U.S. GENERAL SERVICES ADMINISTRATION
Office of Inspector General

September 29, 2026

TO: EDWARD C. FORST
GSA ADMINISTRATOR (A)

FROM: ROBERT C. ERICKSON ROBERT ERICKSON Digitally signed by ROBERT ERICKSON Date: 2026.09.28 10:40:03 -04'00'
ACTING INSPECTOR GENERAL (J)

SUBJECT: GSA Office of Inspector General's Fiscal Year 2025
Risk Assessment of GSA's Purchase Card Program
Audit Memorandum Number A260039

We conducted a risk assessment of GSA's purchase card program to identify and analyze risk of illegal, improper, or erroneous purchases related to GSA's purchase cards. In addition, the risk assessment is used to determine the appropriate scope, frequency, and number of periodic audits of the purchase card program. We based our risk assessment on GSA's Fiscal Year (FY) 2025 purchase card data and five risk categories: (1) high-risk transactions, (2) internal controls, (3) previous audits, (4) training, and (5) GSA Office of Inspector General Office of Investigations' (GSA OIG Investigations') input.

We assessed the overall risk for GSA's purchase card program as moderate. Furthermore, it has been 9 years since we performed a full audit of GSA's purchase card program. As a result, we are planning an audit of GSA's purchase card program in our *FY 2027 Audit Plan*.

BACKGROUND

The Government Charge Card Abuse Prevention Act of 2012 (Charge Card Act) was enacted to prevent waste, fraud, and abuse that may exist in federal charge card programs.[1] The Charge Card Act and Office of Management and Budget (OMB) Revised Circular No. A-123, Appendix B, *A Risk Management Framework for Government Charge Card Programs*, requires Inspectors General to periodically conduct risk assessments of purchase and travel card programs. These assessments analyze the risk of illegal, improper, or erroneous purchases and payments. Inspectors General are required to use these risk assessments to determine the necessary scope, frequency, and number of audits to be performed in these areas.

GSA's Office of Administrative Services (OAS), Office of Travel and Charge Card Services, manages GSA's purchase card program. A GSA purchase card account may be issued to an employee based upon the needs of program offices and used to pay for authorized supplies or services. All GSA purchase card accounts are centrally billed accounts, meaning, unlike GSA travel cards where individual employees are liable for purchases, GSA is liable for all purchases

[1] Pub. L. No. 112-194, Section 1909 (October 5, 2012).

made with a purchase card. In addition, purchases made using a GSA purchase card are exempt from sales taxes. In FY 2025, GSA's total purchase card spending exceeded $13.7 million. Due to an executive order, FY 2025 activity was 55 percent less than FY 2024 activity.[2]

RISK ASSESSMENT METHODOLOGY

Our risk assessment is based on GSA's FY 2025 purchase card data and five risk categories: (1) high-risk transactions, (2) internal controls, (3) previous audits, (4) training, and (5) GSA OIG Investigations' input.[3] We assigned weights to each risk category, allocating 40 percent to high-risk transactions; 25 percent to internal controls; 15 percent to previous audits; and 10 percent to both training and GSA OIG Investigations' input. Based on our analysis, we determined a risk rating of low, moderate, or high for each category (numerically 1, 2, or 3, respectively) and then calculated a weighted risk rating for overall risk.

To perform the risk assessment, we:

- Identified public laws, executive orders, OMB memorandums, and GSA policies and procedures relevant to GSA's purchase card program;
- Reviewed prior audit reports and risk assessments related to GSA's purchase card program;
- Obtained and analyzed FY 2025 purchase card data related to our five risk categories; and
- Interviewed and corresponded with OAS staff to understand GSA's purchase card program.

RESULTS

We determined that the risk of illegal, improper, or erroneous purchases related to GSA's purchase card program during the FY 2025 assessment period is moderate. We assigned a risk rating for each of the five risk categories and calculated a weighted risk rating. We assessed two of the five risk categories as low-risk, two as moderate-risk, and one as high-risk. *Figure 1* on the next page shows the details of our assessment.

[2] Executive Order 14222, *Implementing the President's "Department of Government Efficiency" Cost Efficiency Initiative* (February 26, 2025).

[3] We used professional judgment to determine compliance with requirements when we assessed risk ratings for each category.

