MEMORANDUM

TO: Timothy G. Massad, Chairman,
Commissioner Sharon Y. Bowen,
Commissioner J. Christopher Giancarlo

FROM: A. Roy Lavik, Inspector General

DATE: February 19, 2016

SUBJECT: OIG Risk Assessment of the U.S. Commodity Futures Trading
Commission (CFTC) Purchase Card and Convenience Check
Program (FY 2015)

The Government Charge Card Abuse Prevention Act of 2012 (P.L. No. 112-
194) requires the Inspector General to report to the head of the agency the results of
analyses or audits of the agency's purchase card or convenience check programs, to
conduct periodic assessments, and to conduct analyses and audits as necessary.

During Fiscal Year 2015, CFTC noted $3,736,975.61 in charges on 39
purchase cards issued to CFTC staff. Over the same period approximately
$105,503.59 in expenses were paid by convenience checks. For this period, the OIG
received no allegations regarding purchase cards or convenience checks. Annually,
the OIG engages an independent public accounting firm to conduct an audit of the
CFTC's financial statements. The independent public auditors did not identify any
reportable matter related to purchase card and convenience check usage for fiscal
year 2015. They did conclude that controls for purchase requisitions were effective.

However, CFTC's auditors¹ contracted to evaluate internal controls for FY
2015 identified that controls over purchase cards were generally adequate but made
3 recommendations to ensure compliance with applicable regulations, policies, and
good business practice. Specifically, they recommended improvements in
document retention protocols, communication and oversight, and electronic
archiving. Since management has corrective actions in place to address these
recommendations and considering the independent auditor's conclusion, we assess
the current risk of illegal, improper, or erroneous purchases as low.

¹Kearney & Company is a CPA firm headquartered in Alexandria, Virginia. They specialize in supporting Federal
operations at all levels including internal controls assessments.