

**Office of Inspector General
Corporation for National and
Community Service**

**Follow-up Review of the Corporation
for National and Community Service's
Purchase and Travel Card Programs**

OIG Report Number 07-19



Corporation for
**NATIONAL &
COMMUNITY
SERVICE** 

**Prepared by:
Office of Inspector General**

This report was issued to Corporation management on July 19, 2007. The Corporation's response to the draft report noted agreement with the recommendation and is considered to be the Proposed Management Decision, Management Decision and Notice of Final Action.



OFFICE OF INSPECTOR GENERAL

July 19, 2007

TO: Jerry Bridges
Chief Financial Officer

FROM: Carol Bates (signature on file)
Assistant Inspector General for Audit

SUBJECT: OIG Report 07-19, *Follow-Up Review of the Corporation for National and Community Service's Purchase and Travel Card Programs*

The Office of Inspector General (OIG) has completed its follow-up review of the Corporation for National and Community Service's (Corporation) Purchase Card and Travel Card Programs. The purpose of the review was to determine whether corrective actions were taken to close travel and purchase card accounts for employees who have separated from the Corporation.

EXECUTIVE SUMMARY

The Corporation has generally implemented effective controls to ensure that purchase card accounts are closed for personnel who have departed the agency. The Corporation still needs to ensure that the Agency Program Coordinator (APC) is notified in a timely manner of all employees with travel cards who are separating, or have separated, from the agency.

BACKGROUND

The revised Office of Management and Budget (OMB) Circular A-123, Appendix B, "*Improving the Management of Government Charge Card Programs*", dated February 2006, provides guidance to Federal managers when using government charge cards to pay for goods and services that support Federal missions. The circular establishes standard minimum requirements and provides best practices for government charge card programs that may be supplemented by individual agency policies and procedures. Agencies are required to provide data and performance metrics reports to OMB annually. Reports must contain the dates of the most recent and next scheduled independent review (e.g., Office of the Inspector General) for all agency charge card programs.

In OIG Report 06-42, *Review of the Corporation for National and Community Service's Purchase and Travel Card Programs*, issued on August 7, 2006, the OIG recommended that the Corporation develop a process for promptly closing travel card accounts for separated employees. The Corporation agreed with that recommendation and stated that it would develop



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Standard Operating Procedures for closing charge card accounts to ensure they are closed in a timely manner.

As of May 2007, there were 61 Corporation purchase cardholders and 440 travel cardholders. The Corporation's purchase card and travel card functions are managed by the APC, whose responsibility includes opening and closing charge card accounts for Corporation employees. The APC reports to the Director of the Office of Procurement Services.

We conducted our follow-up review between May 7, 2007, and May 14, 2007.

RESULTS

During the review, we verified that all 61 purchase cardholders were current Corporation employees. Therefore, we conclude that the Corporation has adequate controls over the closure of purchase card accounts.

Of the 440 open travel card accounts, we found that four accounts were for employees who had separated from the Corporation. The following table shows the date of resignation or retirement of those employees.

Employee 1	Resigned 04-12-07
Employee 2	Retired 03-03-07
Employee 3	Resigned 10-27-06
Employee 4	Retired 01-03-07

The APC stated that notification was not provided to her by the Corporation's Office of Human Capital that the individuals, all of whom were former field office employees, were no longer employed by the Corporation. Once notified by OIG, the APC closed the four travel card accounts indicated above. The APC also closed an account that had previously been deactivated for an employee who had separated from the Corporation. Travel card accounts that are not closed on a timely basis leave the agency at possible risk for fraudulent use of the cards.

We also identified three current employees who had not notified the APC of a change in their last names. During the review, the APC requested that those employees provide the appropriate documentation to ensure that the credit card company (Bank of America) was notified of their most current and accurate personal information.

RECOMMENDATION

We recommend that the Corporation develop a procedure to ensure that the Agency Program Coordinator is notified in a timely manner of all employees, including those from field offices, who are separating, or have separated, from the agency.

CORPORATION'S RESPONSE

The Corporation concurred with the above recommendation and has taken actions to improve its process for exiting employees. The Corporation recently created an automated pre-notification exit form for supervisors that will inform the appropriate Corporation offices having a responsibility as part of the exit process, including the APC, that an employee will soon be leaving the Corporation. Also, the Corporation has revised the exit clearance form to explicitly identify the responsibilities of both employees and clearance officials before they sign the clearance form.

AUDITOR'S COMMENTS

The corrective actions described in the Corporation's response concur with our recommendation.

We did not perform our work in accordance with generally accepted government auditing standards. This follow-up review is considered non-audit services under generally accepted government auditing standards, Appendix I, Section A3.03k.(3).

We consider the response in Appendix A to be the Corporation's proposed management decision, management decision and notice of final action.

cc: Nicola Goren, Chief of Staff
Ray Limon, Chief Human Capital Officer
William Anderson, Deputy Chief Financial Officer for Financial Management
Sherry Blue, Audit Resolution Coordinator
Ronald Huritz, OIG Audit Manager
Shamika Scott, OIG Auditor

APPENDIX A


CORPORATION'S RESPONSE TO REPORT

Corporation for
**NATIONAL &
COMMUNITY
SERVICE** 



Date: June 28, 2007

To: Carol Bates, Assistant Inspector General for Audit

From: Bill Anderson, Deputy CFO for Financial Management 

Subject: Follow up Review of Purchase and Travel Card Programs (07-19)

Thank you for the opportunity to comment on your follow up review of the Corporation's Purchase and Travel Card Programs (OIG 07-19). We are pleased that your review found that the Corporation has generally implemented effective controls to ensure that the purchase card accounts are closed for personnel that depart the agency. The report did note that the Corporation could improve its process to notify the travel card Agency Point of Contact (APOC) of all employees who depart the Corporation. The report recommended that the Corporation develop a procedure to ensure the timely notification of the travel card APOC when employees depart.

The Corporation agrees with the recommendation and has taken several steps to improve its process for exiting employees. Recently the Office of Information Technology, with assistance from the Office of Human Capital, created an automated pre-notification exit form for supervisors that will inform the appropriate Corporation offices who have a responsibility within the exit process, including the APOC, that an employee will soon be leaving the Corporation so actions can begin earlier and allow staff to manage the exiting process more efficiently. In addition, we have revised the Corporation's exit clearance form to explicitly identify the responsibilities of both employees and clearance officials before signing the clearance form. We believe these actions will ensure that employee access to Corporation resources will be terminated upon their departure. (Corrective Action Completed)

cc: Jerry Bridges, Chief Financial Officer
Ray Limon, Chief Human Capital Officer
Frank Trinity, General Counsel
Rudy Mazariegos, Chief Information Officer
Sherry Blue, Audit Resolution Coordinator

