



Smithsonian  
Institution

# **Non-Senior Staff Travel Oversight Needs Improvement**

**Office of the Inspector General  
Final Audit Report, A-11-07  
March 30, 2012**



# Smithsonian Institution

Office of the Inspector General

Date March 30, 2012

To Albert Horvath, Under Secretary for Finance and Administration/Chief Financial Officer  
Richard Kurin, Under Secretary for History, Art, and Culture  
Eva Pell, Under Secretary for Science  
Claudine K. Brown, Assistant Secretary for Education and Access  
Virginia B. Clark, Director, Office of Advancement  
Evelyn Lieberman, Director of Communications and External Affairs  
Thomas Ott, President, Smithsonian Enterprises

cc Stacy Cavanagh, Senior Executive Officer, Under Secretary for Science  
Dianne Niedner, Senior Program Officer, Under Secretary for History, Art, and Culture  
Andrew Zino, Comptroller

From   
Scott S. Dahl, Inspector General

Subject Non-Senior Staff Travel Management Needs Improvement, Audit Number A-11-07

Attached please find a copy of our final report titled Non-Senior Staff Travel Management Needs Improvement. We made three recommendations to strengthen adherence to the Smithsonian travel policy and procedures. We recommended that management (1) require that approvers resolve voucher problems through the traveler; (2) assess whether mandatory training is necessary for certain approvers; and (3) emphasize in writing the strict enforcement of the Smithsonian travel policy.

Management concurred with our findings and recommendations and has proposed corrective actions that will resolve the recommendations.

We appreciate the courtesy and cooperation of Smithsonian representatives during this audit.

Please call Joan Mockeridge or Brian Lowe on 202.633.7050 if you have any questions.

Attachment



## In Brief

## Non-Senior Staff Travel Oversight Needs Improvement Report Number A-11-07, March 30, 2012

### Why We Did This Audit

The Office of the Inspector General (OIG) conducted this audit of non-senior staff travel based on earlier OIG reviews that found travel problems by some senior Smithsonian management and weaknesses in oversight of executive-level travel. Our objective in the audit was to assess whether the Smithsonian used the results of the OC Compliance Review Reports of Non-Senior Travel (OC reports) to hold individual travelers accountable and to bring about improvement in travel management.

### Background

Smithsonian researchers travel the world to collect objects, specimens, and data. Researchers also present the results of their work at numerous conferences and meetings in the United States and foreign countries. In addition, staff engage in fundraising activities that require travel to meet with donors. As such, travel at the Smithsonian is critical to its mission of increasing and diffusing knowledge. During fiscal years 2008 to 2010, Smithsonian non-senior travelers from 56 units took 33,458 trips totaling over \$42 million.

### What We Found

In accordance with our audit objective, we determined that the Smithsonian generally used the OC reports to hold individual travelers accountable and improve its travel management program. However, some underlying problems remain uncorrected.

In an effort to understand why voucher problems still exist, we examined the voucher approval process. As a result of the problems we found, we identified system process improvements that would result in more accountability. We found systemic problems with voucher approvals and oversight of approvers. Based on our review of the OC reports and discussions with management, we concluded that:

- Unit travel approvers often did not effectively review the vouchers and supporting documentation.
- Supervisors often did not always effectively oversee approvers' work.

Ineffective approvals and inadequate oversight of the travel process weaken internal controls and resulted in the Smithsonian reimbursing travelers for unauthorized expenses.

### What We Recommended

We recommended that the Under Secretary for Finance and Administration:

- Revise the Travel Handbook to require that when approvers find voucher problems, approvers resolve them by following up with the travelers and, where necessary, the travelers' supervisors.
- Direct the Comptroller to identify approvers who demonstrated a high volume of problems during the OC compliance reviews, and identify approvers with a high volume of trip reviews. Direct the Comptroller to assess whether these groups of approvers require mandatory training.

We also recommended that the Under Secretary for Finance and Administration in coordination with the Smithsonian leadership team:

- Emphasize in writing that unit management needs to more strictly enforce the Smithsonian's travel policy.

Management concurred with our findings and recommendations and has proposed corrective actions that will resolve the recommendations.

**For additional information or a copy of the full report, contact the Office of the Inspector General at (202) 633-7050 or visit <http://www.si.edu/oig>.**

## **INTRODUCTION**

The Office of the Inspector General (OIG) conducted this audit of non-senior staff travel based on earlier OIG reviews that found travel problems by some senior Smithsonian management and weaknesses in oversight of executive-level travel. Following these reviews, Smithsonian management implemented new procedures for monitoring senior and non-senior travelers, including quarterly compliance reviews conducted by the Office of the Comptroller (OC).