Figure 1. Risk Category Ratings and Weighted Risk Ratings

Risk Category	Risk Rating	Weight (%)	Weighted Risk Rating
High-Risk Transactions	1	40	0.4
Internal Controls	2	25	0.5
Previous Audits	3	15	0.45
Training	1	10	0.10
GSA OIG Investigations' Input	2	10	0.20
Total			**1.65**

Based on our risk scale, a weighted risk rating of 1.65 rounds up to an overall risk rating of moderate.

High-Risk Transactions

We analyzed high-risk transactions to calculate the percentage of monetary value and occurrence relative to all transactions. We determined the following types of transactions as high risk to GSA's purchase card program:

- Single transactions greater than $10,000;
- Cardholders' aggregate monthly transactions greater than $250,000;
- Transactions with sales tax;
- Transactions without supporting invoices;
- Blocked and flagged transactions;
- Those made after cardholders' separation/termination date;
- Those made on a holiday or weekend;
- Those using third-party payment processors; and
- Those for travel-related expenses (Uber, Lyft, restaurant, hotel, airfare, parking, rental car).

We defined thresholds for the extent to which these nine high-risk transactions may affect the Agency monetarily (impact) and the possibility that the high-risk transactions may occur (likelihood). The higher the combined impact and likelihood ratings, the higher the overall risk level for each high-risk transaction. *Figure 2* below shows the defined criteria for each risk rating level.

Figure 2. High-Risk Transactions Impact and Likelihood Risk Criteria

Risk Rating	Impact	Likelihood
Low	Less than $1 million	Less than 20 percent of occurrence
Moderate	$1 million to $3 million	20 to 50 percent of occurrence
High	More than $3 million	51 percent or more likelihood of occurrence

We calculated the monetary value (impact) and rate of occurrence (likelihood) for each of the nine high-risk transaction types relative to all FY 2025 transactions. Based on our analysis, eight received low impact and low likelihood ratings. Transactions without a receipt or invoice received a low impact and medium likelihood rating.

The combined impact and likelihood risks for these transactions presents a low risk to the Agency. As a result, we assigned high-risk transactions a low-risk rating.

Internal Controls

We used criteria identified in the Charge Card Act and OMB Revised Circular No. A-123, Appendix B, to assess internal controls associated with GSA's purchase card program. We reviewed program documentation and information from OAS to assess GSA's compliance with 83 controls and requirements applicable to purchase card programs. *Figure 3* below shows the compliance thresholds by risk rating as developed by the audit team.[4]

Figure 3. Risk Criteria for Internal Controls and Requirements Compliance

Risk Rating	Compliance with Purchase Card Program Controls and Requirements
Low	90 percent or more compliance
Moderate	80 to 89 percent compliance
High	Less than 80 percent compliance

We found that GSA fully complied with 14 of the 16 Charge Card Act requirements (88 percent) and 63 of the 67 applicable requirements (94 percent) from OMB Revised Circular No. A-123, Appendix B. See ***Appendix A*** for detailed results.

We also evaluated the reasonability and effectiveness of GSA's processes to monitor and identify illegal, improper, or erroneous purchase card transactions. We found that GSA's monitoring processes are manual and sample coverage is approximately 5 percent. We also found that certain data, such as single transaction limits, in effect at the time of a transaction is not maintained, limiting the effectiveness of monitoring efforts. Taken together, these weaknesses within GSA's processes limit GSA's ability to monitor and identify illegal, improper,

[4] We found GSA was partially compliant with two controls; however, we only considered full compliance in our risk rating criteria.

and erroneous purchase card transactions that it is liable for. As a result, we assigned internal controls a moderate-risk rating.

Previous Audits

The most recent GSA Office of Inspector General purchase card audit was completed in 2016.[5] GSA implemented all corrective actions from this audit. However, due to the time elapsed since that report, we assigned previous audits a high-risk rating since the purchase card program has not been audited in 9 years.

Training

We assessed GSA personnel's compliance with purchase card program training requirements based on the three roles within the program (cardholders, approving officials, and analysts). We obtained purchase card training records to determine the completion rate of the required purchase card training. We analyzed GSA purchase card training records for each of the three roles within the program and calculated that roughly 95 to 100 percent completed the required biennial purchase card training by the established deadline. As a result, we assigned training a low-risk rating.

GSA OIG Office of Investigations' Input

We obtained input from the GSA OIG Office of Investigations into the risk of illegal, improper, or erroneous purchases related to GSA's purchase cards and in developing our high-risk transaction list. The GSA OIG Office of Investigations assessed purchase card risk as moderate because of their inherent risk. As a result, we assigned GSA OIG Office of Investigations' input a moderate-risk rating.

