



OFFICE OF
INSPECTOR GENERAL
U.S. DEPARTMENT OF THE INTERIOR

GovTRIP USE AND MONITORING BY THE U.S. DEPARTMENT OF THE INTERIOR— BUREAU OF OCEAN ENERGY MANAGEMENT



**OFFICE OF
INSPECTOR GENERAL**
U.S. DEPARTMENT OF THE INTERIOR

SEP 09 2013

Memorandum

To: Tommy Beaudreau
Director, Bureau of Ocean Energy Management

Brian M. Salerno
Director, Bureau of Safety and Environmental Enforcement

Gregory J. Gould
Director, Office of Natural Resources Revenue

From: *for* Kimberly Elmore *Donald W. Cairns*
Assistant Inspector General for Audits, Inspections, and Evaluations

Subject: Final Audit Report – GovTrip Use and Monitoring by the U.S. Department of the Interior – Bureau of Ocean Energy Management
Report No. WR-IN-BOEM-0007-2013

The U.S. Department of the Interior (DOI) spends approximately \$250 million a year through GovTrip on travel, with the Bureau of Ocean Energy Management (BOEM) accounting for about \$4 million of these funds.¹

This report is part of our DOI-wide audit of GovTrip and related travel processes and procedures. Although the contract for a new system is scheduled to replace GovTrip in November 2013, we found several significant issues specific to BOEM that warrant your attention under the current GovTrip travel system. We plan to issue an audit report to the Deputy Secretary that will focus on DOI's planned acquisition and use of a new travel management system.

We initiated an audit of DOI's GovTrip use and monitoring based on limitations in GovTrip that we discovered during a prior evaluation, including DOI's and its bureaus' inability to freely access travel system reports from GovTrip and the uncertainty of the reliability of the data in those reports.² We determined that the risks presented by these limitations were significant enough to warrant further review.

The objective of our audit was to assess DOI's implementation, use, and monitoring of GovTrip as a part of the overall travel system. Specifically, we assessed DOI's ability to

¹ All of the data for our audit testing period fell under the purview of the former Minerals Management Service (MMS). With the subsequent reorganization of MMS into three separate entities, the findings and associated recommendations of this report apply to all three entities. For ease of reading, all mentions of the Bureau of Ocean Energy Management (BOEM) also refer to the Bureau of Safety and Environmental Enforcement and the Office of Natural Resources Revenue.

² "U.S. Department of the Interior's Video Teleconferencing Usage," WR-EV-MOA-0004-2010. December 2011.

reconcile its various systems to determine whether data and dollars spent are fair and accurate. The audit scope encompassed fiscal years 2009 and 2010 and included testing of more than 700 travel vouchers and 300 charge card statements across DOI's bureaus. We also interviewed more than 100 DOI and bureau personnel involved in the travel process, including approving officials, intermediate reviewers, and bureau travel leads.

We conducted this audit in accordance with Generally Accepted Government Auditing Standards. These standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective. We are attaching further detail as to the objective, scope, methodology, and testing performed during this audit (see Attachment 1).

Background

Since August 2007, DOI has used GovTrip under a task order from the General Services Administration's (GSA) master contract with Northrop Grumman for E-Gov Travel Services (ETS). GSA's master contract establishes GovTrip's general requirements, and DOI's task order lays out other specific requirements. GSA's master contract is set to expire in November 2013, at which time DOI expects a new system to take the place of GovTrip under a new GSA contract (ETS-2).

GSA has selected a single vendor for ETS-2, though the system implementation process is behind schedule. The bid process was initially delayed by legal challenges from one of the bidding companies, and a current protest of the award is delaying the process even further. ETS-2's general requirements include more internal control points and reporting capabilities, but much about ETS-2's specific requirements and controls is still unknown. The unknown and untested components of the new contract and travel system present both an opportunity and a responsibility to assess how well BOEM uses the current system and to determine ways in which it can improve prior to the transition to ETS-2.

Both GovTrip and the pending ETS-2 system have the Federal Travel Regulation (FTR) as part of their foundation, which provides the regulatory framework for the approval, processing, and payment of travel costs within the Federal Government. The GovTrip system has worked in concert with these regulations to facilitate travel planning and payment, as will the pending ETS-2.

Issues Found During Travel Voucher Testing

We randomly selected 100 BOEM vouchers and their related authorizations from fiscal years 2009 and 2010, though for reasons outlined below we could fully audit only 92 vouchers. The total amount paid from these vouchers was almost \$133,000, which included almost \$28,000 paid directly to travelers. We found the following areas of concern:

Missing Documentation and Errors in Expenses

The FTR requires that receipts be provided for all expenses greater than \$75, as well as all receipts for lodging expenses, regardless of dollar amount (FTR § 301-52.4). We found 25 vouchers that did not have the required supporting documentation for all travel expenses. These expenses were almost all for airfare, one of the highest value expenses on vouchers. One of these vouchers also noted that the traveler authorized his own travel but had someone else officially stamp the document as approved. No changes were made on this voucher by the reviewing or approving official even though receipts were missing and the voucher also included what appears to be a personal cost to visit the National Archives.