Smithsonian management's support of compliance with the travel policy and procedures assists in managing its limited financial resources. Conversely, a lack of management emphasis on compliance with travel policy and procedures may result in travel expense overpayments and increased administrative costs in a time of decreasing budgets. Previous audits of senior travel at the Smithsonian uncovered problems that not only resulted in increased costs, but also resulted in unfavorable publicity for the Smithsonian.

Smithsonian researchers travel the world to collect objects, specimens, and data. Researchers also present the results of their work at numerous conferences and meetings in the United States and foreign countries. In addition, staff engage in fundraising activities that require travel to meet with donors. As such, travel at the Smithsonian is critical to its mission of increasing and diffusing knowledge.

Our objective in the audit was to assess whether the Smithsonian used the results of the OC Compliance Review Reports of Non-Senior Travel (OC reports) to hold individual travelers accountable and to bring about improvement in travel management.<sup>1</sup> Beyond assessing the OC reports, we identified system process improvements that would result in more accountability. We found systemic problems with voucher approvals and oversight of approvers that increase the Smithsonian's risk for overpayments of travel expenses.

We include a detailed description of our scope and methodology in Appendix A.

## **RESULTS IN BRIEF**

We found that the Smithsonian generally used the results of the OC reports to hold individual travelers accountable and to improve travel management. Nonetheless, despite these improvements, we found that management needs to strengthen its travel management process, specifically in the area of voucher approvals. Ineffective travel voucher approvals weaken the Smithsonian travel program and increase the risk of travel expense overpayments. With inadequate travel voucher reviews by approving officials at the unit level, the Smithsonian has paid for unallowable expenses and reimbursed travelers for more than they were entitled.<sup>2</sup>

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<sup>1</sup> Non-senior level employees generally perform work at or below the scope and responsibility of the GS-15 or equivalent level.

<sup>2</sup> However, when OC identified unauthorized reimbursements during their compliance reviews, they worked with the units to ensure the traveler reimbursed the Smithsonian, when appropriate.

During fiscal years (FY) 2008 to 2010, Smithsonian non-senior travelers from 56 units took 33,458 trips totaling over \$42 million. For this same period, OC reviewed 51 units comprising a sample of 450 vouchers<sup>3</sup> with total costs of \$1,585,057. We judgmentally selected 8 of the 51 units and reviewed all 155 travel vouchers from these units totaling \$857,763 (or 54 percent of the total cost OC reviewed).

We verified the findings from the OC reports, which identified that the Smithsonian reimbursed travelers for travel vouchers submitted without receipts and other supporting documentation. We believe the Smithsonian could reduce these improper reimbursements by more effectively monitoring some unit-level approval processes. Specifically, the OC reports and our interviews disclosed that unit-level approvers' reviews of travel vouchers did not always identify non-compliance with the Smithsonian's travel policy.

Managers informed us that some supervisors were not properly overseeing approvers. For example, in one of the eight units we reviewed a manager stated that a supervisor told approvers not to scrutinize vouchers too closely. The supervisors are another layer of protection to ensure compliance with travel policy. If the Smithsonian does not effectively oversee travel approvers, then problems, such as increased travel costs, will continue.

In this report we made three recommendations to strengthen travel management process. These recommendations will reduce the risk of overpaying travelers by ensuring compliance with the Smithsonian's travel management directive. Management concurred with our findings and recommendations and has proposed corrective actions that will resolve the recommendations. Please refer to Appendix B for management's complete response. We believe that by implementing these recommendations, compliance with travel policy should improve.

## **BACKGROUND**

### ***Smithsonian Policy and Procedures***

The Federal Travel Regulation (FTR) implements statutory requirements for travel by Federal civilian employees and others authorized to travel at Government expense. Smithsonian Directive (SD) 312, ***Travel***, establishes travel policy for Smithsonian employees, associates, and invited guests, and states that "Smithsonian travel policy and procedures conform to the FTR as issued by the General Services Administration."

According to SD 312, "The Directors of Museums, Research Centers, and Offices are responsible for and accountable to the Under Secretary for Finance and Administration (USF&A) for ensuring that their units comply with Smithsonian travel policies and procedures for all employees within their organization." OC, which reports to the USF&A and Chief Financial Officer, is responsible for maintaining travel policy and procedures, as well as conducting reviews of non-senior travel.

