



Office of Inspector General

# Charge Card Program

## **FOLLOW-UP AUDIT OF THE FEDERAL LABOR RELATIONS AUTHORITY CHARGE CARD PROGRAM AND RISK ASSESSMENT FOR FISCAL YEAR 2015**

**FISCAL YEAR 2015  
REPORT NO. AR-16-03**

Federal Labor Relations Authority  
1400 K Street, N.W. Suite 250, Washington, D.C. 20424

## Follow-up Audit of the Federal Labor Relations Authority Charge Card Program and Risk Assessment for Fiscal Year 2015

### Objective

Our overall objective for this audit was to follow-up on the Audit of the Federal Labor Relations Authority (FLRA) Fiscal Year (FY) 2014 Charge Card Program Report No., AR-15-02. The purpose of our FY 2015 audit was to ensure that the recommendations accepted by FLRA were satisfactorily implemented and appropriately resolved. We also performed a risk assessment of the FLRA charge card program for FY 2015.

### Summary

There were two open recommendations in our previous report for FY 2014. Our audit showed that both recommendations were implemented and are now closed. Our risk assessment for FY 2015 was originally increased due to the magnitude of changes being made to systems and service providers. We therefore recommended an audit of the FY 2015 charge card program. Based on our FY 2015 audit work, we have changed the current risk assessment to a low assessment of risk.

### Follow-up on Prior Year Findings

#### **Finding No. 1 – Lack of Policy and Procedures for Purchase Cards**

*FLRA does not have complete, written internal policies and procedures regarding the operation of the purchase card program. Office of Management and Budget (OMB) Circular A-123, Appendix B, Improving the Management of Government Charge Card Program requires such policies and procedures for the appropriate use of charge cards.*

#### **FY 2014 Follow-up:**

As of September 30, 2014, a formal written internal policies and procedures had not been implemented; however, progress was made in FY 2014. A draft Purchase Card Policy and Operating Procedures was prepared during FY 2014 containing policies and procedures that address the appropriate use of purchase cards specific to FLRA. We reviewed the draft policy and verified it was written in accordance with the required elements outlined in OMB Circular A-123, Appendix B, Chapter 2.3. Due to the implementation of a new Purchase Card system effective October 1, 2014 with a new service provider, the Purchase Card Policy and Operating Procedures are being modified to reflect system changes, and thus have not been finalized. The policy is currently in its second draft and is being reviewed by management. This finding is anticipated to be cleared during FY 2015.

**FY 2015 Follow-up:**

The Government Purchase Card Policy Instruction (Instruction) was finalized on and dated December 17, 2015. We reviewed the Instruction and verified it was written in accordance with the required elements outlined in OMB Circular A-123, Appendix B, Chapter 2.3. We performed tests of purchase card transactions and evidence of training, with no exceptions. **This finding is closed.**

**Finding No. 2 – Untimely Submission of Travel Vouchers**

*Of the 20 travel vouchers reviewed during testing, there were 3 instances where the traveler did not submit their voucher to the approving official within the required number of business days upon completion of the trip.*

**FY 2014- Follow-Up:**

Untimely submission of travel vouchers continued to be a problem. During the FY 2014 Financial Statement Audit, 6 of the 32 travel card reimbursements tested were not submitted by the traveler to the approving official within the required number of business days upon completion of the trip. We continue to recommend that the FLRA remind employees to submit their travel vouchers in a timely manner in accordance with Federal Travel Regulations and FLRA's policy instruction. This is anticipated to be cleared in FY 2015.

**FY 2015 Follow-Up:**

We were informed that this problem was resolved for FY 2015. We selected 15 travel card reimbursements to test. All of the travel vouchers tested were submitted timely. We also selected card holders to test that they had training certificates on file. No exceptions were noted. **This finding is closed.**

**Risk Assessment**

We conducted an entrance conference to discuss the progress made in implementing the changes identified in FLRA's formal response to our audit findings raised in our report dated January 23, 2015, pertaining to internal controls over the FLRA charge card program. In addition, we held discussions with Administrative Services Division personnel concerning the effectiveness of the FLRA's policies and procedures related to the new travel and purchase cards systems that were in effect during FY 2015. When deemed appropriate, we conducted examinations of documentation provided by FLRA to verify the progress and changes indicated by the FLRA staff were complete and accurate.

Upon completion of the entrance conference, inquiry, and examinations, we noted that the Government Purchase Card Policy Instruction was in final draft form. We recommended some minor edits to improve the clarity of the Instruction. The edits we suggested were accepted and made in the document, which was then issued final and dated December 17, 2015.

The Travel Card Policy (Policy) was updated during FY 2014 and implemented on May 2, 2014. The new Policy helped resolve several of the findings identified during the FY's 2013 and 2014 Charge Card audits. Effective October 1, 2014 the travel card program was no longer managed by the Budget and Finance Division; instead it is now managed by the Administrative Services Division. In addition, the program was transitioned at the beginning of FY 2015 to a new service provider. Our testing showed that the system is operating effectively. The Policy was again updated on March 20, 2015 to document changes in connection with the new service provider.

Based on the results of the charge card program follow-up audit described above, we lowered the FLRA's risk assessment in this area for FY 2015. We recommend conducting audit testing in FY 2016 to determine if the internal controls now in place continue to operate effectively.

*Dembo, Jones, Healy, Pennington & Marshall, P.C.*

*Rockville, Maryland  
January 20, 2016*

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