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Mr. Shaun Donovan, Director
Office of Management and Budget
725 17th Street, NW.
Washington, DC 20503

Subject: Progress Made by the U.S. Department of the Interior in Implementing
            Government Charge Card Recommendations
            Report No. 2016-FIN-014

Dear Mr. Donovan:

This letter provides the status of progress made by the U.S. Department of the Interior (DOI) in implementing previous Government charge card recommendations as of the end of fiscal year (FY) 2015.

On October 5, 2012, the President signed into law the Government Charge Card Abuse Prevention Act of 2012 (Act), Public Law No. 112-194, which reinforced efforts to prevent fraud, waste, and mismanagement of Governmentwide charge card programs. In addition to guidance in the Office of Management and Budget (OMB) Circular No. A-123, Appendix B, Revised, "Improving the Management of Government Charge Card Programs," and OMB Memorandum M-12-12, "Promoting Efficient Spending to Support Agency Operations," the Act requires all executive branch agencies to establish and maintain safeguards and internal controls for purchase, travel, and centrally billed accounts.

The Act and OMB Memorandum M-13-21, "Implementation of the Government Charge Card Abuse Prevention Act of 2012," require our office to conduct periodic risk assessments of agency purchase cards and convenience checks, combined integrated card programs, and travel card programs to analyze the risks of illegal, improper, or erroneous purchases and payments. We will use these risk assessments to determine the necessary scope, frequency, and number of audits or reviews of these programs. We are also required to report to the OMB Director 120 days after the end of each fiscal year on DOI's progress in implementing audit recommendations related to Government charge cards; starting in FY 2013, the submission is due to OMB by January 31.

During FY 2014, we conducted a risk assessment of DOI's charge card and convenience checks programs as required by OMB. Based on our analysis, we determined that the fleet card business line should be OIG's primary charge card audit target for FY 2014. Consistent with our risk assessment, we initiated an audit of DOI's integrated charge card program, which we expect to complete in FY 2016.

The travel, purchase, and fleet charge cards provide DOI with efficient ways for making small purchases and a low-cost means to acquire goods and services, which significantly streamlines traditional Federal procurement and payment processes; saves taxpayers millions of dollars by reducing administrative costs and providing rebates; and allows DOI to reduce administrative costs to recover State and local taxes and to collect detailed fleet management data regarding fuel, related maintenance, and service procurements. Figure 1 depicts DOI's volume of business-line spending using Government charge cards.

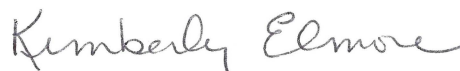| Charge Card Program	FY 2014 Business Line Spending	FY 2015 Business Line Spending
Purchase Card	$428,322,783	$443,044,585
Travel Card	119,088,857	152,577,162
Fleet Card	42,571,397	34,295,565
Total	$589,983,037	$629,917,312

Figure 1. DOI's volume of business-line spending using Government charge cards in FYs 2014 and 2015.

We reported to OMB for FY 2014 that six recommendations stemming from two reports related to internal controls over Government purchase cards and travel cards were resolved and not implemented. During FY 2015, five of those six open recommendations were implemented and closed. Also during FY 2015, we issued a report on DOI's adoption of Cloud computing technologies (Report No. ISD-EV-OCIO-0002-2014), which included two credit card related recommendations. Currently, those recommendations remain resolved but not implemented. The attachment provides detailed information about the recommendations and status for the fiscal year ended 2015.

For FY 2016, we are planning an audit of DOI's fleet card program, as well as verification reviews of past credit card related audits, to ensure that corrective actions for recommendations have been fully implemented.

If you have any questions about this letter or require further information, please contact me at 202-208-5745.

Sincerely,

Kimberly Elmore

Kimberly Elmore
Assistant Inspector General
Office of Audits, Inspections, and Evaluations

cc: David Carter, DOI Charge Card Program and Policy Manager
Douglas Glenn, Director, Office of Financial Management
Debra E. Sonderman, Director, Office of Acquisition and Property Management, and
Senior Procurement Executive

Attachment

Summary and Status of Government Charge Card Recommendations
January 2016 Reporting to OMB

C-EV-MOA-0009-2011, "Controls Over Check-Writing," Report Date: 10/31/2012 **Latest Tracking Update: 10/13/2015** **Number of Recommendations: 2** **Status: 2 Resolved, 1 Closed, 0 Unresolved**	
1. All bureaus should evaluate their money reconciliation processes, considering lessons learned from the Department's pilot program.	Resolved but not implemented.
2. The Department should require Government charge card training for check writers and their approving officials more frequently than the current minimum of every 3 years.	Resolved, implemented, and closed.
WR-EV-MOA-0006-2011, "GovTrip Use and Monitoring by the U.S. Department of the Interior," Report Date: 9/09/2013 **Latest Tracking Update: 9/17/2015** **Number of Recommendations: 12** **Status: 12 Resolved, 12 Closed, 0 Unresolved**	
1. Prevent the removal of user profiles, vouchers, and authorizations from the active production system through E-Gov Travel Service (ETS-2) development and implementation. 2. Ensure through ETS-2 development and implementation that complete transaction histories are generated and maintained in the new e-travel system and that accurate and streamlined routing lists are used. 3. Restrict the Autobooking and T-entering features in the new system to only bona fide emergency travel or for arranging of travel for those without legitimate access to the travel system, with any exceptions to these circumstances to be documented and approved by the bureau or office head. 4. Develop and implement policy and procedures that require reconciliation of travel transactions among travel, financial, and other management systems to ensure data integrity across data management systems in DOI. 5. Establish minimum voucher testing requirements that address sampling, method, frequency, error rate, and reporting obligations across DOI.	Resolved, implemented, and closed.

6. Provide training, checklists, and periodic tips and best practices to travelers and travel managers, so that individual roles and responsibilities in the e-travel system are understood and that documentary requirements are known and established in the new system.

7. Establish controls through ETS-2 development and implementation that limit administrative access rights to the minimum level necessary and require approval of administrative delegation of additional rights by the appropriate travel officials.

8. Ensure through ETS-2 development and implementation that personally identifiable information, including credit card information, is safeguarded and disclosed to only those individuals in the e-travel environment that have a bona fide need to know in accordance with the Privacy Act.

9. Identify authorizations and vouchers that have not been completely processed, take actions to either complete or cancel these documents in the active GovTrip database.

10. Through ETS-2 software development and implementation ensure that all future authorizations and vouchers are either processed completely or canceled, as appropriate.

11. Create a directory of standard reports based on DOI and bureau needs to provide reliable and timely travel management information that includes verification that documents are approved and processed within prescribed timeframes, established checks on various travel activities, and statistical information for overall travel management.

12. Ensure that the new e-travel system provides for auditor and management read-only access to the travel database. Proactively work with GSA and the contractor during ETS-2 implementation and operation to ensure system deliverables, features, functionality, and reporting meet DOI and agency expectations.

ISD-EV-OCIO-0002-2014, "DOI's Adoption of Cloud Computing Technologies," Report Date: 05/14/2015 **Latest Tracking Update: 7/24/2015** **Number of Recommendations: 2** **Status: 2 Resolved, 0 Closed, 2 Unresolved**	
1. Terminate or migrate all Cloud services acquired through integrated charge cards to FCHS or a similar contract that incorporates best practices for procuring Cloud services recommended by Chief Acquisition and Chief Information Officer Councils. 2. Prohibit use of Government micropurchase authority (e.g., Government integrated charge cards) to acquire Cloud-computing services.	Resolved but not implemented.