



UNITED STATES GOVERNMENT
FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF INSPECTOR GENERAL

MEMORANDUM

DATE: September 30, 2014

TO: Chief Financial Officer

FROM: 
Inspector General

SUBJECT: Follow-up Inspection of Audit of FCC's Travel and Purchase Card Program, Inspection Assignment Number 12-INSP-06-03

Reference: Audit of FCC Travel and Purchase Card Programs FY 2009, Audit Assignment Number 09-AUD-09-28.

The Federal Communications Commission (FCC), Office of Inspector General (OIG) performed a follow-up inspection of the audit of the FCC's Travel and Purchase Card Program, dated June 22, 2010 (Audit Assignment Number 09-AUD-09-28).

The OIG performed this inspection consistent with its authority under the Inspector General Act of 1978, as amended, including, but not limited to sections 2(1) and 4(a)(1), 5 U.S.C. App. 3, §§ 2(1) and 4(a)(1). The inspection is not intended as a substitute for any agency regulatory compliance review or regulatory compliance audit.

The inspection found that all of the audit report's recommendations were resolved. Therefore, management comments are not required.

If you have any questions or concerns please contact Sharon Spencer, Director, FCC Operational Audits at 202-418-0477 or Sharon.Spencer@fcc.gov, or Robert McGriff, Deputy Assistant Inspector General for Audit at 202-418-00483 or Robert.Mcgriff@fcc.gov.

Follow-up Inspection of the Audit of FCC's Travel and Purchase Card Program

Background

The Office of Inspector General engaged Lani Eko and Company (LEC) to conduct an audit of FCC's Purchase and Travel Card Program for fiscal year 2009. LEC issued an audit report on June 22, 2010 that presented the result of that audit (Audit Assignment Number 09-AUD-09-28). The objectives of that audit were to:

- Evaluate the design and implementation of internal controls for the FCC's travel card and purchase card programs.
- Determine if internal controls for travel card and purchase card programs were adequate to ensure that transactions were properly authorized, adequately documented, and properly accounted for.
- Test travel card and purchase card transactions to ensure that they were properly authorized, adequately documented, properly accounted for, and used for legitimate business purposes.
- Determine if the FCC's travel card and purchase card programs are being effectively managed using guidance and best practices provided in OMB Circular A-123, Appendix B, Improving the Management of Government Charge Card Programs.
- Determine if purchase and travel card transactions funded by the American Recovery and Reinvestment Act of 2009 were awarded and administered in compliance with provisions of this Act.

The report contained six findings and related recommendations. FCC management generally concurred with the results of the report. FCC management did not concur with one recommendation, which addressed decentralizing some of the charge card operations. FCC management also did not agree with a finding that reported that FCC did not monitor staffs' completion of fraud training. The findings reported in the audit report are shown below:

1. Inadequate documentation
2. FCC did not have formal delegation for authority
3. FCC Failed to Implement travel policies and procedures
4. Insufficient human resources
5. Fraud training not completed by card holders
6. No Charge Card Management Plan
7. Improvements needed in oversight for transactions funded by the Recovery Act.

Scope and Methodology

Our inspection reviewed FCC management's implementation of corrective actions as of November 30, 2012 to address recommendations in the June 2010 Audit of FCC Purchase and Travel Card Program report.

The OIG performed this inspection consistent with its authority under the Inspector General Act of 1978, as amended, including, but not limited to sections 2(1) and 4(a)(1). 5 U.S.C. App. 3, §§ 2(1) and 4(a)(1). The inspection is not intended as a substitute for any agency regulatory compliance review or regulatory compliance audit.

We obtained the status of each recommendation included in the report from the Chief Financial Officer (CFO), OIG personnel and Performance Evaluation and Records (PERM) staff. The CFO is FCC's official record keeper for open and closed audit recommendations. A recommendation is considered closed once corrective actions have been implemented to satisfy the requirements in the recommendation, which should resolve the deficiency presented in the audit report.

To verify that FCC management had implemented the corrective actions to address the recommendations and to evaluate the status of the recommendations, we reviewed policies, procedures and other relevant documents, tested transactions and held discussions with FCC personnel. Our inspection found that FCC had implemented corrective action for all the recommendations except one.

Although FCC did not agree with the recommendation to decentralize purchase and travel card operations, FCC performed an analysis to determine if FCC should pursue decentralizing the operations. FCC's analysis concluded that decentralizing the purchase and travel card operation would not be beneficial to the FCC.

Conclusion

FCC Management has taken corrective actions in response to OIG's recommendations from the prior audit report and we consider the recommendations closed.