



UNITED STATES RAILROAD RETIREMENT BOARD

OFFICE OF INSPECTOR GENERAL

Memorandum

January 30, 2024

TO: Erhard R. Chorlé
Chairman

FROM: Martin J. Dickman
Inspector General

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DICKMAN

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DICKMAN
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SUBJECT: Fiscal Year 2023 Risk Assessment for the Government Charge Card
Abuse Prevention Act of 2012

The Railroad Retirement Board (RRB) Office of Inspector General (OIG) completed the required assessment of the subject matter. Our office assessed the overall risk level of illegal, improper, or erroneous purchases and payments as low.

The Government Charge Card Abuse Prevention Act of 2012 (Act) mandates responsibilities for the Inspector General (IG) of each executive agency.¹ The IG at each agency is required to conduct periodic risk assessments of agency purchase card or convenience check transactions. They are also required to conduct periodic audits or reviews of travel card programs to identify and analyze the risks of illegal, improper, or erroneous purchases and payments. In addition, they are to develop a plan to determine the scope, frequency, and number of IG audits that are to be performed. The Act requires each IG to report the results of such analysis or audits to the head of the executive agency.

The Act further mandates that the IG perform analysis or audits, as necessary, of purchase card transactions designed to identify: potentially illegal, improper, or erroneous uses of purchase cards; any patterns of such uses; and categories of purchases that could be made by means other than purchase cards in order to better aggregate purchases and obtain lower prices. The Act also mandates that the IG report agency progress in implementing audit recommendations to the Director of the Office of Management and Budget.

RRB OIG conducted a risk assessment of the RRB's purchase and travel card programs for fiscal year 2023 that included a review of the implementation status of

¹ Pub. L. No. 112-194 (2012).

existing audit recommendations related to those programs. The RRB's purchase and travel card spending totaled approximately \$1,039,610 and \$483,717, respectively. The RRB's spending was below the \$10 million threshold established for increased oversight and reporting.

Prior RRB OIG Audits

In fiscal year 2023, the RRB OIG did not perform any performance audits related to RRB's government charge card program. There was only one open RRB OIG recommendation in fiscal year 2023 pertaining to the program, which RRB did not implement. The following paragraphs described the RRB OIG recommendations that the RRB implemented in fiscal year 2022.

In fiscal year 2021, the RRB OIG engaged Harper, Rains, Knight & Company (HRK) to conduct a performance audit of RRB's purchase card program.² The purpose of the audit was to identify and assess control weaknesses for the RRB's purchase card program. HRK concluded that the RRB purchase card program substantially complied with laws and regulations. However, HRK did identify one instance of noncompliance with the Office of Management and Budget Circular A-123, Appendix B, *A Risk Management Framework for Government Charge Card Programs*, Revised August 27, 2019. They also identified one instance of noncompliance with the Act.³ In this report, HRK had two findings resulting in four recommendations regarding the RRB's purchase card program. RRB management concurred with all four recommendations, and in fiscal year 2022, all four were implemented.

In fiscal year 2017, the RRB OIG performed an audit of the RRB's compliance with the Federal Travel Regulation.⁴ The purpose of this audit was to determine if the RRB complied with the Federal Travel Regulation, and implemented and enforced adequate internal controls. In this report, the RRB OIG made six recommendations related to the travel card program. In fiscal year 2022, RRB management closed all but one of the remaining open recommendations from this report. Recommendation 11 remains open as follows.

- Office of Administration conduct refresher training on required travel card usage requirements for travel cardholders and approvers to ensure compliance with the Federal Travel Regulation.

The Office of Administration is working on arranging refresher training. Once completed, the RRB will submit a closure memorandum.

² Railroad Retirement Board (RRB) Office of Inspector General (OIG), *Audit of the Purchase Card Program at the Railroad Retirement Board*, Report No. 21-06 (Chicago, IL: May 27, 2021).

³ Pub. L. No. 112-194 (2012).

⁴ RRB OIG, *Railroad Retirement Board Did Not Always Comply with the Federal Travel Regulation*, Report No. 17-04 (Chicago, IL: April 11, 2017).

Conclusion

We have assessed the overall risk of illegal, improper, or erroneous purchases and payments as low.

cc: Johnathan D. Bragg, Labor Member
Thomas R. Jayne, Management Member
Kimberley M. Cameron, Planning and Policy Advisor to the Chairman
James D. Wilson, Counsel to the Chairman
Ana M. Kocur, General Counsel
Jack Schreibman, Director of Administration
Shawna R. Weekley, Chair of the Executive Committee / Chief Financial Officer
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