



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

GovTRIP USE AND MONITORING BY THE U.S. DEPARTMENT OF THE INTERIOR— U.S. GEOLOGICAL SURVEY



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

JUN 18 2013

Memorandum

To: Suzette Kimball
Acting Director, U.S. Geological Survey

From: Kimberly Elmore *Kimberly Elmore*
Assistant Inspector General for Audits, Inspections, and Evaluations

Subject: Final Audit Report – GovTrip Use and Monitoring by the U.S. Department of the Interior – U.S. Geological Survey
Report No. WR-IN-GSV-0006-2013

The U.S. Department of the Interior (DOI) spends approximately \$250 million a year through GovTrip on travel, with the U.S. Geological Survey (USGS) accounting for about \$42.5 million of these funds.

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 USGS 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.¹ 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 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

¹ WR-EV-MOA-0004-2010 U.S. Department of the Interior's Video Teleconferencing Usage, December 2011.

audit objective. 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 USGS 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 USGS vouchers and their related authorizations from fiscal years 2009 and 2010. We were unable to complete our audit testing of 50 vouchers for fiscal year 2010 because DOI limited our audit access to GovTrip files. In addition, one of the 2009 vouchers was inaccessible because the traveler's account was locked. As a result, we could fully audit only 49 vouchers for fiscal year 2009. The total amount paid from these vouchers was about \$93,000, which included about \$45,000 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 nine vouchers that did not have the required supporting documentation for all travel expenses, seven of which were missing support for lodging, airfare, or vehicle charges, often the three highest value expenses on vouchers.

We also found 15 vouchers that either did not include all of the expenses that were listed in the travelers' receipts, the amounts shown on the receipts did not match those claimed on the voucher, or the expense claimed was not supported or authorized. For example, three vouchers were missing travel reservation fees, ATM fees, or hotel taxes that were included in the supporting documentation; one of these vouchers also had an ATM fee entered incorrectly. We applied a Google search to another traveler's voucher and found that they over claimed mileage to and from the airport by almost 50 miles. Two vouchers showed travelers paying for prepaid fuel for rental cars even though this convenience option cost more than the cost to replace the gas actually used during the trip.² We also found an instance in which the car rental receipt attached to the voucher was not legible, so the cost could not be verified. In addition, another traveler opted to have the Government pay for a rental car to drive from the airport to home in a storm with no documented authorization for this decision or any evidence that other options were considered. While most errors resulted in the traveler receiving more money or payment of expenses than appropriate, one traveler noted in receipts that cash was used for a taxi and supplies but entered the expenses in GovTrip as being paid with the Government charge card. As a result, this traveler was under-reimbursed about \$80.

In addition, we noted that a USGS manager filed a voucher containing so many errors that we were surprised a high-level bureau ethics official approved the voucher with no modifications. As a result, the voucher was overstated by at least \$1,100, and the traveling manager overpaid by about \$550. This manager was approved for wasteful additional travel arrangements, improperly claimed per diem, and was reimbursed airfare that was paid with the Government charge card. Specifically, the manager flew into one city with a lower per diem than the temporary duty (TDY) location, but claimed the higher per diem for the first day before driving to the TDY location. The manager also rented a car in the arrival city and then dropped the car off at the TDY location, incurring an extra \$137 charge. In addition, the manager improperly prepaid for the rental car's fuel when it would have been much more cost effective to refill the gasoline before returning the car. Then, the manager changed the flight departure city to the TDY location, resulting in an increase of \$546 for airfare. When preparing the voucher, the manager neglected to include a rental car receipt for travel to a second TDY location, and then double entered most of these expenses in the voucher including claiming the airfare was reimbursable when the receipt clearly showed the expense was paid with the Government charge card. None of the changes or extra charges were justified and no pre-authorization was documented anywhere in the travel documents.