The Smithsonian Institution Travel Handbook (Handbook) supplements SD 312 by providing specific procedures including processes unique to the Smithsonian's operations. The Handbook contains detailed information about travel authorizations, allowable travel expenses, travel expense reimbursements, and post-payment travel voucher audits.

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<sup>3</sup> Each voucher represents one trip.

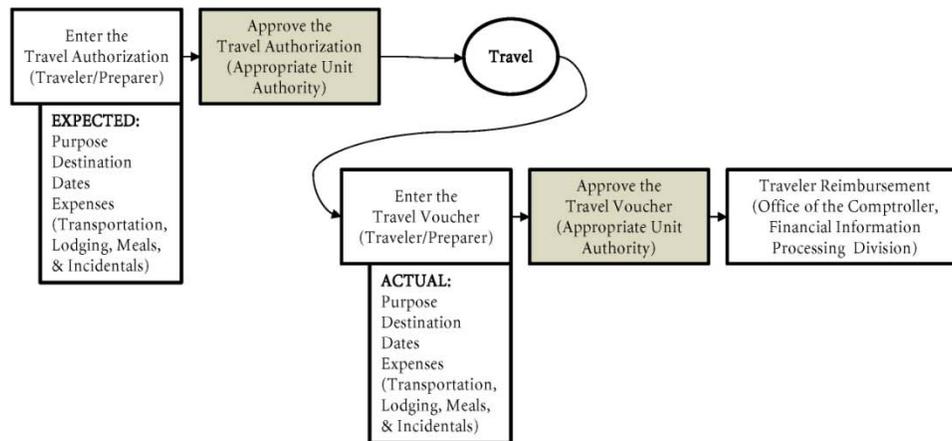
## ***Smithsonian Travel Process***

In 2007, the Smithsonian began using the GovTrip web-based system, which provides travelers with tools for travel planning and voucher filing. The system allows the Smithsonian to electronically create and process travel authorizations and vouchers. These travel documents are automatically routed to the appropriate person for approval. According to the Handbook, travelers must use GovTrip to prepare travel authorizations and vouchers and to electronically attach required supporting documentation.

Travel authorizations establish the destination, duration, and estimated cost of the trip. GovTrip prompts the traveler to enter information such as the duration and points of travel, expected expenses, and mode of travel. The travel authorization is then automatically routed to the appropriate approving official (approver).

Travel vouchers and supporting documentation provide evidence to support the traveler's claim for reimbursement. The voucher reflects the authorized purpose, destination, duration, and cost of travel. In accordance with the Handbook, travelers have 5 working days after returning from the trip to submit their travel voucher, which includes an itemized list of expenses incurred. GovTrip routes the travel voucher to the appropriate official for approval.

### **Smithsonian Travel Process**



## ***OC Compliance Review Reports***

OC implemented a non-senior travel voucher review process in January 2009. Under this process, OC reviewed vouchers and assessed unit compliance with Smithsonian procedures to highlight the areas needing improvement. OC first selects a judgmental sample of vouchers and reviews for compliance with Smithsonian travel policy, issues a report to the units, and then follows up with the units to improve compliance. OC selects units on a rotating basis to obtain maximum coverage across the Smithsonian. This method allows OC to cover all units within a 3 year period.

As a result of these reviews, OC issues reports to the units identifying compliance-related matters such as inadequate documentation, signed vouchers not electronically attached to vouchers, the use of actual expenses without justification, and travelers not using the government charge card. OC instructs the units to correct the deficient vouchers and report the action taken back to OC.

### ***New OC Travel Review Process***

On June 1, 2011, after we began our audit, OC implemented a change to the travel review process as described above. OC now tracks responses and may suspend travel privileges for any traveler with payment errors not addressed within 20 business days from the distribution date of the OC report. However, we believe the implementation of this new process does not affect our conclusions, findings, or recommendations. While this change appears to provide greater accountability for individual travelers, it does not address the approval of vouchers or oversight of the approvers.

## **RESULTS OF AUDIT**

In accordance with our audit objective, we determined that the Smithsonian generally used the OC reports to hold individual travelers accountable and improve its travel management program. These reviews improved oversight of travelers for those units included in the reports. However, some underlying problems remain uncorrected.

