

Fiscal Year 2014 Risk Assessment of the Social Security Administration's Charge Card Programs

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Office of Audit Report Summary

Objective

To analyze the risk of illegal, improper, and erroneous purchases made through the Social Security Administration's charge card programs.

Background

On October 5, 2012, the President signed into law the *Government Charge Card Abuse Prevention Act of 2012* (Pub. L. No. 112-194) (Act), which reinforced efforts to prevent waste, fraud, and abuse in Government-wide charge card programs.

This Act requires that all executive branch agencies implement internal controls for purchase cards, travel cards, integrated cards, and centrally billed accounts. It also establishes reporting and audit requirements.

Under the Act, Inspectors General are tasked with, among other things, conducting periodic risk assessments of agencies' purchase card or convenience check programs to identify and analyze risks of illegal, improper, or erroneous purchases and payments. Similarly, the Act requires that Inspectors General of executive agencies with more than \$10 million in travel card spending periodically audit or review travel card programs to analyze risks of illegal, improper, or erroneous purchases and payments.

Conclusions

This report addresses the requirement that we complete a risk assessment of the Social Security Administration's (SSA) charge card programs. SSA has both purchase and travel card programs and occasionally uses centrally billed accounts (CBA) for travel. In Fiscal Year (FY) 2014, SSA reported about \$60 million in purchase card use and about \$13 million in travel card expenses. SSA does not use convenience checks or integrated charge cards, so our risk assessment only addresses purchase cards, travel cards, and CBAs.

SSA has policies and procedures in place to address the requirements in the Act regarding its charge card programs. SSA designed these policies and procedures to reduce the risk of illegal, improper, and erroneous purchases made using the charge cards. Also, SSA has additional internal controls in place to assist in overseeing its charge card programs beyond those required by the Act.

In 2010, we audited SSA's purchase card program. Based on the audit findings and the data reviewed, we believe the risk associated with SSA's use of purchase cards is "low." We plan to initiate a follow-up review of the Agency's use of purchase cards in FY 2015 and examine SSA's actions to address our prior recommendations.

In 2014, we initiated an audit of SSA's travel card program. Based on our preliminary findings and the data we reviewed, we believe the risk associated with SSA's use of travel cards and CBAs is "low." We will issue a report on the results of our travel card audit in 2015.