



**Defense Nuclear Facilities
Safety Board**

Washington, DC 20004-2901

**Office of the
Inspector General**

April 2, 2015

MEMORANDUM TO: Mark T. Welch
General Manager

FROM: Stephen D. Dingbaum */RA/*
Assistant Inspector General for Audits

SUBJECT: STATUS OF RECOMMENDATIONS: AUDIT OF THE
BOARD'S PURCHASE CARD PROGRAM (DNFSB-14-A-01)

REFERENCE: GENERAL MANAGER CORRESPONDENCE
DATED MARCH 2, 2015.

Attached is the Office of the Inspector General's (OIG) analysis and status of recommendations as discussed in the Board's response dated March 2, 2015. Based on this response, recommendation 3 is now closed. Recommendations 1, 2, 4 and 5 remain in resolved status. Please provide an updated status of the resolved recommendations by June 30, 2015.

If you have any questions or concerns, please contact me at 415-5915 or Eric Rivera, Team Leader, at 415-7032.

Attachment: As stated

cc: R. Howard, OGM

Audit Report

AUDIT OF THE BOARD'S PURCHASE CARD PROGRAM

DNFSB-14-A-01

Status of Recommendations

Recommendation 1: Update DNFSB Purchase Card Policy and Procedures to (a) remove verbal approval of requisitions, (b) provide guidance on site representative purchase approvals, (c) correct the record retention policy to 3 years to agree with Administrative Directive 211.2, (d) provide guidance on competitive procurement requirements, and (e) provide guidance on sole source justification documentation requirements.

Agency Response Dated
March 2, 2015:

The DNFSB opted not to provide formal comments for inclusion in this final report.

The new proposed Purchase Card Management Program operating procedures and the Purchase Card Management Program Directive, which (a) removes verbal approval of requisitions, (b) provides guidance on site representative purchase approvals, (c) correct the record retention policy to 3 years, (d) provides guidance on competitive procurement requirements, and (e) provides guidance on sole source justification documentation requirements, are currently being reviewed for Board approval. We anticipate approval no later than April 30, 2015. Implementation of this recommendation is still in progress.

OIG Analysis:

The proposed corrective action addresses the intent of OIG's recommendation. This recommendation will be closed when OIG receives and reviews the final Purchase Card Directive and supplementary document.

Status:

Resolved.

Audit Report

AUDIT OF THE BOARD'S PURCHASE CARD PROGRAM

DNFSB-14-A-01

Status of Recommendations

Recommendation 2: Finalize draft Administrative Directive 211.2 to include all of the required elements of a Charge Card Management Plan, as outlined in OMB Circular A-123, Appendix B.

Agency Response Dated
March 2, 2015:

The DNFSB opted not to provide formal comments for inclusion in this final report.

The new proposed DNFSB Purchase Card Management Program Operating Procedures and the Purchase Card Management Program Directive which includes all of the required elements of a Charge Card Management Plan, as outlined in OMB Circular A-123, Appendix B are currently being reviewed for Board approval. We anticipate approval no later than April 30, 2015. Implementation of this recommendation is still in progress.

OIG Analysis:

The proposed corrective action addresses the intent of OIG's recommendation. This recommendation will be closed when OIG receives and reviews the final Purchase Card Management Program Operating Procedures and the Purchase Card Management Program Directive.

Status:

Resolved.

Audit Report

AUDIT OF THE BOARD'S PURCHASE CARD PROGRAM

DNFSB-14-A-01

Status of Recommendations

Recommendation 3: Develop a plan to update, as necessary, and submit Administrative Directive 211.2 and *DNFSB Purchase Card Policy and Procedures* to OMB annually.

Agency Response Dated
March 2, 2015:

The DNFSB opted not to provide formal comments for inclusion in this final report.

The DNFSB Charge Card Management Plan was developed, approved and uploaded to OMB's website on January 30, 2015. The plan outlines the policies and procedures within the DNFSB that are critical to the management of the Charge Card Program.

The plan will be updated on an annual basis or more frequently if necessary. An updated copy of the plan will be uploaded to the OMB website no later than January 31st of each calendar year. We request closure of this recommendation based on the evidence provided above. Please see enclosed Charge Card Management Plan.

OIG Analysis:

OIG reviewed the final DNFSB Charge Card Management Plan that was uploaded to OMB's Web site and determined that this document meets the intent of the recommendation. Therefore, recommendation 3 is now closed.

Status:

Closed.

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AUDIT OF THE BOARD'S PURCHASE CARD PROGRAM

DNFSB-14-A-01

Status of Recommendations

Recommendation 4: Implement and enforce the controls noted in Administrative Directive 211.2, including (a) first level review of all supporting documentation for each transaction, (b) periodic purchase card transaction reviews, and (c) documentation of sole source procurement justification.

Agency Response Dated
March 2, 2015:

The DNFSB opted not to provide formal comments for inclusion in this final report.

The new proposed DNFSB Purchase Card Management Program operating procedures implements and addresses enforcement of internal controls to include (a) first level review of all supporting documentation for each transaction, (b) periodic purchase card transaction reviews, and (c) documentation of sole source procurement justification. We anticipate approval no later than April 30, 2015. Implementation of this recommendation is still in progress.

OIG Analysis:

The proposed corrective action addresses the intent of OIG's recommendation. This recommendation will be closed when OIG receives and reviews the new proposed DNFSB Purchase Card Management Program operating procedures, which includes first level review of all supporting documentation for each transaction, periodic purchase card transaction reviews, and documentation of sole source procurement justification, and determines these controls have been implemented.

Status:

Resolved.

Audit Report

AUDIT OF THE BOARD'S PURCHASE CARD PROGRAM

DNFSB-14-A-01

Status of Recommendations

Recommendation 5: Document that all cardholders have been informed of the updated policies, procedures, and implemented controls.

Agency Response Dated
March 2, 2015:

The DNFSB opted not to provide formal comments for inclusion in this final report.

Once the new proposed DNFSB Purchase Card Management Program operating procedures and the Purchase Card Management Program Directive are approved, all cardholders, approving officials, and agency program coordinator will be informed of the updated policies, procedures, and implemented controls via email by May 1, 2015. The documents will also be posted on the DNFSB Intranet.

Training on the updated policies, procedures, and implemented controls will be provided by the Division of Acquisition and Finance by May 15, 2015. Implementation of this recommendation is still in progress.

OIG Analysis:

The proposed corrective action addresses the intent of OIG's recommendation. This recommendation will be closed when OIG receives documentation that all cardholders have been informed of the updated policies, procedures, and implemented controls.

Status:

Resolved.