We also found 23 vouchers that either did not include all of the expenses that were listed in the travelers' receipts or the amounts shown on the receipts did not match those claimed on the voucher. Almost half of these discrepancies were for hotel charges that were over standard per diem rates, but the per diem allocations for lodging in GovTrip were not adjusted to reflect the actual costs. Not changing the lodging rates to reflect actual costs distorts the data and causes any reporting of this information to be inaccurate.

Some of the other issues found include the rental of vehicles larger than a compact with no authorization or justification, personal leave being taken during the trip time frame without adequate or appropriate reduction of personal expenses from the trip costs, and inclusion of costs on vouchers that were not approved or appropriate.

In all of these examples, travelers and associated approving officials requested or approved travel documents with inappropriate travel allowances or failed to document the justification for variances from normal or reasonable travel allowances. Whenever travelers request approval for travel plans, the plans must meet the FTR requirements. Further, when submitting vouchers for travel, travelers are required to abide by the FTR rules, and approvers must affirm that the vouchers they are approving meet these requirements. In each of these examples, neither the traveler nor the approver met these requirements of due diligence.

Missing Vouchers and Profiles

Of the 100 vouchers selected for testing from the Northrop Grumman inventory of agency vouchers for the 2-year testing period, we could access and fully audit only 92 vouchers through the GovTrip production system available to DOI. Of the eight vouchers we could not review, we were able to confirm that the associated user profiles had been removed from the system.

While we were attempting to determine why so many documents were not available for review, the DOI travel lead informed us that the likely cause of the document unavailability related to the deletion of user profiles from the production system. Because no audit trail exists in the creation, use, or deletion of user profiles in GovTrip, this statement could not be verified nor could changes in user profiles during the period under review be evaluated.

Vouchers created in GovTrip are not stored in any other system, and if they cannot be retrieved from GovTrip they cannot be retrieved at all, thus review of the document is not possible. In addition, even though historical travel data can be obtained directly from the GovTrip contract, Northrop Grumman, we found in interviews with BOEM and DOI personnel that managers do not routinely request reports, and the contractor officials expressed hesitancy to provide what they deemed to be additional services or ad hoc reports.

In addition, the inability to look up historical travel documents limits BOEM's ability to effectively track and manage expended travel funds. For example, BOEM performs audits on 100 percent of vouchers. It is impossible, however, to select or review vouchers attached to deleted profiles in BOEM's audits, increasing the potential for fraud, waste, or mismanagement to go undetected. GovTrip is the single repository of detailed travel arrangements, documents, and approvals. Although payment for travel related expenses is performed in agency financial systems, those systems will record only the payments, not the supporting detail behind them. Further, because GovTrip is designed as a paperless electronic system, any gap in the GovTrip database results in a loss of accountability for an agency. Responsibility for the accuracy and integrity of the travel database has been, is, and will remain with the agency and DOI.

Authorizations Created After Trip Departure Date

Of the 92 authorizations selected for testing, 9 authorizations were created or approved after the trip departure date, including 1 authorization that was not created for almost 3 months after the trip was completed. Although the FTR does permit this practice, FTR § 301-2.1 states:

. . . Generally you must have written or electronic authorization prior to incurring any travel expense. If it is not practicable or possible to obtain such authorization prior to travel, your agency may approve a specific authorization for reimbursement of travel expenses after travel is completed.

Of the authorizations tested, 10 percent failed to meet the general authorization requirement and there is no evidence that they met the "not practicable or possible" stated in the standard above for the exemption. Further, the practice of creating or approving an authorization after trip departure could contribute to an internal control breakdown if approvers feel pressured to authorize already incurred travel expenses due to the financial impacts that would otherwise fall to the employee who would be responsible for all travel costs.

Flagged Vouchers Without Appropriate Justification

It is not unusual for vouchers to be flagged by GovTrip's automatic auditing system, indicating a potential problem or error in the voucher. Of the 92 vouchers we selected for testing, 23 had insufficient justifications submitted and approved for flagged items. In many cases, travelers simply restated the flagged issue without any additional explanation. For example, one voucher had no receipts attached, which GovTrip automatically flagged, but the traveler's justification did not address the reason for the missing documentation. Another voucher flagged an airline expense, which the traveler could not explain in a related email, but the reviewer and

approver allowed the voucher to be processed anyway. These explanations do not adequately justify flagged items and supervisors routinely stamp these documents approved.