CONCLUSION

We determined that the risk of illegal, improper, or erroneous purchases related to GSA's purchase card program is moderate. Furthermore, it has been 9 years since we performed a full audit of GSA's purchase card program. As a result, we are planning an audit of GSA's purchase card program in our *FY 2027 Audit Plan*.

I would like to thank you and your staff for your assistance during this risk assessment. If you have any questions regarding this audit memorandum, please contact me at (202) 501-0450 or R. Nicholas Goco, Assistant Inspector General for Auditing, at (202) 501-2322.

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[5] *GSA's Purchase Card Program is Vulnerable to Illegal, Improper, or Erroneous Purchases* (Report Number A160022, September 30, 2016).

Appendix A – Internal Controls Compliance

GSA Compliance with the Charge Card Act, Section 1909

Subsection and Paragraph	Required Safeguards and Internal Controls	Compliant?
(a)(1)	A record of each purchase cardholder, with limits on single transactions and total transactions.	Yes
(a)(2)	Each purchase cardholder is assigned an approving official with authority to approve or disapprove transactions.	Yes
(a)(3)	Each purchase cardholder and approving official are responsible for: (A) reconciling charges on each statement with receipts and supporting documentation; and (B) forwarding a summary report to the certifying official in a timely manner to ensure that the government only pays for valid charges.	Yes
(a)(4)	Any disputed charge and discrepancy between receipt and supporting documentation and the account statement is resolved as prescribed in the applicable government-wide purchase card contract.	Yes
(a)(5)	Payments on purchase card accounts are made promptly within prescribed deadlines to avoid interest penalties.	Yes
(a)(6)	Rebates and refunds based on prompt payment, sales volume, or other actions are reviewed for accuracy and properly recorded as a receipt to the agency.	Yes
(a)(7)	Records of each purchase card transaction (including records on associated contracts, reports, accounts, and invoices) are retained accordingly.	Yes
(a)(8)	Periodic reviews are performed to determine whether each purchase cardholder has a need for the purchase card.	Yes
(a)(9)	Appropriate training is provided to each purchase cardholder and each official with responsibility for overseeing the use of purchase cards.	Yes
(a)(10)	Policies regarding the number of purchase cards issued by various component organizations and categories of component organizations, the credit limits, and categories of employees eligible to be issued purchase cards.	Partial
(a)(11)	The executive agency uses effective systems, techniques, and technologies to prevent or identify illegal, improper, or erroneous purchases.	Yes
(a)(12)	The executive agency invalidates the purchase card of each employee who: (A) ceases to be employed by the agency, immediately upon termination of the employment of the employee; or (B) transfers to another unit of the agency unless the agency determines that the units are covered by the same purchase card authority.	Yes
(a)(13)	The executive agency takes steps to recover the cost of any illegal, improper, or erroneous purchase made with a purchase card or	Yes

Subsection and Paragraph	Required Safeguards and Internal Controls	Compliant?
	convenience check by an employee, including, as necessary, through salary offsets.	
(c)(1)	Each agency shall provide for appropriate adverse personnel actions or other punishment to be imposed in cases in which agency employees violate agency policies or make illegal, improper, or erroneous purchases.	Yes
(c)(2)	Penalties prescribed for employee misuse of purchase cards or convenience checks shall include dismissal of the employee, as appropriate.	Partial
(c)(3)	Each agency with more than $10,000,000 in purchase card spending annually, and each Inspector General, on a semiannual basis, to submit to the Director of the Office of Management and Budget a joint report on violations or other actions by employees. At a minimum, the report includes: (A) summary description of confirmed violations of misuse, and (B) summary description of all adverse personnel action, punishment, or other action taken based on each violation.	Yes

