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## Memorandum

Date: March 29, 2018

Subject: INFORMATION: Audit Announcement | DOT's Purchase Card Program |  
Project No. 18F3011F000  
Department of Transportation  
Federal Aviation Administration

From: Louis C. King   
Assistant Inspector General for Financial and Information Technology Audits

To: Senior Procurement Executive, DOT  
Director, Audit and Evaluation, FAA

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For fiscal year (FY) 2017, the Department of Transportation (DOT) had more than 225,000 purchase card transactions totaling \$151.8 million in purchases.<sup>1</sup> DOT uses the General Services Administration's (GSA) SmartPay® 2 Program—the world's largest government charge card and commercial payment solutions program—to enable authorized employees to make purchases on behalf of the Federal Government in support of their agency's mission. Through this program, the GSA contracts with several banks to issue purchase cards to Federal employees. Purchase card programs provide the Government with financial and cash management control over low-dollar value, high-volume procurements.

The Government Charge Card Abuse Prevention Act of 2012<sup>2</sup> requires executive branch agencies to establish and maintain safeguards and internal controls for purchase cards and convenience checks. Consistent with the act, the Office of Management and Budget (OMB) Circular A-123, Appendix B, *Improving the Management of Government Charge Card Programs*, details policies and procedures to reduce waste, fraud, and error in Government charge card programs.

We are initiating an audit of the DOT's purchase card program for the period October 1, 2016, through March 31, 2018. Our audit objectives are to (1) evaluate DOT's policies and procedures for oversight of its purchase card program and (2)

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<sup>1</sup> FY2017 GSA SmartPay Purchase Card Statistics Report.

<sup>2</sup> Public Law No. 112-194.

test existing controls to determine if they provide reasonable assurance that improper purchases are prevented or detected in the normal course of business.

We plan to begin the audit next month and will contact your audit liaison to schedule an entrance conference. We will conduct our work at DOT Headquarters in Washington, D.C., and the Enterprise Services Center in Oklahoma City, OK. We may also conduct work at select regional Operating Administration offices if necessary. If you have any questions, please contact me at 202-366-1407 or George Banks, Program Director, at 202-420-1116.

cc: DOT Audit Liaison, M-1  
FAA Audit Liaison, AAE-100