Issues Found During Charge Card Statement Testing

During our audit of the travel process, we learned that the only internal control mechanism used to ensure the validity of travel charges was the required supervisory review of charge card statements. When supervisors do not adhere to this internal control, it increases the risk of management not detecting incorrect or improper charges since there are no other procedures in place to ensure that supervisors are adequately reviewing and approving both travel vouchers and charge card statements. Our tests of charge card statements covered only a fraction of all BOEM travel card statements. Unfortunately, in our selection of 44 charge card statements across several BOEM office locations, we found lax supervisory reviews that contributed to issues with over 30 percent of the statements reviewed. This presents significant internal control risk:

Missing Signatures

Four of the 44 statements tested, 9 percent, did not have the required signatures of both the supervisor and traveler. DOI policy requires supervisors to review statements and include the signatures of both supervisor and traveler on the statement to show that all charges have been verified as appropriate and allowable travel expenditures.

Unexplained Transactions

Of the 44 statements tested, we found 8 statements with expenses that were not reported in GovTrip or did not match the expenses reported in GovTrip, with questioned costs totaling more than \$3,500.³ These included four statements with airfare charges that were not reported in GovTrip or did not match expenses claimed in GovTrip. At least one of these airfares was booked outside the GovTrip system without any documentation to justify this decision, a violation of FTR § 301-50.3 and § 301-50.5. The FTR requires the use of the approved electronic travel system (GovTrip) to book all airfares unless an exception has been authorized. Two other cardholder statements listed hotel charges over \$3,900, but travel claims could not be located in GovTrip. Notes on both of these cardholder statements stated that the charges were canceled and credits were to be issued to the cardholders. Neither cardholder statement, however, showed any indication that the credits were verified or tracked to subsequent statements to ensure they were issued back to the cardholders' accounts. We learned that supervisors usually do not track charge card credits, creating an opportunity for travelers to improperly pay for personal travel with the Government card and erroneously claim that a credit is due or for vendors to promise a credit and not follow through. We also found a statement with meals and drinks that were centrally billed, even though the traveler also collected per diem for those days.

With almost 20 percent of statements in our sample reflecting some sort of discrepancy, this issue is both a significant internal control weakness and breakdown, not only because it

³ Due to restricted data access issues, this figure is significantly understated and thus does not represent the total impact of questioned costs.

results in inaccurate accounting and an inability to rely on GovTrip-generated reports for effective management, but because it is impossible for supervisors to reconcile expenses on cardholder's statements with GovTrip vouchers to verify that those expenses were related to an approved trip. DOI Integrated Charge Card Program Policy Manual, sec. 2.9.2 states that travelers are required to "[i]nclude a concise, detailed description for each line item . . . or attach the travel voucher" on their charge card statements to ensure that all transactions are legitimate. All of these questionable expenses appeared on charge card statements with the signatures of both the traveler and the supervisor, which demonstrates that supervisors are not adequately documenting the verification of travel charges back to source documents, further reducing the intended effectiveness of this key internal control.

Conclusion and Recommendations

Because ETS-2 is still several months from coming online, BOEM has an opportunity to improve travel management practices under the current GovTrip system and through the transition. Improving internal controls now will help strengthen overall travel management controls when BOEM fully transitions to the new travel system.

1. BOEM should require supervisors to—
 - a. verify that vouchers contain supporting documentation as required by the FTR and accurately reflect costs incurred during travel;
 - b. ensure travel authorizations are created and approved prior to travel with the only exception being bona fide emergency travel;
 - c. review vouchers thoroughly and address any unresolved flagged items;
 - d. verify and approve all charges on charge card statements; and
 - e. ensure that both the traveler and supervisor sign and date charge card statements.

Agency Response: In its April 26, 2013 response, BOEM concurred with Recommendation 1 parts a, b, and c, but did not identify target dates or responsible officials for implementation (see Attachment 2). For Recommendation 1 parts d and e, BOEM stated that because of its quality assurance review program for both BOEM and BSEE, DOI has waived the Bureaus from the standard charge card policy. BSEE and BOEM, therefore, believe that neither agency needs to take any additional action at this time. ONRR, however, is still subject to procedures established by the Office of the Secretary, which it stated it would continue to follow.

OIG Reply: We consider Recommendation 1 resolved but not implemented. BOEM's recognition and general concurrence regarding the majority of the report findings confirms the significance of the issues presented. We encourage BOEM to continue to look for ways to improve administration and management of its travel program in the ETS-2. We will refer the recommendation to the Assistant Secretary for Policy, Management and Budget (PMB) for implementation tracking. We request that BOEM provide PMB with the responsible official and target dates for recommendation implementation (see Attachment 3).

