



OFFICE OF
INSPECTOR GENERAL
U.S. DEPARTMENT OF THE INTERIOR

RECOMMENDATIONS FOR THE REPORT, “CONTROLS OVER CHECK WRITING” (C-EV-MOA-0009-2011)



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Memorandum

MAY 15 2018

To: Allen Lawrence
Division Chief, Internal Control and Audit Follow-up

From: Nicki Miller *Nicki Miller*
Regional Manager

Subject: Verification Review – Recommendations for the Report “Controls Over Check Writing” (Report No. C-EV-MOA-0009-2011)
Report No. 2018-ER-030

The Office of Inspector General (OIG) has completed a verification review of the two recommendations presented in the subject report, *Controls Over Check Writing*. Our objective was to determine whether the U.S. Department of the Interior’s (DOI’s) Office of Acquisition and Property Management (PAM) implemented the recommendations as reported to the Office of Financial Management (PFM), Office of Policy, Management and Budget. The PFM reported to us that it has closed the recommendations. We concur that Recommendation 1 is resolved and implemented. We do not concur that Recommendation 2 is resolved and implemented; rather, we consider this recommendation to be resolved and not implemented. Outdated training requirements listed on the DOI Learn website (the DOI’s internal training site) combined with no record of check writers and approving officials completing required training annually, which is the DOI’s Integrated Charge Card Program (ICCP) policy, suggests challenges in implementing the new, annual training mandate remain.

Background

Our report, dated October 31, 2012, made two recommendations designed to enhance internal controls over the use of convenience checks and to ensure awareness of these controls. PAM concurred with the report’s recommendations in response to our draft dated October 5, 2012, and detailed its plans to implement them. In an October 31, 2014 memorandum, we referred the recommendations to the PFM director to track their implementation.

Scope and Methodology

The scope of this review was limited to determining whether PAM implemented the two recommendations we reported. To accomplish our objective, we reviewed our evaluation report, PAM’s responses to each recommendation, and evidence that supports PAM’s closure of each recommendation. We did not conduct internal control testing, site visits, or fieldwork to determine whether the underlying deficiencies that were initially identified have been corrected. As a result, this review was not conducted in accordance with Generally Accepted Government

Auditing Standards, issued by the Comptroller General of the United States, or Quality Standards for Inspection and Evaluation issued by the Council of the Inspectors General on Integrity and Efficiency.

Results of Review

We agree that Recommendation 1 is resolved and implemented. Although PAM believes that Recommendation 2 has been resolved and implemented, we do not agree and found that Recommendation 2, though resolved, has not been implemented.

Recommendation 1: All bureaus should evaluate their monthly reconciliation processes, considering lessons learned from the Department's pilot program.

Actions Taken:

1. The DOI conducted a pilot of the online reconciliation (review/approve) of charge card statements during fiscal year (FY) 2013. Based on the results of the pilot program, PAM implemented an online review/approve process, but decided against mandating it across the DOI due in part to the following reasons:
 - The field-based nature of bureau operations creates limited computer access in some locations.
 - The servicing bank for the DOI ICCP, JP Morgan, will no longer provide Government charge card services under the GSA Smart Pay contract after the current contract expires in November 2018. PAM management asserted that the transition to a new servicing bank for the DOI ICCP will require adoption of new online bank tools for reconciliation and transaction monitoring, and implementation of updated business processes.
2. In August 2015, PAM issued updates to the DOI ICCP policy designed to strengthened requirements for cardholders and supervisors to timely review and approve monthly transaction statements.

Recommendation 2: The Department should require Government charge card training for check writers and their approving officials more frequently than the current minimum of every 3 years.

Actions Taken:

1. In August 2015, PAM issued updates to the DOI ICCP policy requiring all cardholders and convenience check writers, approving officials/supervisors, and agency/organization program coordinators to complete mandatory annual refresher training to maintain continued participation in the DOI ICCP. This policy also provides a link to access a list of training expectations available for users of the program.

2. The updated policy was distributed in two emails. The first message was sent on August 27, 2015, to the heads of bureaus and offices, bureau assistant directors and administration, bureau chief financial officers, bureau procurement chiefs, financial assistance liaisons, and internal control coordinators and audit liaisons. The second email notification was sent on September 9, 2015, to all employees. According to PAM's officials, the policy is also housed on a Google site that is accessible by anyone with a doi.gov email address, and a link to the policy was provided in the email messages.

OIG Comments on Recommendation 2:

We reviewed the training records of three bureaus (National Park Service, Bureau of Reclamation, and Bureau of Land Management) covering FYs 2015 – 2017. We found that none of the check writers or approving officials completed their training annually as required by the existing ICCP policy, last updated in August 2015.

We also noted a discrepancy between the requirements for training as stated in the ICCP policy and what is listed on DOI Learn. The current ICCP policy states that convenience check writers and approving officials are required to complete mandatory annual refresher training to maintain continued participation in the DOI ICCP. The DOI Learn site states that training must be completed a minimum of every 3 years.

Upon OIG inquiry, PAM confirmed the training requirement discrepancy. PAM has indicated that it is taking steps to correct the issue; PAM needs to ensure, however, that training requirements are performed according to the policy and are properly documented. Consequently, we do not agree that this recommendation is resolved and implemented.

Conclusion

We conclude that Recommendation 1 is resolved and implemented and Recommendation 2 should be reopened for implementation and tracking. We informed PAM officials of the results of this review on **May 4, 2018**.

We request that the PFM provide a written response to this recommendation by **June 4, 2018**, indicating whether it reinstated Recommendation 2. If applicable, the response should provide the PFM's reasons for not reinstating the recommendation.

We would like to thank the PFM and PAM for providing information requested during our review. If you have any questions concerning this memorandum, please contact me at 703-487-8029.

cc: Megan Olsen, Director, Office of Acquisition and Property Management
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