



# **Executive Summary:**

## **Opportunities Exist for the CFPB to Strengthen Compliance with Its Purchase Card Policies and Procedures**

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### **Purpose**

Our objective was to assess whether the controls for the Consumer Financial Protection Bureau's (CFPB's) purchase card program were adequate to (1) ensure that purchase card use is appropriate and in compliance with applicable laws, regulations, and the CFPB's policies and procedures and (2) prevent and detect improper or fraudulent use of purchase cards.

### **Background**

To streamline the acquisition process for qualifying purchases, the CFPB participates in the General Services Administration's (GSA's) SmartPay2 program through a task order with the Department of the Treasury's master contract with Citibank. Within the Department of the Treasury, the Bureau of Public Debt's Administrative Resource Center (BPD ARC) provides purchase card administrative services and acts as the liaison between the CFPB and Citibank. The CFPB is operating under the BPD's 2011 *Government Purchase Card Procedures* and the CFPB's *Purchase Card Guides for the Mobile Workforce and Flagship Cardholders* until internal purchase card policies and procedures are finalized.

### **Finding**

The internal controls for the CFPB's purchase card program are adequate and operating effectively to ensure that the program is generally in compliance with applicable laws, regulations, and the CFPB's policies and procedures and to prevent and detect improper or fraudulent use of purchase cards. We did, however, note several instances of noncompliance with applicable policies and procedures. Specifically, we noted the following:

- Cardholders, including some who had separated from the CFPB, were missing purchase card files or missing supporting documentation in their purchase card files.
- Cardholders paid sales taxes.
- Cardholders did not document the reason for using convenience checks, and one cardholder improperly used a convenience check instead of a purchase card.
- Cardholders did not document the reason for purchases that had the appearance of a split transaction.

### **Recommendations**

We recommend that the Assistant Director for Procurement direct the approving officials to ensure that cardholders maintain appropriate supporting documentation in their purchase card files, use convenience checks as a last resort, and document the reason for any purchases that may have an appearance of a split transaction. We also recommend that the Assistant Director for Procurement ensure that the Agency Program Coordinator expands the quarterly compliance audit to include review of receipts, invoices, and payment of taxes; assesses the effectiveness of the recently implemented exit procedures for separating cardholders and makes adjustments as necessary; and uses available reports from the Citibank Custom Reporting System as appropriate.

Access the full report: [http://www.federalreserve.gov/oig/files/CFPB\\_Purchase\\_Card\\_Compliance\\_full\\_Sep2013.pdf](http://www.federalreserve.gov/oig/files/CFPB_Purchase_Card_Compliance_full_Sep2013.pdf)  
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