Regarding BOEM's statement that as a result of its quality assurance review program, it is no longer necessary for supervisors to verify and approve all charges on charge card statements, we believe that an important element of internal controls is to have the supervisor who is most familiar with an employee's travel requirements be the first control in the review process. While it is possible for an oversight official to detect obvious errors or improper charges, it is much more difficult to identify unapproved charges when the charges appear to be consistent with travel requirements or approved trip timeframes unless the charge card statement reviewer is also directly familiar with the employee's travel requirements and plans.

BOEM also indicated a lack of concern for errors in travel documents when the errors do not result in an improper payment to the traveler or vendor. Further, BOEM stated that it does not rely on GovTrip data for most of its reporting, so errors in that system would not affect its travel-based reporting. We caution BOEM against conveying that lax travel management oversight is acceptable. This travel management viewpoint can communicate to travelers and supervisors that BOEM is not concerned about the accuracy or completeness of travel system data, a view that could continue across systems even when ETS-2 becomes the basis of travel reporting.

In addition, BOEM stated that it relies on its financial system for travel reporting purposes. The financial system, however, can only report what has been paid, not necessarily what should have been paid. Until a process has been put in place to reconcile the travel system data with the financial system data, BOEM will be unable to validate the accuracy and completeness of the data it pulls from its financial system. Even though GovTrip is not a perfect system, having all travel expenses accurately reported in the system provides the capability to begin to understand and track travel information across BOEM beyond just the dollar amount paid.

2. BOEM should make changes to correct existing deficiencies, including—
 - a. working with the bureau travel leads to ensure that profiles of existing and past employees are not deleted from the system; and
 - b. creating and implementing policy requiring supervisors to reconcile charge card statements with travel vouchers.

Agency Response: In its response, BOEM did not concur with Recommendation 2 and stated that it has never been a practice to delete traveler profiles and provided alternative explanations for why the profiles identified in this report were not found. BOEM also stated that current policy exists requiring charge card transactions be reconciled to vouchers during the audit process. BOEM believed that no further action or policy is required at this time (see Attachment 2).

OIG Reply: In regards to missing traveler profiles, BOEM stated that trips for invitational travelers are not being processed through GovTrip. We are not aware of any reason for BOEM to not be processing this type of travel through ETS, as other bureaus are currently doing. ETS (and soon to be ETS-2) is supposed to be the official travel

system, regardless of the effectiveness of the reporting capability at this time. With BOEM choosing not to process all of its travel through ETS, the data from ETS is inherently incomplete. In addition, even though some invitational travel was selected as part of the audit sample, since it was not in GovTrip we were unable to test the data. Unless all travel is entered into the electronic travel system, oversight of these types of trips will likely continue to be affected.

In regards to existing BOEM policy requiring supervisors to reconcile charge card transactions to vouchers, we recognize that other internal control measures can be taken in lieu of the recommendations presented in this report and that BOEM has chosen to establish other measures that have been approved by the Department. We consider this recommendation resolved and implemented (see Attachment 3).

Overall, BOEM agreed with the reported issues, but it disagreed with some of the specific findings identified in the report and presented alternative calculations and outcomes for some of the issues identified during audit testing. For example, BOEM stated that of the 25 vouchers identified in the report as having missing documentation, it found the supporting documentation for 4 of the vouchers. For these examples, as well as others presented in BOEM's response, we applaud BOEM's efforts to evaluate the issues and detailed testing results that formed the basis of our report findings and recommendations. In conducting these efforts, BOEM was apparently able to locate some of the information that was not available within the GovTrip system or agency records at the time of our review. Even with this effort, however, BOEM confirmed the vast preponderance of our testing results. Further, locating information after an audit is not the same as having the information contained in the official system of record at the time we performed our work.

The legislation creating the Office of Inspector General requires that we report to Congress semiannually on all reports issued, actions taken to implement our recommendations, and recommendations that have not been implemented.

No response to this report is required. If you have any questions or need more specific information about this report's findings, please contact me at 202-208-5592.

Attachments (3)

Objective, Scope, and Methodology

We conducted this performance audit from November 2010 through April 2012 in accordance with Generally Accepted Government Auditing Standards. These standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

We also determined whether BOEM had designed and implemented a system of internal controls or travel management controls to provide reasonable assurance that travel vouchers were accurate and supported; authorizations were created and approved prior to travel; management is adequately performing oversight of the travel process; and charge card statements were verified, approved and signed by the traveler and supervisor. We found weaknesses in BOEM's travel management controls. These weaknesses and recommended corrective actions are discussed in this report and if implemented, the recommendations should improve BOEM's travel management controls.