We also found substantial problems with the expenses claimed for two international trips, even though these trips are subject to higher scrutiny than domestic travel. On one voucher, we found that the traveler was authorized to return home early because of an illness and was approved \$4,000 to do so. The travel authorization for the trip was signed by the Assistant Secretary of the Office of Policy, Management and Budget who approved the minimum costs necessary to complete the mission. The traveler, however, returned home via business class at a cost of more than \$6,100 and provided no explanation for the funds spent in excess of the \$4,000 limit and attached no documentation to support the medical need for such an expedited return. In

² DOI did not ban prepaid fuel until 2011, which is more recent than the scope of this audit. "DOI Financial Management Memorandum 2011-019"

addition, while on the trip the traveler included meals, laundry, miscellaneous expenses, and a minibar charge on the hotel bill. While per diem was reduced to cover the expenses as entered into the voucher, the traveler did not attach a copy of the Government charge card so that the conversion of the expenses to U.S. dollars could be verified as accurate. As part of this voucher, the traveler also claimed an extensive list of expenses, many simply categorized as supplies or miscellaneous. Because receipts did not support many of the costs, we were unable to verify that the costs entered were correct, appropriate, and not duplicated.

The other international traveler neglected to include hotel taxes and assorted fees on the voucher, which resulted in inaccurate data for reporting purposes. In addition, the traveler reported that he was authorized to make several calls while on travel and purchased phone cards to do so, but there was no approval on the authorization or any other supporting documentation. Further, the exchange rates used to convert the international expenses to U.S. dollars were typed on a blank piece of paper and many expenses were rounded instead of entered exactly as charged to the Government. Without a copy of the Government charge card or printouts of exchange rates from a credible source to perform correct conversions, it is impossible for anyone to determine the correct and full cost of this trip and whether the employee was reimbursed the proper amount. In addition to these problems, we noted that the return trip took the traveler 5 days to complete and no explanation or justification was provided even though per diem was provided during this time.

We also noted during our audit that a traveler had four approved authorizations, not part of our testing sample, with no related travel vouchers. Because the travel expenses were approved, travel costs may have been incurred and paid improperly. If the travel did not occur, the authorizations should have been canceled. If the travel did occur, there was no oversight of the funds expended, especially if the costs were centrally billed. Regardless, any report using the voucher information under either scenario would result in incorrect travel data.

Incidents of Incorrect or Improper Per Diem

During our audit testing across DOI, it was not unusual to find vouchers with lodging per diem costs not adjusted to actual costs incurred, but we also found a high number of vouchers that cause additional concern given the frequency and value of the errors made. For example, we observed that one of the travelers selected in our sample improperly filed other vouchers for trips within 40 miles of the traveler's residence, violating the "Departmental Manual" travel policy that disallows per diem for local travel within the employee's 50 mile commuting area (347 D.M. § 301-11.1). Of the 49 vouchers we tested as part of our audit sample, 12 had issues with per diem. Several of the issues identified are provided below.

A USGS volunteer was receiving per diem allowances monthly, for 5 consecutive months, for travel to a TDY location about 45 minutes from the volunteer's residence. The volunteer did not receive per diem on the weekends, indicating that she returned home every week. The veracity and accuracy of these vouchers is suspect given the project's duration; the consistent creation and signing of travel authorizations during the month-long travel period; the

lack of project identification, trip purpose, and physical address; and the inclusion of a fictitious phone number for the volunteer's contact information.³

In addition, three travelers claimed per diem for trips that do not appear to meet the FTR 12-hour minimum requirement in travel status, including one that specifically claimed that the trip exceeded the minimum by 30 minutes.⁴ No documentation was provided with any of these vouchers to support that the travelers' workday exceeded 12 hours. If the travelers worked the time claimed, then the vouchers are appropriate, but given the lack of attention from reviewing and approving officials evidenced by the amount of improper voucher data found during our testing, these claims become questionable. We also found a fourth traveler collected per diem for 2 days of travel within 50 miles of his or her commuting area before taking 2 days of leave and then returning to work status to depart on the trip 4 days after the supposed trip start date listed in the voucher. A fifth traveler noted that the last day of travel was personal leave but received per diem for that day.

We also identified a traveler who may have been underpaid per diem by more than \$500. Supporting documentation showed that lunch and dinner was provided for three days of the trip, but all meals for all days of the trip were eliminated from the voucher without explanation. On another voucher totaling more than \$4,100, the traveler appears to have attempted to remove the per diem from GovTrip, but did not do so correctly, which resulted in the traveler being overpaid by \$840 without any supporting documentation or authorization for the overage. In addition, we noted a voucher where the traveler incurred hotel charges for most of the month-long trip over the standard per diem amounts with no justification or authorization for most of the overages. This traveler also received subsistence per diem for part of the trip even though the hotel included all meals during the stay and the traveler was reimbursed the full cost of the lodging. Between the unauthorized excess lodging costs and the duplicate meals allowance, the traveler was overpaid about \$1,300.

