



Executive Summary, 2023-FMIC-B-007, May 8, 2023

Board Purchase Card Program Controls Are Generally Effective and Can Be Further Strengthened

Findings

The Board of Governors of the Federal Reserve System’s purchase card program controls generally (1) ensure that purchase card use is appropriate and in compliance with applicable laws, regulations, and the Board’s policies and procedures and (2) prevent and detect improper or fraudulent use of purchase cards. However, approving officials (AOs) did not approve 25 percent of transaction logs related to our statistical sample within the required time frame for various reasons. When AOs do not complete their reviews timely, the agency/organization program coordinator (AOPC) must discover the oversight and correct it; therefore, consistent review and approval by AOs could reduce the program’s dependence on the AOPC’s review.

Recommendation

This report contains one recommendation designed to help ensure that AOs review and approve transaction logs in a timely manner. In its response to a draft of our report, the Board partially concurs with our recommendation and outlines actions to address the recommendation. We will follow up to ensure that the recommendation is fully addressed.

Purpose

The objective of this audit was to assess whether the controls for the Board’s purchase card program adequately (1) ensure that purchase card use is appropriate and complies with applicable laws, regulations, and the Board’s policies and procedures and (2) prevent and detect improper or fraudulent use of purchase cards. Our audit covered the time period of January 1, 2020, through December 31, 2021.

Background

The Board participates in a governmentwide purchase card program to reduce administrative costs and promote efficient business practices by streamlining the purchase of certain goods and services for the Board’s divisions.

The Board’s Procurement section is responsible for the purchase card program and has designated an AOPC to manage the operation of the purchase card program and ensure that the program complies with applicable laws, regulations, policies, and procedures.