In an effort to understand why voucher problems still exist, we examined the voucher approval process. As a result of the problems we found, we identified system process improvements that would result in more accountability. We found systemic problems with voucher approvers and oversight of approvers. Based on our review of the OC reports and discussions with management, we concluded that:

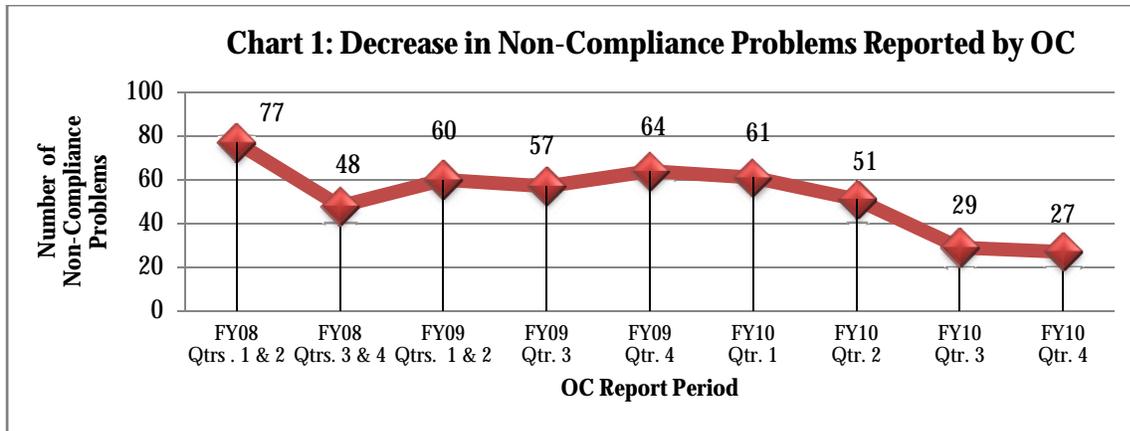
- Unit travel approvers often did not effectively review the vouchers and supporting documentation.
- Supervisors often did not effectively oversee approvers' work.

Ineffective approvals and inadequate oversight of the travel process weaken internal controls and resulted in the Smithsonian reimbursing travelers for unsupported expenses.

### **Travel Management Processes Need to be Strengthened**

#### ***OC Reports Result In Fewer Travel Voucher Problems***

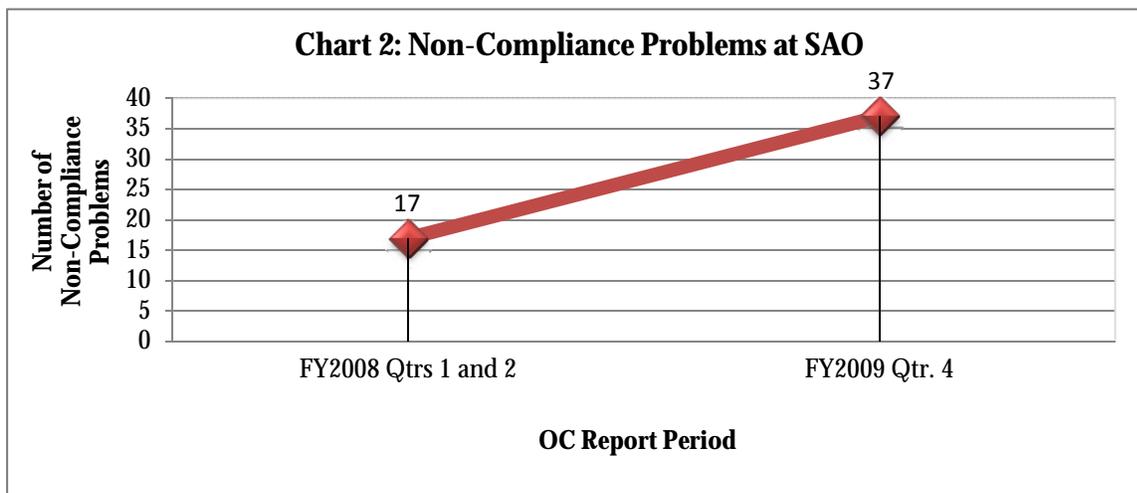
Smithsonian management implemented quarterly compliance reviews conducted by OC. As a result of these reviews, OC issued compliance reports alerting unit management of problems with travelers not following Smithsonian travel procedures. The Smithsonian used the OC report results to hold individual travelers accountable and to improve travel management at the Smithsonian. For example, between FY 2008 to FY 2010, OC identified 12 vouchers which included \$3,642 of overpayment to travelers. The units used the reports to obtain reimbursements from these travelers. As shown in Chart 1 below, travel management has improved as a result of the OC reports as the number of travel problems identified by OC decreased by more than half from FY 2008 to FY 2010.