In all of these examples, as well as those in the section above, 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.

Authorizations Created After Trip Date

Of the 49 authorizations selected for testing, 21 authorizations were created or approved after the trip departure date. 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

³ The phone number listed on the official travel document was 555-555-5555.

⁴ The FTR § 301-11.1 disallows per diem allowances for travel less than 12 hours in duration.

prior to travel, your agency may approve a specific authorization for reimbursement of travel expenses after travel is completed.

Of the authorizations tested, more than 40 percent failed to meet the general authorization requirement, and there is no evidence that they met the “not practicable or possible” standard stated 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.

Auto-Approval

GovTrip includes features that allow travel authorizations to be created without managerial review or approval. Autobooking is one approach that allows travelers to arrange travel without supervisory approval. Another approach is T-entering, a method by which an arranger makes travel arrangements, creates travel documents, and signs the documents on behalf of the traveler. Both features result in travel being created and booked without the benefit of managerial or traveler review and approval.

We found 37 authorizations that used one of GovTrip’s auto-approval features. Auto-approval was developed when all travel arrangements used a paper-based system and was intended to streamline travel arrangements for routine mission travel and for cases of emergency travel. Because travelers now arrange travel electronically, and supervisors approve it electronically, the need for auto-approval is greatly limited. We found in interviews with travel supervisors and in our review of travel vouchers, however, that many employees are still authorized to use auto-approval for all travel, even though most travel is routine and known about for weeks or months in advance. Because employees are authorized to auto-approve their own travel, the internal control safeguard inherent in obtaining supervisory approval for the use of staff time and travel funds before the trip begins is being circumvented, thus increasing the potential for fraud, waste, or mismanagement to go undetected.

In addition, USGS policy limits the use of blanket authorizations and auto-approval to travel for purposes other than training or conference attendance.⁵ Of the 37 auto-approved authorizations, we found 6 where the purpose of the trip was to attend training or conferences.

Conflict of Duties

A key component of good internal control processes is having clear separation of duties for important functions. For the travel process, supervising officials are to review and approve travel documents. We found, however, 10 vouchers where the reviewer or approver was also the individual that created the document. Two of these vouchers, and the associated authorizations, were created and approved by the approving official after the travel had been completed. Neither of these had any other level of supervisorial review. For the remaining eight vouchers that were created and later reviewed by a reviewing official, none had any adjustments made by the final approving official. All 10 vouchers had errors or missing documentation. One of these vouchers

⁵ U.S. Geological Survey Manual § 340.1-5.

that totaled more than \$1,700 included a telephone charge that was not entered or approved on the travel authorization, mileage to or from the airport that was not supported, and a hotel bill with no address or other location identifier. The traveler for this voucher was also the reviewing official for the voucher.

Mode of Transportation Not Documented Properly

Of the 49 vouchers selected for testing, 16 (33 percent) did not document the mode of transportation used to travel to the TDY location. Based on the proximity of the TDY location to the traveler's duty station or the lack of privately-owned vehicle (POV) mileage claimed, it is reasonable to assume that these travelers used a Government-owned vehicle (GOV), a POV, or traveled with another person. This missing information results in data that are unreliable for determining the true cost of travel and the frequency or validity of GOV use for fleet management purposes. In addition, supervisors cannot make a determination whether the mode of transportation for travel is advantageous to the Government.

We also found a voucher for a volunteer totaling more than \$2,300, with all but \$27 reimbursed to the traveler and was filled with significant irregularities. The volunteer was allowed to use a POV to drive more than 1,000 miles to the project site instead of using a common carrier and was correctly reimbursed only the cost of taking the common carrier. Unfortunately, instead of entering the expense in the voucher as a mileage expense, the traveler entered in the amount for reimbursed mileage as an airline charge and entered in a nonexistent travel management fee for the supposed flight. Also paid to the volunteer was the mileage to and from the airport, as if a flight were taken. The mileage claimed, however, is almost three times what a Google search showed was the approximate distance from the volunteer's residence to the airport. The traveler was also reimbursed one night of lodging taxes incurred because of the personal choice to drive, which the traveler should have paid. The reviewing official who signed off on this voucher stated in the document that she did not actually review the voucher, and the approving official made no comments and requested no changes. The problems identified in the voucher indicate that neither supervisor performed even the most basic duties assigned to them as travel management officials (FTR § 301-71.201 and § 301-71.203). In addition, the coding of the mileage expense as an airfare charge improperly inflates reports that USGS or DOI may run in an attempt to monitor and control funds spent on air travel.

