



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

GovTRIP USE AND MONITORING BY THE U.S. DEPARTMENT OF THE INTERIOR— OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT



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

MAY 21 2013

Memorandum

To: Joseph G. Pizarchik
Director, Office of Surface Mining Reclamation and Enforcement

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 – Office of Surface Mining Reclamation and Enforcement
Report No. WR-IN-OSM-0014-2012

The U.S. Department of the Interior (DOI) spends approximately \$250 million a year through GovTrip on travel, with the Office of Surface Mining Reclamation and Enforcement (OSM) accounting for about \$2.8 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 OSM 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 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 "U.S. Department of the Interior's Video Teleconferencing Usage," WR-EV-MOA-0004-2010. 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 details 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 OSM 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 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 when it is in place.

While we did discover several issues in our testing, we found that compared to other bureaus, OSM had relatively few problematic vouchers and charge card statements. We recognize and appreciate OSM's efforts in managing travel and encourage OSM to continue to improve.

Issues Found During Travel Voucher Testing

We randomly selected 90 OSM vouchers and their related authorizations from fiscal years 2009 and 2010. The total amount paid from these vouchers was about \$70,000, which included about \$32,000 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 11 vouchers that did not have the required supporting documentation for all travel expenses. Most of these expenses were for hotel, rental car or personal vehicle mileage (POV), and airfare, which are often the three highest value expenses on vouchers. For example, one traveler claimed

\$101 in reimbursable mileage for driving to and from the airport but did not include any documentation supporting the more than 200-mile roundtrip.

We also found 13 vouchers that either did not include all the expenses listed in the traveler's receipts or the information shown on the receipts did not match the expenses entered in the voucher. For example, one voucher had the lodging costs accounted for both under the per diem costs and as an expense, overstating the actual cost of the trip. Another voucher showed reimbursable mileage to and from the airport of 80 miles instead of the 50 miles that it should have stated.

In addition, one traveler appeared to be over-reimbursed by more than \$550; the voucher was approved even though it included unjustified expenses. Specifically, the traveler used a POV to drive to another State's airport more than 200 miles away. The traveler also booked the flight on an Internet travel site instead of the authorized Government travel system, resulting in double charging airfare. The voucher also showed a rental car upgrade to a Jeep for which the Government paid; gas used for personal travel during the trip; and extra time and per diem to fly into Denver, CO, even though other airports were much closer to the site location in Wyoming.

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, they 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 90 authorizations selected for testing, 18 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 prior to travel, your agency may approve a specific authorization for reimbursement of travel expenses after travel is completed.

Of the authorizations tested, 20 percent failed to meet the general authorization requirement, but 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 responsible for all travel costs incurred.

Auto-Approval

Nearly all of the authorizations we tested (89 of 90) used GovTrip's auto-approval feature, which allows travelers to arrange and book trips without supervisory approval. This feature was developed when all travel arrangements used a paper-based system. Auto-approval 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 most travel, even though much of it is routine and known about 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.

Mode of Transportation Not Documented or Not Justified

Of the 90 vouchers selected for testing, 11 did not indicate the mode of transportation used to travel to the temporary duty (TDY) location. Based on the proximity of the TDY location to the traveler's duty station or the absence of POV mileage claimed, these travelers may have 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 using a GOV for fleet management purposes. In addition, supervisors cannot make a determination whether the mode of transportation for travel is advantageous to the Government.

In addition, FTR § 301-10.4 requires that the most advantageous and expeditious method of transportation be used. In general, FTR deems a common carrier to be the most expeditious. Of the 90 vouchers we tested, 15 showed large mileage claims for POV travel without an accompanying justification or cost comparison to common carrier transportation costs. The FTR states that reimbursement to the traveler is allowed for use of POV when the agency determines that such travel is advantageous to the Government (FTR § 301-10.303), but there is no evidence in the vouchers that OSM employees made this determination.

For example, one voucher claimed POV mileage reimbursement for more than 1,000 miles without providing any cost comparison, and a second voucher merely included a statement that the use of a POV for driving more than 800 miles was beneficial to the Government with no additional support. A third voucher included an approved POV mileage claim for 614 miles with no cost comparison. We also calculated the estimated mileage for this trip based on an Internet mapping application and found that the 614 miles claimed exceeded our estimate by more than 200 miles. The voucher included no explanation for this extra mileage. A fourth voucher showed that the traveler chose to use a POV to drive to the site location multiple States away. Personal preference is not an acceptable basis for determining the method of transportation.

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 because 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 OSM travel card statements. Unfortunately, even in our small random selection of 15 charge card statements from 2 OSM office locations, we found lax supervisory reviews that presented an internal control risk.

