



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

Report No. WR-VS-MOA-0009-2010
August 23, 2010

Memorandum

To: Mary Pletcher
Director, National Business Center

From: Michael P. Colombo 
Regional Manager

Subject: Verification Review of Six Recommendations from Our March 2008 Evaluation
Report No. Y-EV-MOA-0001-2008 Titled "Controls Over the Transit Benefit
Program at the Department of the Interior"

The Office of Inspector General has completed a verification review of five of six recommendations presented in the subject evaluation report. The objective of the review was to determine whether the recommendations were implemented as reported to the Office of Financial Management, Office of Policy, Management and Budget. In a memorandum dated September 24, 2009, the Office of Financial Management reported to the Office of Inspector General that all of the recommendations in the subject report had been implemented, and the evaluation report was closed.

Background

Our March 2008 evaluation report, "Controls over the Transit Benefit Program at the Department of the Interior," (Report No. Y-EV-MOA-0001-2008) made six recommendations to the Department of the Interior (DOI) relating to the operation of the Transit Subsidy Program.

In a June 16, 2008 response to the draft of the subject report, DOI concurred with all six of the recommendations. Based on this response, we considered Recommendations 1, 2, 3, 4, and 5 as resolved but not implemented, and Recommendation 6 as resolved and implemented. We referred the five unimplemented recommendations for tracking of implementation in a July 8, 2008 Memorandum to the Assistant Secretary for Policy, Management and Budget.

Scope and Methodology

The scope of this review was limited to determining whether DOI took action to implement the five recommendations referred for implementation tracking. To accomplish our

objective, we reviewed the supporting documentation that National Business Center (NBC) officials provided us relating to each of the five recommendations.

We did not perform any site visits or conduct any detailed fieldwork to determine whether the underlying deficiencies that were initially identified have actually been corrected. As a result, this review was not conducted in accordance with the “Government Accounting Standards” issued by the Comptroller General of the United States.

Results of Review

Our current review found that DOI implemented all five of the recommendations referred for implementation tracking.

Recommendation 1: Require all participants to, on an annual basis, recertify their continued eligibility for the program, submit the Transit Subsidy Commuting Expense Worksheet and backup documentation, such as a WMATA [Washington Metropolitan Transit Authority] trip planner printout with their recertification, obtain supervisory approval and approval from the appropriate transit subsidy coordinator on the forms, and remove from the program any participant who fails to recertify.

In its June 16, 2008 response to the draft report, DOI stated that NBC will require annual recertification for all program participants beginning January 2009. Additionally, any participant who does not recertify will be removed from the program. To address this recommendation, the NBC developed a Commuting Expense Worksheet, which is required to be submitted with all new and revised applications, including subsidy increase forms. The WMATA trip planner was also added as a hotlink to the NBC web page. In addition, DOI stated that supervisors and transit coordinators are currently required to approve all transit applications, and NBC will continue to stress this requirement with Bureau coordinators.

We obtained three email notifications that NBC sent to all DOI employees regarding the requirements for the new Transit Subsidy Program. The requirements stated that participants must be recertified and trained annually, and those who failed to do so would be removed from the program. These emails also explained the requirement for the new commuting expense worksheet, which supervisors would certify for accuracy. Upon reviewing this documentation, we concluded that Recommendation 1 has been resolved and implemented.

Recommendation 2: Develop procedures to ensure transit subsidy participants do not also have parking privileges and consider the use of electronic parking records to facilitate this process.

In its June 16, 2008 response to this recommendation, DOI fully agreed that parking records should be electronic. In fiscal year 2009, the NBC conducted an Alternative Internal Control Review on the Transportation Subsidy Program. The review identified no material weaknesses, but one of the recommended process improvements was to update parking records

electronically. NBC responded that it is aware of the need and is in the process of automating the parking records.

We reviewed the parking records, which are in the final stages of becoming electronic. An NBC official told us that the parking records should be complete by September 2010. In addition, NBC issued a memo stating participants are not allowed to have a worksite parking permit and participate in the Transit Subsidy Program. Participants must self certify that their transit application is accurate and that they do not receive federally subsidized parking. Furthermore, the NBC created an online transit integrity training that addresses both self-certification and the restrictions for federally subsidized parking permits. As a result, we concluded that Recommendation 2 has been resolved and implemented.

Recommendation 3: Develop procedures for retaining and storing records related to the Transit Subsidy Program.

In its June 16, 2008 response to this recommendation, DOI agreed that procedures for retaining, storing, and disposing of records related to the Transit Subsidy Program need to be developed.

We obtained the Standard Operating Procedures and a documentation retention plan for the Transit Subsidy Program, which met the intent of the recommendation. As a result, we concluded that Recommendation 3 has been resolved and implemented.

Recommendation 4: Work with the DOT [Department of Transportation] to ensure the accuracy of [its] database by making regular comparisons between [its] list of program participants and active employees, providing DOT information on employees who separate from DOI, and considering the development of a DOI database of transit subsidy participants that can electronically interface with the DOT database.

In its June 16, 2008 response to this recommendation, DOI concurred and requested a meeting with DOT and Bureau transit coordinators for the purpose of improving the accuracy of transit subsidy reports and reconciling lists of participants. NBC also planned to develop electronic records that will enable NBC to conduct regular comparisons between DOT's and NBC's program information to improve accuracy. In addition, NBC also developed a transit subsidy de-enrollment form for transit participants who leave the program.

In its 2009 Alternative Internal Control Review, the second recommended process improvement was to modify the contract between NBC and DOT to clarify communication requirements. For fiscal year 2010, NBC added a communication requirement to the DOT agreement. There is, however, no guarantee that DOT will comply.

We reviewed the electronic parking records, which are currently being updated by NBC, and found that once complete, they will be a useful tool in comparing parking permit holders to DOT's subsidy participants to identify ineligible participants. We also obtained emails between NBC and DOT regarding the removal of DOI employees no longer in the Transit Subsidy

Program. Based on the above documents we consider this recommendation resolved and implemented.

Recommendation 5: Provide annual reminders and training to employees and to supervisors on their responsibilities under the transit benefit program and review and update the FAQ and other policy documents.

In its June 16, 2008 response, DOI stated that it will continue to communicate program responsibilities to both supervisors and employees.

We obtained recent examples of NBC communicating about the Transit Subsidy Program. These include the quarterly transit distribution memorandum and three Departmentwide emails regarding the mandatory annual training and recertification. Further, NBC continually updates the FAQs online and has expanded them from 19 questions to 40. Finally, as recommended in our report, NBC has reclassified and clarified the FAQs that apply only to Washington Metro Area participants.

Conclusion

We informed NBC officials of the results of this review at an exit conference on August 19, 2010. The NBC officials agreed with the results of our review.

cc: Eric Eisenstein, Branch Chief, Internal Control and Audit Follow-up, Office of Financial Management (MS 2557-MIB)
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