Objective

Our objective was to assess DOI's implementation, use, and monitoring of GovTrip as a part of the overall travel system. Specifically, we evaluated DOI's ability to reconcile its various systems to determine whether data and dollars spent are fair and accurate. We also performed testing to ensure that any existing internal controls were sufficient to reasonably minimize risk of fraud and errors.

Scope

This was a DOI-wide audit of GovTrip and the related travel system. Our testing included travel vouchers with travel departures starting in fiscal years 2009 and 2010 along with charge card statements related to those travel vouchers. In conducting our audit, we visited BOEM offices in—

- Herndon, VA and
- Elmwood, LA.

Our review of the system included both a performance audit of the current ETS contract (GovTrip, with a contract period from August 2007 to November 2013) and a review of the future ETS-2 contract language (contract implementation planned for November 2013). We also assessed DOI's integrated charge card program as it relates to travel expenditures.

During the performance of our audit testing, delays in obtaining access to information and concerns related to timely reporting necessitated a reduction in the sample size and testing of both vouchers and charge card statements. We took steps, however, to allocate the reduction in testing across bureaus, preserving the integrity of our random and judgmental voucher and charge card statement samples.

Methodology

The GovTrip contractor, Northrop Grumman, pulled the voucher testing data from archived databases for all the entities except MMS, as we were informed that this would be the most accurate and complete way to establish the voucher universe by bureau and agency. MMS provided us travel data from the charge card database since they believed this data to be more accurate than the data from GovTrip. From this universe, vouchers were statistically sampled using a stratified methodology, and the associated authorizations were also examined. Once the testing sample was selected, we performed testing of travel vouchers and authorizations using the live GovTrip environment. Use of the live GovTrip system environment for document examination was required since the travel program has no “read only” audit feature and no alternative data repository is available to DOI.

Given that our testing was limited to the live data environment, we were not able to perform “through the system” testing of the software. Thus, we did not perform tests of the GovTrip system and software, itself. Rather, we structured interview questions of key DOI personnel to ascertain the security of the system and the viability of the input data.

The National Business Center, Charge Card Support Center (NBC) provided us with the charge card data. NBC extracted the charge card data from PaymentNet, DOI’s gateway to integrated charge card program data, which is operated by the contractor J.P. Morgan Chase. We did not perform a reliability assessment or any system tests for this data since, like GovTrip, this is a contractor-developed system, so our testing was limited to structured interview questions of key DOI personnel to ascertain the security of the system and the viability of the input data. Once the testing sample was selected, we performed tests in the field to ascertain the accuracy and reliability of reconciliation efforts between the GovTrip voucher and related charge card transactions.

At the time of our survey and fieldwork that focused on travel policy, procedures, and practices, the former MMS had not yet been reformed into the three agencies of BOEM, ONRR, and BSEE. As such, our review of travel policy, procedures, and practices was limited to the former MMS and the transitional Bureau of Ocean Energy Management, Revenue and Enforcement (BOEMRE). We did not assess any travel policy, procedures, and practices developed and implemented by ONRR and BSEE since they transitioned out from BOEMRE.

Further, as a result of MMS providing us its travel data through the charge card system instead of GovTrip, we found that MMS does not use GovTrip for all its travel arrangements. This resulted in the inability to find vouchers or authorizations for some selected travel charges in the GovTrip system. We were told that vouchers we thought had been deleted were more likely to be missing because they were not entered into GovTrip at all; MMS did not process its invitational travel through the GovTrip system. While this data caused our testing selection to be inconsistent with the rest of the bureaus, we believe that the consistency in the testing selection methodology still preserved the integrity of our samples.

Use of Computer-Processed Data

We used the GovTrip and Integrated Charge Card databases to identify travel vouchers and charge card transactions for travel departures starting in fiscal years 2009 and 2010. We did not perform reliability assessments of the quality of the data because this was outside the scope of our review. Data from these systems were used for document and transaction selection and then reviewed using the electronic and hardcopy records available through DOI. Therefore, the computer-processed data did not affect the performance of our audit steps.



United States Department of the Interior
BUREAU OF SAFETY AND ENVIRONMENTAL ENFORCEMENT
WASHINGTON, DC 20240-0001

APR 26 2013

Memorandum

To: Assistant Inspector General for Audits, Inspections, and Evaluations

Through: Rhea Suh
Assistant Secretary – Policy, Management and Budget

Tommy P. Beaudreau
Acting Assistant Secretary – Land and Minerals Management

From: James A. Watson *James A. Watson*
Director, Bureau of Safety and Environmental Enforcement

Gregory J. Gould *Gregory J. Gould*
Director, Office of Natural Resources Revenue

Walter D. Cruickshank *Walter D. Cruickshank*
Deputy Director, Bureau of Ocean Energy Management

Subject: Draft Audit Report – GovTrip Use and Monitoring by the U.S.
Department of the Interior – Bureau of Ocean Energy Management
Report No. WR-IN-BOEM-0007-2013

Thank you for the opportunity to respond to the Inspector General auditors' report on GovTrip use and monitoring for Fiscal Years 2009 and 2010. Attached are our comments.