However, there was one unit that did not improve during this period – the Smithsonian Astrophysical Observatory (SAO). For purposes of Chart 1 above, we excluded the results of OC’s two quarterly reviews of SAO because the results run counter to the overall trend. We show the SAO results in a separate chart below.

At the time of our audit, OC had completed three reports of SAO’s travel. The first two OC reports covered the 1<sup>st</sup> and 2<sup>nd</sup> quarters of FY 2008 activity and the 4<sup>th</sup> quarter of FY 2009. These first two OC reports showed continuing travel documentation problems. OC reviewed 10 vouchers in FY 2008 and 15 vouchers in FY 2009. Between FY 2008 to 2009, non-compliance problems increased by 118 percent. The average number of problems increased from 1.7 to 2.5 per voucher. Based on our discussions with OC and SAO management, our review of the OC reports, and correspondence between OC and SAO, we observed that SAO responded to 1 of 15 problem vouchers identified in the reports. However, in the OC report of FY 2008 activity, OC did not require the units to make corrections to the vouchers.

To reduce persistent problems with travel compliance, such as at SAO, OC implemented a new procedure in June 2011, as we described earlier. As a result of these new procedures, OC management stated that SAO has addressed all non-compliance problems identified by OC’s third report, for the third quarter of FY 2011.



***OIG Analysis of Voucher Problems Identified by OC Reports***

Although the OC reports resulted in some overall improvements in compliance with travel policy, problems still exist. OC reviewed 51 units comprising a sample of 450 vouchers with costs totaling \$1,585,057, for the period FY 2008 through 2010. We judgmentally selected 8 of the 51 units and reviewed all 155 travel vouchers from these units totaling \$857,763 (or 54 percent).

As illustrated in Table 1, our sample disclosed that 115 of the 155 vouchers (or 74 percent) had one or more of the following problems: inadequate documentation, the use of actual expenses without justification, signed vouchers not electronically attached, employees not using government charge card, and other problems. We also found that the travelers submitted 99 of the 155 vouchers (or 64 percent) late.

**TABLE 1  
Detail of Non-Compliant Vouchers from our Sample of Eight Units  
(Each voucher may have more than one problem)**

<b><i>Total Non-Compliant Vouchers<sup>4</sup></i></b>	<b>Problems Observed</b>				
	<b>Inadequate Documentation</b>	<b>Actual expenses without justification</b>	<b>Signed Travel Voucher Not Electronically Attached</b>	<b>Employees Not Using Government Charge Card</b>	<b>Other<sup>5</sup></b>
<b>115</b>	89	23	29	16	82

**Inadequate Documentation** - We found that travelers for 89 of the 155 vouchers (or 57 percent) reviewed did not include adequate documentation in GovTrip to support their claimed expenses. For example, we found 20 of the 89 vouchers (or 22 percent) in which the travelers had not uploaded supporting documentation in GovTrip for airfares totaling \$32,972. Approving officials had examined and approved these claims for reimbursement without required receipts. There were also two other vouchers in which travelers had not documented field expenses<sup>6</sup> totaling \$10,036. The Smithsonian reimbursed \$9,856 in undocumented field expenses, to one of these travelers.

The Handbook (section 3.3.6) requires that the traveler provide documentation by electronically attaching copies of the following items to the GovTrip voucher:

- (a) the pen-and-ink signed voucher, if the traveler does not sign it electronically; (b) if travel to a conference, the conference description which shows the dates, purpose, fees and meals provided; (c) the ticketed transportation invoice showing the commercial carrier name, fare code and charges; (d) any vehicle rental receipt; (e) any lodging receipts; and (f) the receipt for any single expense over \$75.

<sup>4</sup> Many vouchers had multiple problems; therefore, our tally will not equal 115.

<sup>5</sup> These are miscellaneous issues that we considered minor, such as city or state tax exemption not claimed.

<sup>6</sup> A traveler working in the field may incur field expenses, such as a translator or earth moving equipment rental.

Appendix 3 of the Handbook states that if travel includes field expenses, the traveler must include them in the authorization and voucher with proper documentation and accounting.

**Actual Expenses Claimed Without Justification or Pre-approval** - Travelers claimed actual expenses without justification and pre-approval on 23 out of 155 vouchers (or 15 percent). For these 23 vouchers, 15 travelers exceeded per diem by a total of \$4,434. Although use of actual expenses may have been justified, there were no justifications or pre-approvals of these travel expenses on the vouchers.