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 USGS travel card statements. Unfortunately, in our selection of 50 charge card statements across several USGS office locations, we found lax supervisory reviews that presented significant internal control risk:

Missing Signatures

Of the 50 statements tested, 6 (12 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 the supervisor and the traveler on the statement to show that all charges have been verified as appropriate and allowable travel expenditures.

Unexplained Transactions

Of the 50 statements tested, we found 10 statements with expenses that were not reported in GovTrip or did not match the expenses reported in GovTrip, with questioned costs totaling more than \$1,300.⁶ One statement included an airfare charge for more than \$1,100 that was not on the voucher listed by the traveler as related to the charge. Another statement included an incidental hotel charge that was not in GovTrip and could not be identified on any receipts. A third statement included a copy of a travel authorization and a note claiming the trip was canceled and all charges would be credited, but no authorization or voucher could be found in GovTrip to validate this claim and this statement was not signed by a supervisor. We also found one statement that showed the actual location of travel was not the same as the location stated in the GovTrip voucher.

With 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 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," § 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 but two of the statements with questioned expenses were signed by 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, USGS 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 USGS fully transitions to the new travel system.

1. USGS should require supervisors to—
 - a. ensure travel authorizations are created and approved prior to travel with the only exception being bona fide emergency travel;
 - b. verify and approve all charges on charge card statements; and

⁶ Due to restricted data access issues, this figure is understated and thus does not represent the total impact of questioned costs.

- c. ensure that both the traveler and supervisor sign and date charge card statements.

Agency Response: In its May 21, 2013 response, USGS concurred with Recommendation 1.a. and stated that it had already provided training to administrative staff on the requirement that travel must be authorized in advance (see Attachment 2). Regarding Recommendations 1.b. and 1.c., USGS stated that DOI gave it a waiver for the requirements for supervisory review and signature on charge card statements as a result of other internal control measures that USGS implemented over the charge card program. USGS believed that no further action was required at this time.

OIG Reply: We consider Recommendation 1.a. resolved but not implemented and commend USGS on the efforts it has taken to correct deficiencies in its travel program as it became aware of issues during the course of our audit. We encourage USGS to provide training, not only to administrative assistants, but also to travel supervisors who are the official first-line parties responsible for proper travel program controls. We will refer Recommendation 1.a. to the Assistant Secretary for Policy, Management and Budget (PMB) for implementation tracking. We request that USGS provide PMB with the responsible official and target dates for recommendation implementation (see Attachment 3).

We consider Recommendations 1.b. and 1.c. unresolved. The waiver USGS mentions for its charge card program was issued based on internal controls and reporting capabilities of the former charge card system. The current JPMorgan Chase system does not provide the same level of controls or reporting capabilities that the waiver was based upon. As such, we do not believe that the waiver is an acceptable alternative to existing required internal controls. We request that USGS reconsider Recommendations 1.b. and 1.c. and provide a response within 30 days. The response should provide information on specific actions taken or planned to address the recommendations, as well as target dates and title(s) of the official(s) responsible for implementation.

2. USGS should make changes to correct existing deficiencies, including—
 - a. creating and implementing policy limiting the use of auto-approval by employees to legitimate emergency travel; and
 - b. creating and implementing policy requiring supervisors to reconcile charge card statements with travel vouchers.

Agency Response: USGS concurred with Recommendation 2.a. and mentioned policy that will be implemented in October 2013 to correct the deficiencies (see Attachment 2). Regarding Recommendation 2.b., USGS referenced the aforementioned waiver from DOI as being sufficient to address the recommendation and believed that no further action was required at this time.

OIG Reply: We consider Recommendation 2.a. resolved but not implemented and will refer the recommendation to the Assistant Secretary for Policy, Management and Budget

(PMB) for implementation tracking. We request that USGS provide PMB with the responsible official for recommendation implementation (see Attachment 3).

