

The Social Security Administration's Fiscal Year 2014 Government Purchase Card Program A-13-15-50038



May 2016

Office of Audit Report Summary

Objectives

To review the Social Security Administration's (SSA) use of purchase cards in Fiscal Year (FY) 2014 and examine the Agency's actions to address the recommendations in our March 2010 report.

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). The Act addresses agencies' management of their Government purchase and travel charge card programs. The Act codifies a number of program integrity policies and reporting requirements for Government charge card programs. For example, the Act requires that the programs have certain internal controls and safeguards.

The Act also requires that Inspectors General of executive agencies "... perform analysis or audits as necessary, of purchase card transactions to identify potentially illegal, improper, or erroneous uses of purchase cards." In FY 2014, SSA reported about \$60.5 million in purchase card transactions.

Findings

Except for the items discussed below, SSA's compliance with its purchase card policies and procedures had generally improved. Our findings either identified documentation-related issues or had a limited monetary impact. We also found SSA implemented corrective actions pertaining to our 2010 recommendations. However, we did identify instances where SSA staff did not comply with the Agency's policies and procedures.

We found 11 purchase cardholders did not adequately document purchases in purchase logs, as required; 5 cardholders did not retain records indicating receipt and acceptance of goods; and 1 cardholder neither documented purchases in a log nor retained records indicating receipt and acceptance of goods. Our review also found 18 purchase cardholders did not comply with SSA policy requiring refresher purchase cardholder training every 3 years; and SSA did not close an employee's purchase card account when the cardholder separated from SSA. In addition, we identified 20 instances where SSA staff performed possible split purchases, and we question the appropriateness of 1 transaction that occurred over a weekend.

Recommendations

We recommend SSA take several actions to improve its Purchase Card Program. These include issuing instructions to help ensure cardholders comply with policies and procedures and assessing split purchases we identified to determine whether they were detected by SSA's current monitoring process. In addition, we recommend implementing a verification process to ensure purchase card training completion and certification as well as other related information are included in the applicable training records; reminding approving officials to complete all required actions for purchase card termination; and determining the appropriateness of possible split purchases and the questionable transaction that occurred over a weekend.

SSA agreed with our recommendations.