The Handbook (section 4.1.6) states that the Smithsonian allows the claiming of actual meal or lodging expenses that exceed per diem but they must be pre-approved in the authorization and thoroughly explained and justified in the GovTrip record using either an attached document or the Trip Details box.

**Signed Travel Vouchers Not Electronically Attached in GovTrip** - We found 29 of 155 vouchers (or 19 percent), totaling \$182,462, in which travel preparers electronically submitted and signed the vouchers for the travelers. However, the travelers did not electronically attach a signed paper copy. In addition, the approvers did not ensure that the travelers electronically attached a signed voucher in GovTrip.

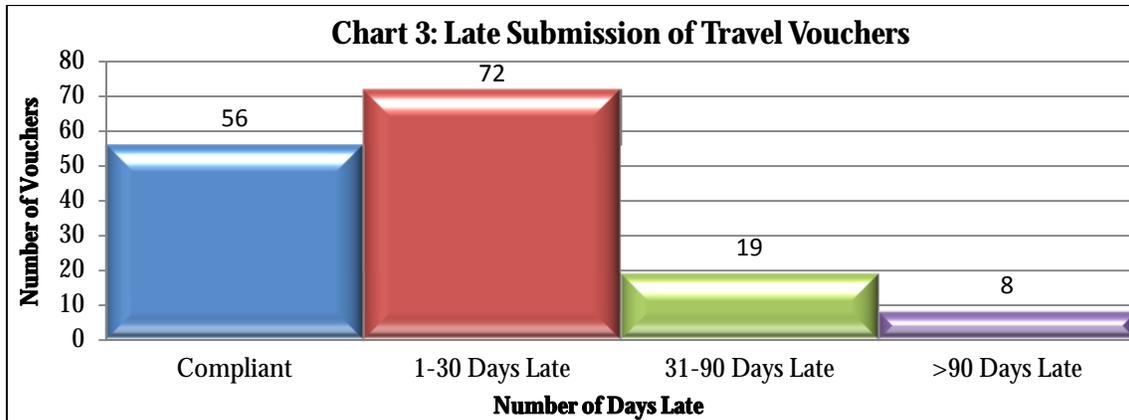
The Handbook (section 3.3.2) states that each traveler, whether staff or invitational, must sign a travel voucher. If the traveler does not electronically sign the voucher in GovTrip, the traveler must sign a printed copy of the voucher and electronically attach it to the GovTrip record.

A traveler's signature on the voucher, either electronic or pen-and-ink, is important because the traveler certifies that all travel and reimbursable claims were incurred on official Smithsonian business and that the traveler has reviewed the voucher and certifies it to be correct. Travelers who prepare their own vouchers in GovTrip and sign their vouchers electronically do not have to attach a pen-and-ink signed voucher. However, when a travel preparer signs a voucher electronically on behalf of the traveler, in accordance with section 3.2.10 of the Smithsonian's Travel Handbook, the traveler must electronically attach a signed copy of their pen-and-ink signed voucher in GovTrip. If the traveler signed the voucher, but did not electronically attach it in GovTrip, the approver should not have approved the voucher.

**Employees Did Not Always Use Government Charge Cards** - We identified 16 vouchers (or 10 percent) totaling \$100,830, in which employees, who had government charge cards, did not use them as required. Some of these employees used their personal charge cards instead of the government charge card, which decreases transparency by reducing the Smithsonian's ability to detect inappropriate spending.

The Handbook (section 3.5.1) states that each Smithsonian employee with a government issued charge card is required to use it for all authorized expenses incurred while in travel status.

**Travel Vouchers Submitted Late** - We found 99 of 155 vouchers (or 64 percent) in which travelers submitted their vouchers late. Of those 99 vouchers, there were 72 vouchers in which travelers submitted the vouchers up to 30 days late, 19 vouchers were 31 to 90 days late, and 8 vouchers were over 90 days late. One traveler in the last group submitted a voucher 457 days late.



The Handbook (section 3.3.1) states that employees must submit their travel claims within 5 working days after the completion of their trip, or every 30 days if continuous travel is involved. The longer the traveler delays submitting their travel voucher, the greater the risks that the traveler will lose receipts and forget details of their trip. Furthermore, until the traveler is reimbursed, the traveler will have to use their own funds to pay their government charge card bill.