Unexplained Transactions

Of the 15 statements tested, we found 2 statements with expenses that did not match the expenses reported in GovTrip. One of these statements showed a cash advance withdrawal above the allowed per diem rate in addition to meal charges on top of that amount. The other statement showed a parking fee that occurred outside of official travel during personal time. Though the questionable costs of these charges are of relatively low monetary value (under \$100), both of these statements belonged to OSM bureau travel leads, reinforcing the need for careful scrutiny at all Bureau levels.

Conclusion and Recommendations

Because ETS-2 is still several months from coming online, OSM 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 OSM fully transitions to the new travel system.

1. OSM 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. verify that POV mileage claimed by travelers is advantageous to the Government and clearly documented in the travel authorization;
 - d. ensure that use of a GOV is consistently documented in the travel authorization and voucher; and
 - e. verify and approve all charges on charge card statements.

Agency Response: In its March 28, 2013 response, OSM concurred with Recommendation 1 parts a, b, c, and d, and identified target dates and responsible officials for implementation. For Recommendation 1 part e, OSM agreed that supervisors should verify all charges on statements and that it conducts quarterly reviews to ensure compliance with DOI's charge card policy, but did not agree with the exceptions noted in

the report. Therefore, OSM believed that no further action was required at this time see Attachment 2).

OIG Reply: We consider Recommendation 1, parts a, b, c, and d resolved but not implemented and Recommendation 1 part e resolved and implemented. OSM's overall comments that it did not find the errors we specifically highlighted in this report is inconsistent with conversations we had with OSM travel and payment officials. When discussing the report examples, OSM stated that it was taking actions to address the report findings and exceptions. We appreciate the efforts that OSM has already taken to manage and administer its travel process and encourage the continuation of such efforts. We will refer the recommendation to the Assistant Secretary for Policy, Management and Budget (PMB) for implementation tracking (see Attachment 3).

2. OSM 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: In its response, OSM agreed with Recommendation 2 part a and identified target dates and responsible officials for implementation, but it did not agree with part b and believes that no further action or policy is required at this time (see Attachment 2).

OIG Reply: We consider this recommendation resolved but not implemented. Regarding Recommendation 2 part b, we recognize that we did not find significant errors on the statements, but believe that the reconciliation of travel charge cards with the associated travel vouchers will enhance this internal control process. Since OSM is relying on DOI policy to determine its approach to charge card reviews, we agree to wait to determine if DOI establishes a uniform policy on charge card statement and voucher reconciliation as recommended in our separate report to the Deputy Secretary. We will refer the recommendation to the Assistant Secretary for Policy, Management and Budget for implementation tracking (see Attachment 3).

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 202-208-5592.

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 OSM 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; and charge card statements were verified, approved, and signed by the traveler and supervisor. We found weaknesses in OSM's travel management controls. We discuss these weaknesses and recommended corrective actions in this report, and if implemented, the recommendations should improve OSM'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 OSM offices in Denver, CO, and Homewood, AL.

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 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.

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

OFFICE OF SURFACE MINING
RECLAMATION AND ENFORCEMENT
Washington, D.C. 20240



MAR 28 2013

Memorandum

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

Through: Glenda H. Owens *Glenda H. Owens*
Deputy Director

From: Georgene Thompson */s/*
Deputy Chief Financial Officer

Subject: Draft Audit Report – GovTrip Use and Monitoring by the U.S. Department of the Interior – Office of Surface Mining Reclamation and Enforcement Report No. WR-IN-OSM-0014-2012

The Office of Surface Mining Reclamation and Enforcement (OSM) appreciates the opportunity to comment on the draft GovTrip Travel Audit Report. We have reviewed the issues and recommendations and have the following comments.

Travel Voucher Testing

Recommendation 1: OSM should require that supervisors verify that vouchers contain supporting documentation as required by the FTR and accurately reflect costs incurred during travel.

Response: OSM agrees. However, we do not agree with the finding that there was missing documentation and errors in expenses on the vouchers tested. For the exceptions noted, OSM was able to retrieve the attached supporting documentation in GovTrip.



OSM believes its practice of having a two-tiered review process ensures that the required supporting FTR documentation is included with each travel voucher prior to reimbursement. We do acknowledge that detailed explanations would improve the voucher process. We will provide guidance to ensure that the appropriate level of detail is entered into GovTrip.

Recommendation 2: OSM should require supervisors to ensure travel authorizations are created and approved prior to travel, with the exception being a bona fide emergency travel.

