

Report in Brief

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U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES
OFFICE OF INSPECTOR GENERAL



Why OIG Did This Review

The Government Charge Card Abuse Prevention Act (Charge Card Act) requires agencies to establish and maintain safeguards and internal controls for their Government charge card programs. Additionally, the HHS OIG is required to conduct annual risk assessments of travel card programs to analyze the risks of illegal, improper, and erroneous purchases.

Under the provisions of the Charge Card Act, we performed a risk assessment of HHS's charge card program and identified the Indian Health Service (IHS) as having a high risk of inappropriate travel card transactions. The Charge Card Act also requires that OIG conduct a further review of agency programs that have been assessed as high risk.

Our objective was to determine whether IHS's travel card program complied with Federal requirements and IHS's own policy.

How OIG Did This Review

We reviewed and analyzed a stratified sample of 151 travel card transactions for travel card expenditures incurred by IHS during Federal fiscal year (FY) 2015. We also reviewed the Charge Card Act, other relevant statutes and regulations, and HHS and IHS requirements and policy regarding the proper use of travel cards. Additionally, we reviewed the policies and procedures that IHS had in place during FY 2015 to evaluate the effectiveness of IHS's controls over its travel card program.

The Indian Health Service's Controls Were Not Effective in Ensuring That Its Travel Card Program Complied With Federal Requirements and Its Own Policy

What OIG Found

IHS's travel card program did not always comply with Federal requirements and IHS's own policy. We identified 16 transactions (out of the 151 sampled transactions we tested) that did not comply with Federal requirements and IHS policy regarding proper travel card use. These errors occurred because, although IHS had controls in place to *educate* cardholders on the requirements for the use of the travel card, the controls did not always prevent misuse of the travel card. Additionally, whereas IHS had controls in place to *monitor* cardholders, those controls did not always identify noncompliance.

On the basis of our sample results, we estimate that IHS cardholders may have incurred \$215,651 in travel expenditures that constituted misuse of the travel card. (Cardholders are liable for full reimbursement of all charges that they incurred on their travel cards.)

What OIG Recommends and IHS Comments

We recommend that IHS reemphasize the requirements for the use of the travel card to ensure that all travel cardholders are aware of the requirements and ensure that travel card usage is adequately monitored for compliance with the travel card requirements.

IHS concurred with both of our recommendations and described corrective actions that it had taken or planned to implement. Specifically, IHS stated that it had updated guidance, expanded IHS-specific training documents, and required all current IHS cardholders to complete refresher training and to sign updated cardholder agreements. IHS also said that it was implementing increased monitoring activities and additional training on the monitoring capabilities of IHS's current travel card system, that it would take swift corrective action for any significant deficiencies, and that it would clarify written policies regarding the monitoring of travel card activities.