



GAO Travel Cards

Opportunities Exist to Further Strengthen Controls

Objective: To assess whether GAO's policies and procedures (controls) are effective in preventing and detecting travel charge card misuse and delinquencies.

What OIG found: GAO's policy and procedures were generally effective in preventing and detecting travel charge card misuse. For example, GAO monitors monthly travel card activity reports to identify potential misuse and contacts employees regarding questionable charges. However, based on our analysis of travel card data, we identified areas where GAO's travel card program could be strengthened by adopting selected best practices identified in related Office of Management and Budget (OMB) guidance. For example, we determined that GAO could lower the spending limits (maximum charge amounts) for many cards and reduce the number of cards in use. After we provided GAO officials with our analysis, the agency lowered the monthly spending limit for individual travel charge cards from \$12,500 to \$7,500 and plans to assess the need for further reductions. In addition, our analysis identified a number of cards that were not being used. In response, GAO in August 2010 eliminated 12 of its 18 centrally billed cards.

In testing the effectiveness of GAO's monitoring of travel card delinquency, we found that the agency could improve its procedures to reduce delinquency. Our analysis of travel card payment information for 17 months showed that 238 employees, or 10 percent of card users, were delinquent one or more times. After we briefed GAO officials on our analysis, the agency changed its procedures to begin monitoring late travel card payments earlier and, to assess its monitoring efforts, has agreed to use a delinquency rate performance metric. While the agency has had a process to take action when employees were delinquent in paying their travel cards, we found that GAO was missing a key component—procedures that set out the requirements and time frames for referring delinquent cardholders for potential disciplinary action.

We also determined whether GAO was using OMB Circular No. A-123, Appendix B guidance and the controls it requires executive branch agencies to use in managing their travel card programs. We found that GAO has implemented some of the controls identified by OMB in its guidance, but is not using other controls, such as statistical and narrative information on travel card use to enhance program oversight and management of its travel card program. Further, GAO had not developed a management plan to help provide a road map for ensuring the ongoing effectiveness of its risk management controls. In addition, we found that OMB's travel card guidance was not used by GAO to manage or assess the effectiveness of its travel card program controls.

Recommendations for executive action:

- Develop procedures to minimize the number of travel cards and review the appropriateness of travel card spending and related ATM cash advance limits.
- Develop policies and procedures, including time frames, for referring delinquent cardholders for disciplinary action and notifying the OIG of actions taken.
- Develop and report statistical and narrative travel card compliance information to oversight managers.
- Establish a goal to gauge agency progress in reducing delinquency.
- Review OMB Circular No. A-123, Appendix B, to identify and adopt, as appropriate, additional controls and best practices to help reduce travel card program risk and improve management's assessment of travel card program controls.