Please contact Scott L. Mabry, Bureau of Safety and Environmental Enforcement Associate Director for Administration, at 202-208-3220 if you have any further questions.

Attachment

Executive Summary

On March 14, 2013, the DOI Office of the Inspector General (OIG) issued a draft audit report on GovTrip use and monitoring to the Bureaus of Ocean Energy Management (BOEM) and Safety and Environmental Enforcement (BSEE) and the Office of Natural Resources Revenue (ONRR). The Bureaus and ONRR appreciate the effort of the OIG in preparing this report. After a thorough review, the Bureaus and Office concur that there is an opportunity to improve travel management practices, particularly with respect to supervisory responsibilities. However, we do not concur with all findings and recommendations. We note instances where the OIG did not examine alternative controls for the reported issues and other instances where they did not recognize additional information that addressed these findings. Detailed responses to these findings and recommendations are provided below.

The Bureaus are scheduled to implement a new travel system on August 5, 2013. At this time, we believe it is best to focus on the requirements necessary to migrate to the new system rather than make improvements to the existing system. The Bureaus will provide thorough training to all users on their travel management roles and responsibilities, and how to fulfill these responsibilities in the new system.

Background

During November 2010 through April 2012, the DOI OIG conducted an audit of the former Minerals Management Service (MMS). MMS was reorganized into three new management structures in May 2010, e.g., BOEM, BSEE, and ONRR. ONRR then became part of the Office of the Secretary on October 1, 2010. For ease of responding, all mentions of the Organizations refer to BOEM, BSEE and ONRR.

The Organizations implemented GovTrip on December 8, 2008. Until that time, we paid travel vouchers manually and filed copies of paid travel vouchers, along with the travel authorizations and receipts, in the Finance Division in Herndon, Virginia.

The GovTrip system has worked in concert with the Federal Travel Regulation (FTR) to facilitate travel planning, as will the pending E-Gov Travel Services (ETS-2). GovTrip is used for:

- Travel planning and approving;
- Calculating travel expenses that are due payable to the traveler;
- Transferring (via interface) the expense amounts that are payable to travelers into the Financial and Business Management System (FBMS), for payment; and
- Maintaining travel backup documentation.

BSEE and BOEM are scheduled to implement ETS-2 on August 5, 2013, and ONRR is scheduled to implement it in October 2013. Each organization is currently very active in preparing GovTrip data for the migration and working with the Department's implementation team. Diverting any resources at this time to determine ways in which the current system can be improved is not feasible.

Summary of Documents Reviewed in Audit

During their testing, the auditors randomly selected 100 travel authorizations (TA) and their related travel vouchers (TV), and they also selected 44 charge card statements for review. During their testing the auditors identified potential errors which we have addressed under five broad groupings: *Missing Documentation and Errors in Expenses*; *Authorizations Created After Trip Departure Date*; *Missing Vouchers and Profiles*; *Flagged Vouchers Without Appropriate Justification*; and *Issues Found During Charge Card Statement Testing*. Within the *Missing Documentation and Errors in Expenses* section we address the 25 TVs that were reviewed and identified in the report as not having required supporting documentation, as well as the 23 TVs that were reported to have had expenses that were not included on or did not match the TV. Within the *Authorizations Created After Trip Departure Date* section we address the nine TAs that were reviewed and deemed to be created after the trip date. Under the *Missing Vouchers and Profiles* section we address the eight TVs that could not be located during the audit. The *Flagged Vouchers Without Appropriate Justification* section addresses the 23 TVs that were reviewed and identified in the report as not having appropriate justifications. Finally, the *Issues Found During Charge Card Statement Testing* section addresses the four charge card statements that were reviewed and did not have appropriate signatures, as well as the eight TVs that were reported to have had expenses that were not included on or did not match the TV.

Missing Documentation and Errors in Expenses

During their testing, the auditors identified 25 TVs that potentially did not have the required supporting documentation and 23 TVs that were reported to have had expenses that were not included on or did not match the TV.

Missing Documentation

Of the 25 vouchers identified in the audit report as having missing documentation, four were found to have the documentation in GovTrip. In addition, it appears that one voucher is mistakenly being included in this category, though it is rightfully included in the 23 documents comprising the Errors in Expenses sample below. The remaining 20 TVs addressed relate to airfare receipts.