GSA Compliance with OMB Revised Circular No. A-123, Appendix B

Section	Purchase Card Program Management Requirements	Compliant?
2.2	Agencies must implement management practices that identify, assess, respond, and report on risks.	Yes
	Agencies must develop a risk profile annually.	Yes
2.4	**Agencies must establish and monitor controls to:**	
	Ensure cardholders receive delegation of purchase authority.	Yes
	Ensure the application for a government charge card is completed by each employee, approved by her or his supervisor, and documentation of supervisory approval is maintained.	Yes
	Ensure Agency/Organization Program Coordinators assigned to the office reviews and completes each charge card application accurately.	Yes
	Ensure Agency/Organization Program Coordinators are the only individuals authorized to process charge card applications.	Yes
	Ensure employees complete all required training prior to submission of their charge card.	Yes
	Promptly detect potentially improper transactions, which may include splitting purchases, buying outside of business line authority, spending over authorized limits, and purchasing prohibited goods and services.	Yes
	Ensure disputed purchases and discrepancies between a receipt and other supporting documentation and the statement of account are resolved in the manner prescribed in the master contract; Support and expand the use of the purchase business line use as a payment method under existing contracts and for agency payments generally; and Ensure non-warranted cardholders and payment office officials are appropriately delegated authority to process payments using the purchase card business line.	Yes
	Ensure a cardholder reconciles transactions in accordance with agency policy, but no later than 30 days after the end of the cycle date.	Yes
	Ensure proper supporting documentation accompanies charge card transactions.	Yes
	Ensure approving officials approve or disapprove charge card transactions in accordance with agency policy, but no later than 30 days after the end of the cycle date.	Yes
	Ensure a cardholder is not the approver of her or his own transactions regardless of review and approval methodology.	Yes
	Ensure a summary report is provided to the certifying official in a timely manner containing information necessary to enable the certifying official to ensure that the federal government ultimately pays only for valid charges that are consistent with the terms of the applicable government-wide purchase card contract entered into by the Administrator of General Services.	Yes

Section	Purchase Card Program Management Requirements	Compliant?
2.4 (cont.)	Ensure any disputed purchase card charge, and any discrepancy between a receipt and other supporting documentation and the purchase card statement of account, is resolved in the manner prescribed in the applicable government-wide purchase card contract entered into by the Administrator of General Services.	Yes
	Ensure charge card balances are paid and accounts are closed as required.	Yes
	Ensure lost, damaged, or stolen cards are properly addressed.	Yes
	Ensure charge card delinquency is addressed and take necessary steps to recover the cost of any illegal, improper, or erroneous purchases or payments.	Yes
	Ensure the approving official has direct knowledge of the cardholder's role and the ability to verify receipt of goods or services.	Yes
	Ensure the number of cardholders and approving officials/supervisors assigned to an Agency/Organization Program Coordinator is reasonable based on the volume of cardholder activity and organizational structure.	No
	Ensure the assignment of duties is appropriately separated by individual, except in situations where such separation is not practical.	Yes
	Define approving official appointment process, responsibilities, and training requirements.	Yes
	Complete reviews of transactions by cardholders, approving officials, certifying officers, and Agency/Organization Program Coordinators and ensure disputes, when necessary, occur within the timelines defined in the master contract.	Yes
	Identify instances where a cardholder fails to resolve and/or timely dispute an erroneous charge and require, consistent with agency policy, the cardholder to reimburse the government for the cost of the item or service purchase.	Yes
	Ensure cardholders notify their approving official, Agency/Organization Program Coordinator, and the contracting bank immediately upon discovery that a purchase card is lost, damaged, stolen, or fraudulently used.	Yes
2.8	**General responsibilities of charge card managers in implementing risk management controls, policies, and practices are to establish:**	
	Appropriate controls to ensure compliance with federal laws, federal regulations, and agency regulations; and to monitor program effectiveness.	Yes
	Risk management policies and practices through the agency's charge card management plan.	Yes
	A process to update the charge card management plan with enhanced risk management policies and practices, as applicable.	Yes
	Policy criteria for determining account establishment and application of correct spending limits.	Yes