***Ineffective Travel Voucher Approval and Oversight***

The persistent problems noted above could have been reduced if the travel voucher approval process functioned properly. There are two reasons why the approval process was ineffective: first, the voucher approvers are not effectively detecting the problems and resolving them with the travelers; and second, the oversight of the approvers has been weak.

**Approvers** - We concluded that approvers failed to adequately review these vouchers to identify the obvious errors, and the approvers did not effectively resolve the problems by following up to ensure compliance with the travel policy. Smithsonian management told us that the approvers were not always effectively detecting errors because approving travel vouchers was not a high priority for many unit approvers. Management told us that some individuals assigned to be approvers were not interested in fulfilling that role, and some were too busy with other duties to focus on approving travel vouchers. For example, management officials told us that there were instances where approvers simply “pushed the button” in GovTrip to authorize the voucher, with no review at all. In addition to voucher approval not being a high priority, Smithsonian management has not required approvers to attend mandatory voucher approval training.

**Oversight** - Smithsonian management explained that some supervisors did not adequately manage their subordinate approvers on their compliance with the travel policy and procedures. One of the eight managers we interviewed gave us an example of a prior supervisor who told two current approvers not to scrutinize vouchers too closely. Approval problems could be reduced if supervisors held approvers accountable for travel voucher problems.

In addition, in 2008, a consultant advised the Board of Regents that senior management needed to strongly emphasize travel policy enforcement to unit managers. We agree that unit managers’ enforcement of travel policy is critical to strengthen the internal control environment and to reduce the risk of improper payments and excessive travel costs.

### ***Impact of Ineffective Travel Review Process***

Ineffective travel voucher approvals weaken the Smithsonian travel program and increase the risk of overpaying travel expenses. Without adequate travel voucher reviews by approving officials at the unit level, the Smithsonian has paid for unallowable expenses and reimbursed travelers for more than they were entitled. Ineffective approvals could also subject travelers to unanticipated tax consequences if the reimbursed expenses were not business-related or were not adequately documented. Internal Revenue Service rules state that travelers must adequately account for expenses incurred including documentary evidence such as receipts. If these rules are not met, travelers are subject to tax consequences and OC would have to issue adjusted wage and tax statements (W-2).

### **Recommendations:**

To strengthen adherence to the travel policy and procedures, we recommend that the Under Secretary for Finance and Administration:

1. Revise the Travel Handbook to require that approvers resolve voucher problems, by following up with the travelers and, where necessary, the travelers' supervisors.
2. Direct the Comptroller to identify approvers who demonstrated a high volume of problems during the OC compliance reviews, and identify approvers with a high volume of trip reviews. Direct the Comptroller to assess whether these groups of approvers require mandatory training.

We also recommend that the Under Secretary for Finance and Administration in coordination with the Smithsonian leadership team:<sup>7</sup>

3. Emphasize in writing that unit management needs to more strictly enforce the Smithsonian's travel policy.

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<sup>7</sup> This team includes the following positions: Assistant Secretary for Education and Access, Under Secretary for Science, Under Secretary for History, Art, and Culture, the Director of the Office of Advancement, the Director of Communications and External Affairs, and the President of Smithsonian Enterprises.

## APPENDIX A. SCOPE AND METHODOLOGY

The objective of this audit was to determine whether the Smithsonian is using the results of the Office of the Comptroller's Smithsonian Institution Non-Senior Travel Compliance Review Reports to hold individual travelers accountable and to bring about improvement in travel management.

To accomplish our objectives, we interviewed the staff from the Smithsonian's Under Secretary of Science, the Under Secretary of Art, History and Culture and Under Secretary of Finance and Administration as well as staff from the Office of the Chief Financial Officer, and Office of the Comptroller. In addition, we interviewed management and staff from eight judgmentally selected Smithsonian units: National Museum of American History, National Air and Space Museum, National Zoological Park, National Museum of the American Indian, National Museum of Natural History, Hirshhorn Museum and Sculpture Garden, Smithsonian Astrophysical Observatory, Freer Gallery of Art and Arthur M. Sackler Gallery.

To evaluate the Comptroller's travel review process, we reviewed the Smithsonian's statements and guidance on travel that covered the period of our audit, including Smithsonian Directive 103, **Standards of Conduct**, Smithsonian Directive 312, **Travel**, the Handbook and the FTR. We also reviewed and analyzed the Comptroller's Reviews of Non-Senior Travel for FYs 2008-2010. We reviewed a judgmental sample of vouchers from eight units. Because we selected a judgmental sample, we cannot project the results of our review to the universe of vouchers.

