

## **Internal Control Assessment Credit Cards-Government Use Only**

### **Purpose**

To ensure that proper internal controls exist regarding FSA's purchase card program for small purchases.

### **Background**

In 1998, GSA awarded five contracts, hereafter referred to as SmartPay, that provide Federal agencies a new way to pay for commercial goods and services as well as travel and fleet related expenses. The GSA SmartPay contracts are effective from November 30, 1998 through November 29, 2003, with five one year options to renew. Awards were made to five service providers: Citibank, Bank One, Mellon Bank, Bank of America, and U.S. Bank. FSA's purchase card is a VISA credit card issued through the Bank of America. This program allows the Government to save money by making one payment to the purchase card contractor rather than several payments to individual merchants. Under GSA policy, the card should never be used for personal reasons.

### **Internal Control Standard**

FSA must ensure that all credit card purchases are Government official use only, and under no circumstances, for personal use.

### **Assessment of FSA's Compliance\***

We selectively examined credit card transactions with specific SIC codes that could possibly include purchases for personal versus business use. We discovered that there were instances of credit card purchases for personal use.

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\* The actual testing phase including interviews and examination of sampled records has not yet occurred. This write-up is only a sample of what may be discovered during the testing phase of the FMFIA process.