The Organizations generally concur with the finding that supporting documentation for expenses exceeding \$75 was missing. We audit 100 percent of travel vouchers, which includes validating travelers' centrally-billed Government charge card transactions, including airfare, to the travelers' PaymentNet account. The airfare information contained in PaymentNet depicts the same information that would be shown on a traveler's invoice, e.g., passenger's name, airline, itinerary, fare basis and amount (including tax amount), date purchased, and ticket number. The FTR (§ 301-52.8) allows paying TVs that are submitted without receipts attached if other supporting documentation exists. We were in compliance with the FTR when paying the TVs that did not have an airline receipt attached because we validated the expense to PaymentNet. While we feel that the procedures outlined above are adequate for supporting a travel claim, we have implemented procedures that require travelers to include a copy of their airfare receipt when submitting their

voucher for reimbursement. Additionally, BSEE is in the process of creating a Travel Training program that will be required to be taken by all BOEM and BSEE personnel. This training will address the importance of proper travel voucher preparation and receipt requirements.

The audit report also addressed an instance where a traveler “authorized” his own TV. We understand how it could appear as if a separation of duties control weakness existed; however, the true control over when expenses can be incurred is the “approval” of the TV, not the “authorization” of the TV. In this instance, the traveler was in the GovTrip routing list as the section chief who, in his official capacity and within the realms of the meaning of the term “authorized” in the GovTrip environment, correctly authorized the TV. The document continued through the established GovTrip routing list to the next level of authority and was approved by the traveler’s supervisor.

Errors in Expenses

The Organizations concur that errors in expenses occurred; however, we do not concur with the auditors’ projection that reports containing travel-related costs are distorted because centrally-billed transactions are not adjusted in GovTrip to match receipts. We have three systems of record for travel-related matters, i.e., PaymentNet, DOI’s Financial and Business Management System (FBMS), and GovTrip. PaymentNet houses our charge card data and maintains individually- and centrally-billed charge card activity at the transaction level. GovTrip is our system of record for travel planning, processing, approval, and calculating traveler-reimbursed costs. GovTrip transfers the traveler-reimbursement data to FBMS for payment processing. FBMS is our system of record for all financial, property, and acquisition processes, as well as reporting.

We do not extract data from GovTrip for any travel-related reporting requirements; all travel-related reporting is extracted from FBMS, which receives the centrally-billed transactions directly from JP Morgan and its reimbursements made directly to travelers from GovTrip.

Of the 23 expenses that were identified as not matching the TV, we determined that seven of those discrepancies identified in the audit report were accurately recorded in GovTrip. One traveler’s documentation to the voucher did not contain enough detail to determine whether any errors in expenses actually occurred; the traveler combined personal with official travel and checked out of the hotel a day early, but gave no explanation. As a result, no definitive conclusion could be made.

We do not concur with the audit reference that a traveler had taken personal leave during the trip timeframe without adequate or appropriate reduction of personal expenses from the trip costs. The traveler had rented a vehicle and upon returning the vehicle, the rental car company calculated the business and personal portions of the charges and charged the traveler’s Government-issued charge card for the business portion and a personal credit card for the personal portion of the costs. The traveler properly claimed the expenses that were provided by the rental car company.

We agree with the audit report in that: (a) four vouchers showed lodging that exceeded per diem and lacked appropriate justification, (b) one voucher appears to show that the traveler reserved a compact car on the TA but upgraded upon arrival at TDY [temporary duty] location, and (c) one voucher did not include airport parking, even though a receipt for the expense was submitted.

The remaining nine vouchers revealed that amounts on the vouchers were not adjusted to show actual expenses for centrally-billed Government charge card transactions; although this may be true, there is no negative impact either on the payment of the voucher or in the reporting of travel-related costs because of these discrepancies.

Missing Vouchers and Profiles

The Organizations do not concur that the reason eight vouchers could not be located was because the travelers' profiles were deleted from GovTrip. It has never been our policy or practice to delete user profiles from GovTrip. When an employee departs the Bureau, their profile is deactivated and retained in a separate "Departed" profile listing.

The Organizations implemented GovTrip on December 8, 2008. Of the eight missing vouchers, seven were for travel that occurred prior to our GovTrip implementation and one was travel performed by an invitational traveler, which is not processed in GovTrip.

Authorizations Created After Trip Departure Date

We concur with the finding that authorizations were created after the trip departure date. Of the nine authorizations addressed in the audit report, three were found to have been approved after the trip departure date. Four were approved prior to the trip departure date, one traveler had traveled on a blanket travel authorization and entered the electronic authorization immediately upon his return from the trip, and one authorization that was approved after the trip was a result of Deepwater Horizon, which was considered an emergency.

