

Fiscal Year 2013 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 additional reporting and audit requirements. Under the Act, Inspectors General are tasked, among other things, with 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, Inspectors General of executive agencies with more than \$10,000,000 in travel card spending are required to conduct periodic audits or reviews of travel card programs to analyze risks of illegal, improper, or erroneous purchases and payments.

Our 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 uses centrally billed accounts (CBA) for travel. In Fiscal Year (FY) 2013, SSA reported about \$59 million in purchase card use and about \$14 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. These policies and procedures are designed to reduce the risk of illegal, improper, and erroneous purchases made using the charge cards. Also, SSA has internal controls in place to assist in overseeing its charge card programs.

In 2010, we audited SSA's purchase card program. Based on those audit findings, the Agency's reported corrective actions taken in response to our audit, and the various data reviewed, we believe the risk associated with SSA's use of purchase cards is "low."

SSA has policies and procedures in place regarding use of travel cards and CBAs. We will initiate an audit of the Agency's travel card program in FY 2014.