

Council of the Inspectors General on Integrity and Efficiency

Purchase Card Project

A-13-17-50266



February 2018

Office of Audit Report Summary

Objective

To review the Social Security Administration's (SSA) purchase card transactions as prescribed for the Government-wide Council of the Inspectors General on Integrity and Efficiency (CIGIE) Purchase Card Project.

Background

In October 2016, the CIGIE Information Technology (IT) Committee, in conjunction with several Offices of Inspector General (OIG), initiated a project to assess certain purchase card transactions. The Government purchase card, part of the General Services Administration SmartPay Program, enables authorized Federal employees to make purchases on the Government's behalf in support of their agency/organization's mission. Federal Acquisition Regulations allow for purchase cards to be used to procure supplies and/or services valued at or below the \$3,500 micro-purchase threshold. During the review period, 2,343 active cardholders had 38,468 transactions, totaling about \$18.6 million.

OIGs participating in the Purchase Card Project selected and reviewed certain transactions, as prescribed by guidance used for the Purchase Card Project, considered as high-risk transactions. Transactions reviewed occurred from October 1, 2016 through March 31, 2017.

Findings

Based on project guidance for high-risk transactions, we selected 46 SSA transactions to review to determine whether the purchase card transactions were illegal, improper, or erroneous. Of the 46 purchase card transactions reviewed, 42 complied with the Agency's policies and procedures. However, we identified four instances of possible split purchases. Our 2010 and 2016 purchase card audits also identified instances where SSA staff performed possible split purchases.

Of the four instances, SSA staff confirmed three, totaling \$20,041, involved split purchases. The remaining instance involved staff using Fiscal Year (FY) 2017 funds to pay for services SSA contracted for in FY 2016—an unauthorized commitment of \$2,763 of FY 2017 funds.

Conclusions

Generally, the purchase card transactions we reviewed complied with the Agency's purchase card policies and procedures. We identified three split purchases and the unauthorized commitment of FY 2017 funds. SSA staff reported it had reviewed the supporting documentation for the split purchases and the unauthorized commitment of funds but, because of staffing resources, had not completed the Agency's ratification process. Agency staff planned to take appropriate actions to correct the split purchases and the unauthorized commitment of FY 2017 funds.

CIGIE plans to issue a report summarizing the review results of all OIGs participating in the Government-wide Purchase Card Project. The results of this review will be included in CIGIE's report.

Recommendation

We recommended SSA complete applicable corrective actions pertaining to the split purchases and the unauthorized commitment of FY 2017 funds.

SSA agreed with our recommendation.