Our audit assessed travel between FY 2008 through FY 2010. We reviewed and evaluated Smithsonian policy and procedures, FTR, and the OC compliance review reports. Total non-senior travel costs for FY 2008-FY 2010 was over \$42 million and OC reviewed vouchers totaling \$1,585,057.

**TABLE 2**  
**Travel Vouchers Reviewed by OC and OIG**  
**(FY 2008 to FY 2010)**

Fiscal Year	Vouchers Reviewed by OC	Total Instances of Non-Compliance	Vouchers Reviewed by OC and Validated by OIG	Non-Compliant Vouchers
2008	100	142	45	32
2009	150	218	75	64
2010	200	168	35	19
Totals	450	528	155	115

In April 2009, the OC increased its scrutiny of travel by reviewing 50 vouchers from each quarter rather than 50 vouchers from two quarters.

We conducted this performance audit in Washington, D.C. and Arlington, VA, from April through November 2011, in accordance with generally accepted government auditing standards. Those 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 we obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

## APPENDIX B. MANAGEMENT'S RESPONSE



### Smithsonian Institution

Office of the Under Secretary for Finance and Administration

Date March 20, 2012

To Scott Dahl, Inspector General  
Joan Mockeridge, Assistant Inspector General

From Albert Horvath, Under Secretary for Finance & Administration/Chief Financial Officer *AW*  
Richard Kurin, Under Secretary for History, Art, and Culture  
Eva Pell, Under Secretary for Science  
Claudine K. Brown, Assistant Secretary for Education and Access  
Virginia B. Clark, Director, Office of Advancement  
Evelyn Lieberman, Director of Communications and External Affairs  
Thomas Ott, President, Smithsonian Enterprises

cc Stacy Cavanaugh, Senior Executive Officer, Under Secretary for Science  
Dianne Niedner, Senior Program Officer, Under Secretary for History, Art, and Culture  
Andy Zino, Comptroller

Subject **Response to Draft Report on the Audit of Non-Senior Staff Travel, Number A-11-07**

Thank you for the opportunity to review and respond to the draft report on the audit of the non-senior staff travel. The following comments address the recommendations made in the Office of Inspector General (OIG) report.

#### **Recommendations to the Under Secretary for Finance and Administration:**

##### **Recommendation 1:**

*Revise the Travel Handbook to require that when approvers find voucher problems the approvers resolve them by following up with the travelers and, when necessary, the travelers' supervisors.*

##### **Response:**

Concur. The Under Secretary for Finance and Administration will direct the Comptroller to revise the Travel Handbook to include the follow-up procedures noted by the Inspector General for the approvers and their supervisors.

Anticipated completion date: May 1, 2012.

##### **Recommendation 2:**

*Direct the Comptroller to identify approvers who demonstrated a high volume of problems during the OC compliance reviews, and identify approvers with a high volume of reviews. Direct the Comptroller to assess whether these groups of approvers require mandatory training.*

Smithsonian Institution Building  
1000 Jefferson Drive SW  
Washington DC 20560-0016  
202.633.5241 Telephone  
202.633.0179 Fax

## APPENDIX B. MANAGEMENT'S RESPONSE (continued)

**Response:**

Concur. The Comptroller, going forward, will identify approvers with a high volume of reviews, including approvers with a high volume of problems noted during the OC compliance reviews, and assess the need for mandatory training of these individuals.

Anticipated completion date: On-going – 1st report due at the end of FY 2012, 3rd quarter.

**Recommendations to the Under Secretary for Finance and Administration in Coordination with the Smithsonian Leadership Team:**

**Recommendation 3:**

*We also recommend that the Under Secretary for Finance and Administration in coordination with the Smithsonian leadership team emphasize in writing that unit management needs to more strictly enforce the Smithsonian's travel policy.*

**Response:**

Concur. The Under Secretary for Finance and Administration, in coordination with the Smithsonian leadership team, will periodically (i.e. at least every six months) and through Institution-wide communication, remind all Smithsonian staff of the importance of complying with all travel policies.

Anticipated completion date: On-going – 1st notification during FY 2012, 3rd quarter.

## **APPENDIX C. CONTRIBUTORS TO REPORT**

The following individuals from the Smithsonian Office of the Inspector General contributed to this report:

Joan Mockeridge, Acting Assistant Inspector General for Audits

Brian Lowe, Supervisory Auditor

Steven Townsend, Auditor

Mark McBride, Auditor