Section	Purchase Card Program Management Requirements	Compliant?
2.8 (cont.)	Policy designed to manage financial risk to the federal government and to help ensure the integrity of government charge card programs.	Yes
	Policy requiring records of each purchase, travel, and fleet card issued to be retained in accordance with agency and National Archives and Records Administration (NARA) policy.	Yes
	Policy detailing review criteria, documentation, and associated timelines to ensure the cardholder has an ongoing need for assigned credit limits.	No
	Policy for account closure when the cardholder/check writer separates from government service, departs the agency, or when the account is no longer needed.	Yes
	Policy for cardholder/check writer internal agency transfers.	Yes
	Policy to monitor and address delinquencies.	Not applicable
	Policy addressing separation of duties among roles, such as cardholders, approving officials, and Agency/Organization Program Coordinators and other positions as appropriate.	Yes
	Policy for the use of data analytics tools or electronic bank systems to detect potential instances of potential fraud, misuse, and delinquency; and to identify trends in charge card program performance.	Yes
	Policy requiring card managers to routinely review charge card reports.	Yes
	Training policy for cardholders, approving officials, and other staff involved in either managing or using charge cards.	Yes
	Policy for contacting employees to inquire about questionable or suspicious transactions.	Yes
	Policy requiring use of the correct appropriation/line of accounting.	Yes
	Policy requiring purchase business line statement reconciliation or transaction reconciliation in a timely manner.	Yes
	Policy for providing summary report to the certifying official in a timely manner to ensure the federal government pays for only valid purchase card charges that are consistent with the terms of the charge card services contract.	Yes
	Coordinate with the agency human resources office to ensure policy is issued addressing administrative and/or disciplinary actions for occurrences of charge card misuse.	Yes
2.11.3	Develop and issue guidance regarding the use of third-party payment providers. This includes criteria for when these transactions are authorized as well as relevant cardholder documentation required to demonstrate that other vendors and/or payment options were considered.	Yes
3.1	Issue, maintain, and update the charge card management plan within 12 months after a new executive order is issued related to charge card management; otherwise, every 2 years.	Yes

Section	Purchase Card Program Management Requirements	Compliant?
3.3	**The elements required in the charge card management plan are:**	
	Identification of key management officials and their responsibilities for each business line.	Yes
	Establishment of a process for written appointment of purchase and integrated (purchase business line) cardholders.	Yes
	Implementation of a process to ensure the creditworthiness of new charge card applicants (Chapter 6 for Individually Billed Accounts).	Not applicable
	Description of agency training requirements.	Yes
	Management controls, policies, and practices for ensuring appropriate charge card and convenience check use and oversight of fraud, misuse, and delinquency.	Yes
	Establishment of appropriate authorization controls.	Yes
	Policies and practices developed to ensure appropriate consideration by cardholders of category management, Acquisition Gateway, and strategic sourcing.	Yes
	Explanation of how available reports and data are used for monitoring delinquency, misuse, performance metrics, spend analysis, and other relevant transactions and program management issues.	Yes
	Documentation and record retention consistent with NARA and agency-specific policies.	Yes
	Policies for the closure or transfer of charge cards and maintenance of other documentation when employees terminate employment and, if applicable, when an employee moves to a different organization.	Yes
3.4	Provide an annual certification that the appropriate policies and controls are in place or that corrective actions have been taken to mitigate the risk of fraud and inappropriate charge card practices.	Yes
4.4	All program participants must be trained in charge card management prior to appointment.	Yes
	All program participants must take refresher training, at a minimum, every 3 years.	Yes
	All program participants must certify that they have received charge card management training, understand the regulations and procedures, and know the consequences of inappropriate actions.	Yes
	Copies of required training certificates must be maintained pursuant to NARA requirements.	Yes
5.3.3	Executive agencies with more than $10 million in annual purchase business line spend must submit a joint agency and Inspector General report to the OMB Director on any violations.	Yes
13.3	Issue policies and procedures to ensure effective property management.	Yes
A.5	**When mitigating risks of misuse and/or delinquency, charge card managers should:**	
	Implement strict internal controls that mitigate charge card risks to the greatest extent possible.	Yes

Section	Purchase Card Program Management Requirements	Compliant?
	Perform periodic reviews of spending and transaction limits to ensure appropriateness.	No
	Conduct internal charge card program reviews on a regular basis to ensure internal control mechanisms are adequate.	Yes
	Monitor reports to identify potential split purchases.	Yes
	Perform periodic reviews of the number of charge card accounts in use for appropriateness of number and evaluate the span of control for approving officials; and	No
	Keep current on new and innovative solutions to detect and identify potential fraud, misuse, and delinquency such as data analytics, blocking card use for high-risk merchant category codes, more restrictive spending limits during expected periods of inactivity, periodic review of cardholder accounts for continued necessity, and establishing a control to ensure that card accounts are canceled when the employee retires or leaves the agency.	Yes

Appendix B – Memorandum Distribution

GSA Administrator (A)

GSA Deputy Administrator (AD)

Chief Administrative Services Officer (H)

Chief of Staff (H)

Director, Office of Travel and Charge Card Services (HB)

Chief Financial Officer (B)

Deputy Chief Financial Officer (B)

Audit Management Division (BPA)

Assistant Inspector General for Auditing (JA)

Deputy Assistant Inspector General for Acquisition Audits (JA)

Deputy Assistant Inspector General for Real Property Audits (JA)

Director (JAO)