completely understand: DELETED BY OIG. NOT RELEVANT TO REPORT and Ask an A/OPC via Microsoft Teams.

Recommendation 11: We recommend that OPO ensure all purchase cardholders and AOs that have not taken the mandatory initial and refresher training immediately complete the training or suspend the use of their purchase card and/or oversight duties until training is complete.

Management Response: OPO concurs with the recommendation and has sufficiently addressed the cause of this condition since the two new A/OPCs have established internal processes to monitor, track, and save copies of the participants training certificates in a centralized electronic file. With the result of this review, it was realized copies of training certificates were missing and it was unclear whether cardholders and AOs completed refresher training within the 3-year period. OPO has carried out the recommendation provided by OIG and to date all participants has satisfied the training requirement. OPO continuously monitors the refresher training and suspends accounts as necessary when noncompliance is documented.

Recommendation 12: We recommend that OPO improve internal controls to ensure that documents are maintained to support their reported statistical and narrative information related to the purchase card program.

Management Response: OPO concurs with the recommendation and agrees we do not have the FY21 supporting documentation for the purpose of comparing the FY22 total number of accounts and ration of violations to the numbers reported in FY21. Upon new team members coming onboard in October 2021 and February 2022, internal procedures have been established to ensure all supporting documentation is saved in a centrally located electronic file for access by all team members. OPO will continue to improve internal controls to ensure documents are maintained to support the reported statistical and narrative information.

I appreciate the opportunity to respond to this draft report. If you have any questions regarding our response, please contact DELETED BY OIG. NOT RELEVANT TO REPORT.



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