



Office of the  
Inspector General

**Defense Nuclear Facilities  
Safety Board**  
Washington, DC 20004-2901

July 16, 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 JUNE 30, 2015.

Attached is the Office of the Inspector General's (OIG) analysis and status of recommendations as discussed in the Board's response dated June 30, 2015. Based on this response, recommendations 1, 2, 4 and 5 are now closed. Recommendation 3 was previously closed. All recommendations related to this report are now closed.

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  
June 30, 2015:

The new Purchase Card Management Program Operating Procedure (OP) dated June 29, 2015 and the Government Charge Card Management Program Directive dated June 25, 2015 remove verbal approval of requisitions, provide guidance on site representative purchase approvals, correct the record retention policy to 3 years, provide guidance on competitive procurement requirements, and provide guidance on sole source justification documentation requirements.

The Government Charge Card Management Program Directive, and the Purchase Card Management Program Operating Procedures are attached.

OIG Analysis:

OIG reviewed the new Purchase Card Management Program Operating Procedure dated June 29, 2015, and the Government Charge Card Management Program Directive dated June 25, 2015, and determined that these policies and procedures included in the documents meet the intent of the recommendation. Therefore, recommendation 1 is now closed.

**Status:**

Closed.

## **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  
June 30, 2015:

The new DNFSB Purchase Card Management Program Operating Procedures dated June 29, 2015, and the Government Charge Card Management Program Directive dated June 25, 2015 include the required elements of Charge Card Management Plan, as outlined in OMB Circular A-123, Appendix B.

The Government Charge Card Management Program Directive, and the Purchase Card Management Program Operating Procedures are attached

OIG Analysis:

OIG reviewed the new Purchase Card Management Program Operating Procedure dated June 29, 2015, and the Government Charge Card Management Program Directive dated June 25, 2015, and determined that these documents now include the required elements of OMB A-123, Appendix B, to meet the intent of the recommendation. Therefore, recommendation 2 is now closed.

**Status:**

Closed.

## **Audit Report**

### **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  
June 30, 2015:

The new DNFSB Purchase Card Management Program Operating Procedure, dated June 29, 2015, 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.

The Purchase Card Management Program Operating Procedure is attached.

OIG Analysis:

OIG reviewed the new Purchase Card Management Program Operating Procedure dated June 29, 2015, and determined that the controls outlined in this document meet the intent of the recommendation. Therefore, recommendation 4 is now closed.

**Status:**

Closed.

## **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  
June 30, 2015:

All cardholders, Approving Officials and the Agency Program Coordinator will be informed of the updated policies, procedures and implemented controls via email, by July 1, 2015. The documents will 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 August 31, 2015.

OIG Analysis:

OIG reviewed the confirmation email that all cardholders, Approving Officials and the Agency Program Coordinator have been informed of the updated policies, procedures, and implemented controls, and determined that it meets the intent of the recommendation. Therefore, recommendation 5 is now closed.

**Status:**

Closed.