We consider Recommendation 2.b. unresolved. As stated above, the current charge card program system does not provide the same level of controls or reporting capabilities that the waiver was based upon. As such, we do not believe that the waiver is an acceptable alternative to the recommendation to bolster existing required internal controls. We request USGS reconsider Recommendation 2.b. and provide a response within 30 days. The response should provide information on specific actions taken or planned to address the recommendations, as well as target dates and title(s) of the official(s) responsible for implementation.

3. USGS should review the vouchers identified in this report to determine the appropriateness of the claimed expenses and initiate steps to recollect all overpayments.

Agency Response: USGS concurred with the recommendation and listed actions it plans to take to correct the deficiencies (see Attachment 2).

OIG Reply: We consider the recommendation resolved but not implemented. We will refer the recommendation to the Assistant Secretary for Policy, Management and Budget (PMB) for implementation tracking. We request that USGS provide PMB with the responsible official and target dates for recommendation implementation (see Attachment 3).

We appreciate the efforts that USGS has already made to improve the administration and management controls of its travel process and encourage continuation of such efforts.

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.

If you have any questions or need more specific information about this report's findings, please contact me at 202-208-5745.

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 USGS had designed and implemented a system of internal controls or travel management controls to provide reasonable assurance that travel vouchers were complete, accurate, and supported; per diem payments were appropriate and allowable; authorizations were created and approved prior to travel; management was 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 USGS's travel management controls. These weaknesses and recommended corrective actions are discussed in this report and if implemented, the recommendations should improve USGS's travel management controls.

Objective

Our objective was to assess the U.S. Department of the Interior's (DOI) 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 USGS offices in—

- Albuquerque, NM;
- Menlo Park, CA;
- Portland, OR;
- Vancouver, WA;
- Reston, VA; and
- Atlanta, GA.

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, as we were informed that this would be the most accurate and complete way to establish the voucher universe by bureau and agency. 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 JPMorgan 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.

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

U.S. GEOLOGICAL SURVEY
Office of the Director
Reston, Virginia 20192

Memorandum

MAY - 1 2013

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

Through: Anne J. Castle *Anne J. Castle* MAY 21 2013
Assistant Secretary for Water and Science

From: Suzette M. Kimball *Suzette M. Kimball*
Acting Director, U.S. Geological Survey

Subject: Draft Audit Report—GovTrip Use and Monitoring by the U.S. Department of the Interior – U.S. Geological Survey
Report No. WR-IN-GSV-0006-2013

This memorandum is in response to your draft audit report on GovTrip Use and Monitoring by the U.S. Department of the Interior (DOI) and the U.S. Geological Survey (USGS). We appreciate the opportunity to review and comment on the report's findings and recommendations and look forward to working with you to ensure proper stewardship of Federal Government resources.

The objective of the audit was to assess DOI's implementation, use, and monitoring of Gov/Trip as a part of the overall travel system. The scope of the USGS audit included a sampling of 49 vouchers and 40 travel authorizations from fiscal year (FY) 2009.

As background, the USGS currently conducts a daily pre-payment statistical review of 5 percent of all vouchers processed in GovTrip. In addition, we review 100 percent of all foreign, executive leadership, and Office of Accounting and Financial Management vouchers. When an error is found, the voucher is rejected and the traveler is required to make corrections before the voucher is processed. The Travel Section captures a listing of all the errors and publishes them quarterly in a performance indicator report. As a result of these quarterly reports, the USGS provided training to cost center administrative staff in the spring of 2012 highlighting the following requirements:

- travel must be authorized in advance by an official at least one supervisory level above the traveler;
- travel authorizations must be printed, signature obtained for approval, and attached to the travel authorization or voucher in GovTrip;

- receipts must be provided for all expenses over \$75 and for all car rental, hotel lodging, and airfare regardless of amount;
- all travel related items must be itemized on the voucher;
- vouchers must be updated to reflect actual expenses; and,
- currency exchange rates must be noted on all foreign receipts.

Report Recommendation:

USGS should require supervisors to---

- Ensure travel authorizations are created and approved prior to travel with the only exception being bona fide emergency travel;

USGS Comment/Actions:

USGS agrees. Action: Training has been provided to administrative staff on the requirement that travel must be authorized in advance by an official at least one supervisory level above the traveler (see above).