Response: OSM agrees there should be few instances where travel authorizations are created after the trip commencement date. The conversion to ETS-2 later this year will require travel authorizations to be digitally approved prior to travel, thus addressing the issue. OSM believes that any change to GovTrip at this time would not be an efficient use of resources. We will, however, provide guidance reminding supervisors that travel authorizations should be approved prior to travel, with only a few exceptions for bona fide emergencies. We will continue to monitor travel closely through our voucher review process to ensure adherence to the guidance.

Recommendation 3: OSM should require supervisors to verify that privately owned vehicles (POV) mileage claimed by travelers is clearly documented on the travel authorization and determined to be advantageous to the government.

Response: OSM agrees that supervisors should determine the most advantageous mode of transportation whether POV or GOV. We recognize that the approving officials need to ensure that any form of transportation is clearly documented in the travel authorization. OSM will provide guidance reminding supervisors to be prudent when approving transportation mode and to ensure that it is clearly noted on the travel authorization.

Recommendation 4: OSM should require supervisors to ensure that use of Government Owned Vehicles (GOV) is consistently documented in the travel authorization and voucher.

Response: OSM agrees. We will provide guidance to remind supervisors and planners that the use of GOV be consistently documented.

Recommendation 5: OSM should make changes to correct existing deficiencies by creating and implementing policy that limits the use of auto-approval by employees to legitimate emergency travel.

Response: OSM agrees that the use of auto-approvals should be limited; however, we believe that to change the process now would be an inefficient use of resources since the conversion to ETS-2 later this year will require that travel authorizations be digitally approved prior to travel. We will, however, provide guidance reminding supervisors that travel authorizations should be

approved prior to travel with only a exceptions for bona fide emergencies. OSM will also continue to monitor travel closely through the voucher review process until the conversion to ETS-2. At that time this concern will be resolved since the auto-approval option will no longer be available.

Charge Card Testing

Recommendation 6: OSM should require supervisors to verify and approve all charges on the charge card statement.

Response: OSM agrees that supervisors should verify all charges on statements. However, OSM does not agree with the findings and exceptions noted. OSM's current policy complies with the DOI charge card policy that requires supervisors to verify and approve charge card statements. OSM conducts quarterly reviews to ensure compliance with the policy. Based on the results of our reviews, we do not believe that further-action is required at this time.

Recommendation 7: OSM should make changes to correct existing deficiencies, including creating and implementing policy requiring supervisors to reconcile charge card statements with travel vouchers.

Response: OSM currently follows the DOI charge card policy that requires supervisors to review and sign charge card statements. Based on our current policy and practice to conduct quarterly reviews to ensure compliance with the policy, we do not agree that further policy is required at this time.

Item 1 - OSM should require supervisors:

Recommendation	Action to be taken	Target Date	Responsible Area
Verify that vouchers contain supporting documentation as required by the FTR and accurately reflect costs incurred during travel	OSM will provide guidance to ensure that the appropriate level of detail is entered into GovTrip.	4/30/2013	Emailing Notification from Payments Team. Scott Berens Chief, Payment Branch
Ensure travel authorization is created and approved prior to travel, with the exception being a bona fide emergency travel	Continue current process until conversion to ETS-2 travel later this year. Provide guidance reminding supervisors that travel authorizations should be approved prior to travel and there should be few exceptions.	10/1/13	Conversion to ETS-2 (no auto-approval allowed)

Verify Privately Owned Vehicle (POV) mileage claimed by travelers is advantageous to the Government and clearly documented in the travel authorization	OSM will provide guidance reminding supervisors to be prudent when approving transportation mode.	4/30/13	Emailing Notification from Payments Team. Scott Berens Chief, Payment Branch
Ensure that use of Government Owned Vehicle (GOV) is consistently documented in the travel authorization and voucher	OSM will provide guidance to remind supervisors and planners that GOV should be consistently documented.	4/30/13	Emailing Notification from Payments Team. Scott Berens Chief, Payment Branch
Verify and approve all charges on the charge card statement	No action is required.	Current Process	Scott Berens Chief, Payments Branch

Item 2 - OSM should make changes to correct existing deficiencies, including:

Creating and implementing policy limiting the use of auto-approval by employees to legitimate emergency travel	OSM will provide guidance reminding supervisors that travel authorizations should be approved prior to travel and there should be few exceptions. Continue current process until change to ETS-2 Travel.	10/1/13	Conversion to ETS-2 (no auto approval allowed)
Creating and implementing policy requiring supervisors to reconcile charge card statement with travel vouchers	Currently, OSM is following the DOI charge card policy. No action required.	Current Process	Scott Berens Chief, Payments Branch

If you have any questions or need additional information, please contact Scott Berens, via email at sberens@osmre.gov or at (303) 236-0330, extension 302.

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 but not implemented.	We will refer the recommendation to the Assistant Secretary for Policy, Management and Budget for tracking of implementation.

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