



At a Glance

Why We Did This Project

The U.S. Environmental Protection Agency's (EPA's) Office of Inspector (OIG) conducted this audit after a risk assessment determined that the risk was high enough to warrant an audit.

Our objective was to determine whether EPA internal controls over its purchase card and convenience check program are adequate to prevent and detect material illegal, improper and erroneous purchases.

This report addresses the following:

- *Operating efficiently and effectively.*

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EPA's Purchase Card and Convenience Check Program Controls Are Not Effective for Preventing Improper Purchases

What We Found

EPA internal controls were not effective. Cardholders, approving officials, the purchase card team, and EPA program offices were not providing oversight needed to achieve compliance with internal controls. Although cardholders and approving officials must ensure that each purchase request complies with federal and agency acquisition and appropriation rules, in most transactions, they did not.

Ineffective oversight at the EPA contributed to improper purchases totaling \$57,017 from sampled transactions.

Recommendations and Planned Agency Corrective Actions

We made a total of 11 recommendations, including 10 to the Assistant Administrator for Administration and Resources Management and one to the Deputy Administrator.

Highlights from the 10 recommendations to the Assistant Administrator for Administration and Resources Management include requests for the agency to (1) conduct an assessment and determine how to enhance controls, reduce confusion and achieve compliance; (2) determine whether adding language about cardholder and approving official responsibilities to performance standards would be beneficial and improve compliance; (3) implement preventive controls that would stop transactions that do not have required approvals or funding; (4) fully implement and increase the use of detective controls; and (5) issue guidance regarding penalties for noncompliance and the process for suspending cardholder privileges due to noncompliance.

One recommendation requested that the EPA Deputy Administrator issue an agencywide memorandum to emphasize compliance with federal and EPA requirements for purchase card and convenience check transactions.

The EPA agreed to take corrective actions on all 11 recommendations and provided planned completion dates. The agency's planned corrective actions and completion dates meet the intent of the recommendations. All recommendations are resolved with corrective actions pending.