Report Recommendation:

USGS should review the vouchers identified in this report to determine the appropriateness of the claimed expenses and initiate steps to recollect all overpayments.

USGS Comments/Actions:

We have provided comments and actions for specific vouchers and authorizations on the attached. Action: In the meantime, the USGS will: (1) issue a memorandum to all cost center managers reminding them of their responsibility to thoroughly review all vouchers; (2) develop a tip sheet for supervisors on stringent voucher review; (3) issue clarifying guidance to employees on when to use a Government-owned vehicle; (4) continue to perform quarterly reviews, and (5) require action on authorizations that have not been vouchered.

For issues identified, we provide the following:

- *Four authorizations not yet vouchered.* The USGS publishes a quarterly report of all the authorizations created and not vouchered. Action: Beginning in FY 2013, cost center managers are required to certify quarterly that these reports have been reviewed and action taken.

- *Ten vouchers reviewed or approved by the individual who created the document.* The Gov/Trip system is configured so that no individual can approve his/her own voucher. However, the USGS allows vouchers to be routed to administrative staff to assist managers in the review process. Action: The USGS reviewed the vouchers in question and determined that they were properly reviewed and approved. The vouchers were created by an arranger and approved by the arranger but each voucher was also signed by the traveler and the supervisor.
- *Government-Owned Vehicles (GOV).* Currently, the USGS does not require travelers to document on the voucher whether a GOV or personally-owned vehicle (POV) is used. Action: The USGS will issue guidance to employees indicating that when a GOV is used as the mode of transportation, they must choose GOV under Other Transportation on the authorization.

Report Recommendations:

The USGS 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.

USGS should make changes to correct existing deficiencies, including—

- creating and implementing policy requiring supervisors to reconcile charge card statements with travel vouchers.

USGS Comments/Actions:

Charge Card Reconciliation. The USGS obtained DOI approval to eliminate the charge card signature requirement by demonstrating that its internal control process is more effective and comprehensive for detecting fraud, waste, and abuse than the signature requirement. This internal control process requires the cardholder to (1) maintain a log of purchases and other card activity, (2) review the monthly statement to ensure that the charges are valid, (3) maintain supporting documentation and receipts, and (4) annually sign a statement attesting to the fact that the use of the Government charge card is for official Government transactions only. It also requires the cost center administrative staff to review the monthly billing cycle report, with findings reported out quarterly. Action: The USGS will continue to monitor travel charge card purchases through its current internal control process.

Report Recommendations:

USGS should make changes to correct existing deficiencies, including—

- creating and implementing policy limiting the use of auto-approval by employees to legitimate emergency travel;

USGS Comments/Actions:

Auto-Approval. The report states that 37 of the 40 authorizations were auto-approved. Most likely, all of the authorizations were auto-approved. When the USGS implemented GovTrip, we decided to auto-approve all authorizations to minimize reserved ticket cancellations due to late electronic approval, which could cause increases to workload and ticket price. Currently, all travelers must obtain verbal approval prior to initiating the authorizations and any travel. They must then print the authorization to obtain the actual signature. Action: The USGS will issue a policy, effective, October 1, 2013, requiring prior signed approval on all travel authorizations before initiating travel.

If you have any additional questions, please contact Diane K. Wade, USGS, Associate Director for Administration and Enterprise Information at (703) 648-7200 or dwade@usgs.gov.

Attachments

Status of Recommendations

| Recommendations | Status | Action Required |
|------------------------|-------------------------------|--|
| I.a. | Resolved but not implemented. | The recommendation will be referred to the Assistant Secretary for Policy, Management and Budget for tracking of implementation. |
| I.b. and I.c. | Unresolved. | Please provide a response that addresses the verification, approval, and signatures of charge card statements. |
| 2.a. | Resolved but not implemented. | The recommendation will be referred to the Assistant Secretary for Policy, Management and Budget for tracking of implementation. |
| 2.b. | Unresolved. | Please provide a response that addresses the creation and implementation of policy requiring supervisors to reconcile charge card statements with travel vouchers. |
| 3 | Resolved but not implemented. | The recommendation will be referred to the Assistant Secretary for Policy, Management and Budget for tracking of implementation. |

Report Fraud, Waste, and Mismanagement



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