




Date: September 30, 2019

To: David M. Rubenstein, Chair, Board of Regents  
Steve Case, Vice Chair, Board of Regents  
Risa J. Lavizzo-Mourey, Board of Regents

Cc: Porter N. Wilkinson, Chief of Staff to the Regents  
Judith E. Leonard, General Counsel

From: Cathy L. Helm, Inspector General 

Subject: Travel Expenses of the Board of Regents for Fiscal Years 2017 and 2018 (OIG-A-19-08)

The Office of the Inspector General found that the Office of the Regents generally complied with applicable policies and procedures for reimbursing Regents \$26,697 for travel expenses in fiscal years 2017 and 2018.<sup>1</sup>

According to 20 U.S.C. Section 44, each member of the Smithsonian Institution's (Smithsonian) Board of Regents (Board) shall be paid for necessary travel and other actual expenses to attend meetings of the Board. The law also assigns the Board's Executive Committee the responsibility of auditing these expenditures. Since 2007, at the request of the Executive Committee, the Smithsonian's Office of the Inspector General (OIG) has conducted audits of the Regents' travel expenses.<sup>2</sup>

The objective of this audit was to determine whether Regents' travel expense reimbursements for fiscal years 2017 and 2018 complied with the Travel Reimbursement Policy specified by the Office of the Regents. For further information about the audit's scope and methodology, see Attachment I.

Regents generally attend four Board meetings a year in Washington, D.C., as well as numerous committee meetings and occasional special events. The law recognizes that Regents who live outside the Washington, D.C., area may need to travel to attend these meetings and events. See Attachment II for additional background information.

OIG provided a draft report to the Chief of Staff to the Regents, who concurred with the report results and chose not to provide a written response.

If you have any questions, please call me or Joan Mockeridge, Assistant Inspector General for Audits, at 202.633.7050.

Attachments (2)

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<sup>1</sup> *Reimbursement of Regents' Meeting Expenses*, effective December 2105 and January 2017 and *Reimbursement of Regents' Expenses*, effective June 2018. These collective policy documents are referred to as Travel Reimbursement Policies.

<sup>2</sup> The Executive Committee of the Board determines Board meeting agendas and has powers of the Board when it is not in session, except for those powers specifically reserved for the Board.

## Attachment I

### Objective, Scope, and Methodology

The objective of this audit was to determine whether Regents' travel expense reimbursements for fiscal years 2017 and 2018 complied with policies and procedures.<sup>3</sup>

To identify the fiscal year 2017 and 2018 expenses reimbursed under the Travel Reimbursement Policy, the Office of the Inspector General (OIG) reviewed the Smithsonian Institution's (Smithsonian) general ledger and compiled a list of 30 reimbursements made by the Office of the Regents that pertained to Regents' travel expenses. OIG reviewed all of the Regents' travel reimbursement requests and supporting documentation for the period October 1, 2016, through September 30, 2018.

OIG reviewed the minutes of the meetings of the Board of Regents and its committees to verify that Regents attended the meeting for which they were reimbursed. OIG reviewed the Board of Regents' *Charter and Bylaws*; the Travel Reimbursement Policies (effective December 2015, January 2017, and June 2018); and Smithsonian Directive 312, *Travel Handbook*. OIG also reviewed the *Federal Travel Regulation* to identify applicable government per diem rates and interviewed key personnel from the Office of the Regents, the Office of the Secretary, and the Office of Finance and Accounting.

OIG conducted this performance audit in Washington D.C., from March 2019 through September 2019 in accordance with generally accepted government auditing standards. Those standards require that OIG plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for its findings and conclusions based on the audit objective. OIG believes that the evidence obtained provides a reasonable basis for its findings and conclusions based on the audit objective.

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<sup>3</sup> *Reimbursement of Regents' Meeting Expenses*, effective December 2105 and January 2017 and *Reimbursement of Regents' Expenses*, effective June 2018. These collective policy documents are referred to as Travel Reimbursement Policies.

## Attachment II

### Background

Congress vests responsibility for the administration of the Smithsonian Institution (Smithsonian) in the 17-member Board of Regents (the Board). The Board members are the Chief Justice of the Supreme Court, who serves as the Chancellor of the Smithsonian; the Vice President; three U.S. senators; three members of the House of Representatives; and nine private citizens. Two of the nine private citizen Regents must reside in the District of Columbia; the seven others must live in the United States, but no two can be from the same state.<sup>4</sup> The Regents generally attend four Board meetings a year, as well as various committee meetings and special events.

The Regents are reimbursed for their travel expenses in accordance with the Reimbursement of Regents Meeting Expenses (Travel Reimbursement Policy). The Regents coordinate their travel through the Office of the Regents, and that office makes reservations for their lodging. The Regents arrange their own transportation and other aspects of their trips. The Regents submit their travel reimbursement requests and supporting documentation detailing expenses for meetings or events to the Office of the Regents.<sup>5</sup>

The Travel Reimbursement Policy establishes reimbursement limits and sets requirements for the Regents to follow. For example, the policy limits the reimbursements for transportation to the equivalent of coach air or actual expenses, whichever is less. For expenses that are not listed in the Travel Reimbursement Policy, the Office of the Regents uses the *Federal Travel Regulation* as guidance.<sup>6</sup>

The travel reimbursement process involves review and action by several parties. Regents submitted their reimbursement request to the Administrative Assistant in the Office of the Regents. For all of fiscal year 2017 and most of fiscal year 2018, the Administrative Assistant performed an initial review of the reimbursement request for completeness and accuracy. Then the Deputy Chief of Staff to the Regents reviewed the request for compliance. Following review and approval by the Office of the Regents, the reimbursement request was sent to the Administrative Officer in the Office of the Secretary. The Administrative Officer reviewed the reimbursement request for accuracy and ensured that all documentation was provided. The reimbursement request was then submitted to the Office of Finance and Accounting for payment. The Accounts Payable staff in the Office of Finance and Accounting processed the request in the Smithsonian's accounting system. The accounting system then generated the payment to the Regent by an electronic funds transfer.

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<sup>4</sup> 20 U.S. Code § 42(a).

<sup>5</sup> The Office of the Regents provides support to the Board, facilitates communication with key Smithsonian leadership, and provides Regents' input with respect to the overall management, coordination, and oversight of the Smithsonian.

<sup>6</sup> The *Federal Travel Regulation* is the regulation contained in 41 *Code of Federal Regulations*, Chapters 300 through 304, that implements statutory requirements and Executive branch policies for travel by federal civilian employees and others authorized to travel at government expense.

For reimbursement requests submitted starting in June 2018, the Office of the Regents review process changed. Under this process, the Administrative Assistant in the Office of the Regents performed the initial review of the reimbursement requests for completeness and accuracy. The General Counsel or designee then reviewed the request for compliance and authorized payment. The Administrative Assistant sent the completed reimbursement request to the Administrative Officer. The Administrative Officer performed a final review and submitted the request to the Office of Finance and Accounting for payment. The Accounts Payable staff in the Office of Finance and Accounting processed the request and entered the approved amounts into the Smithsonian's accounting system. The accounting system then generated the payment to the Regent by an electronic funds transfer.