BSEE will include the regulatory requirements surrounding travel authorizations in the previously discussed Travel Training. In fiscal year 2013, the General Services Administration implemented the 48-Hour Reservation Cancellation Rule that requires all travel authorizations be approved at least 48-hours prior to the departure date or airline tickets will be cancelled. GovTrip is configured to purchase tickets 96 hours prior to departure to avoid cancellations and sends e-mails to travelers if their authorizations have not been approved. This new rule, along with the GovTrip configuration and e-mail notifications, ensures supervisors will be more apt to approve authorizations timely.

Flagged Vouchers Without Appropriate Justification

We concur with the finding that travel vouchers having a potential problem or an error in the voucher that were flagged for further justification contained insufficient justifications submitted. BSEE will include appropriate guidance on proper justification for flagged items in the Travel Training being prepared for all BSEE and BOEM travelers. In addition, all accounting technicians who audit travel vouchers will be required to take the Travel Training to ensure they receive appropriate Bureau-specific training.

Issues Found During Charge Card Statement Testing

Missing Signatures

BOEM and BSEE acknowledge that missing signatures of cardholders and approving officials on monthly Government-issued charge card statements has been an ongoing agency problem. As a result, the Organizations implemented a Bureau-wide monthly review of travel-related charge card transactions in 2003 as a mitigating control. This review covered both individually- and centrally-billed transactions. Because this mitigating control was in place and functioning and 100 percent of TVs are audited, BSEE and BOEM were able to obtain a waiver on May 9, 2012, that exempts them from the DOI policy requirement mandating that Approving Officials and cardholders sign monthly charge card statements on travel business line accounts.

All samples in the audit included employees now assigned to either BSEE or BOEM; no ONRR employee statements were reviewed. As a result, ONRR has no comment on this section of the audit report. ONRR will, however, continue to follow the guidance as required under the Office of the Secretary concerning this issue.

Unexplained Transactions

We concur that there were expenses appearing on charge card statements that were not reported in GovTrip or did not match the expenses reported in GovTrip. The audit references airfare that was booked outside of GovTrip; however, we did not find any airfare that was booked outside of GovTrip or the Travel Management Center, SATO. In addition, we found only one TV that was not in GovTrip and that was because the trip had been cancelled and the original airfare charge had been credited back to the traveler's account and appeared on a later charge card statement.

We do not concur that credits are not verified or tracked to subsequent statements to ensure they were issued back to the cardholders' account nor with the auditors' speculation that travelers have the opportunity to improperly pay for personal travel with the Government charge card. Our quality assurance program matches trip start and end dates with charge card transaction dates to ensure that all travel-related charge card transactions occurred during TDY, which would identify any unofficial travel. Additionally, duplicate airfare transactions are noted and subsequent reports are checked to ensure credits are posted for the transaction(s).

The audit report states that travelers had centrally-billed transactions for meals and drinks, even though they also collected per diem on those days; however, one traveler's charge had been moved to individually-billed at the request of the traveler upon their return from the trip and the other discrepancy had been resolved by the auditor after the draft had been prepared and who will remove the language from the final report.

Conclusion and Recommendations

We concur that the three entities have an opportunity to improve travel management practices under the current GovTrip system by, at the minimum, ensuring Approving Officials only approve those flagged items that contain full justifications and appropriate documentation is submitted with travel vouchers.

We concur with the recommendation that we should require supervisors to:

- Verify that vouchers contain supporting documentation as required by the FTR and accurately reflect costs incurred during travel;
- Ensure travel authorizations are created and approved prior to travel with the only exception being bona fide emergency travel; and
- Review vouchers thoroughly and address any unresolved flagged items.

Because of the robust quality assurance review performed on travel-related charge card transactions and that both bureaus have a waiver from the Department, BSEE and BOEM do not concur with the recommendation that we should require supervisors to:

- Verify and approve all charges on charge card statements; and
- Ensure that both the traveler and supervisor sign and date charge card statements.

ONRR will continue to follow procedures established by the Office of the Secretary in regards to travelers and supervisors signing and dating charge card statements.

Because it has never been a practice to delete profiles and it was determined that no profiles had been deleted and current policy exists requiring charge card transactions be reconciled to the TV during the audit process, we do not concur that we should make changes to correct existing deficiencies, including:

- Working with the bureau travel leads to ensure that profiles of existing and past employees are not deleted from the system; and
- Creating and implementing policy requiring supervisors to reconcile charge card statements with travel vouchers.

Status of Recommendations

Recommendations	Status	Action Required
1	Resolved but not implemented	We will refer the recommendation to the Assistant Secretary for Policy, Management and Budget for tracking of implementation.
2	Resolved and implemented	No further action required.

Report Fraud, Waste, and Mismanagement



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