

Office of Inspector General | United States Postal Service

## Audit Report

# Officers' Travel and Representation Expenses for Fiscal Year 2017

Report Number FT-AR-18-004 | November 28, 2017



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# Highlights

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## Objective

Our objective was to determine whether travel and representation expense reimbursements requested by U.S. Postal Service officers during fiscal year 2017 were properly supported and complied with Postal Service policies and procedures.

During fiscal year 2017, 43 officers filed 1,000 reimbursement requests totaling \$936,190. We reviewed 60 reimbursements, totaling \$170,721.

## What the OIG Found

For the 60 travel and representation expense reimbursements reviewed, Postal Service officers properly supported the reimbursements and complied with Postal Service policies and procedures.

## What the OIG Recommended

Based on the audit results, we did not offer any recommendations.

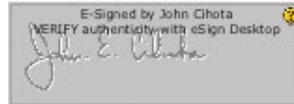
# Transmittal Letter



OFFICE OF INSPECTOR GENERAL  
UNITED STATES POSTAL SERVICE

November 28, 2017

**MEMORANDUM FOR:** MAURA A. MCDEVITT  
VICE PRESIDENT, CONTROLLER



**FROM:** John E. Cihota  
Deputy Assistant Inspector General  
for Finance and Pricing

**SUBJECT:** Audit Report – Officers’ Travel and Representation  
Expenses for Fiscal Year 2017  
(Report Number FT-AR-18-004)

This report presents the results of our audit of the U.S. Postal Service’s Officers’ Travel and Representation Expenses for Fiscal Year 2017 (Project Number 17BM006FT000).

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Lorie Nelson, Director, Finance, or me at 703-248-2100.

Attachment

cc: Corporate Audit Response Management  
Julie S. Moore

# Results

## Introduction/Objective

This report presents the results of our audit of the U.S. Postal Service's Officers' Travel and Representation Expenses for Fiscal Year (FY) 2017 (Project Number 17BM006FT000). We conducted this audit in response to the U.S. Postal Service Board of Governors' policies and procedures requiring annual audits of officers' travel and representation expenses.<sup>1</sup>



Our objective was to determine whether travel and representation expense reimbursements requested by Postal Service officers during FY 2017 were

<sup>1</sup> Representation expenses nearly always involve one or more non-Postal Service employees (suppliers, customers, and foreign postal administrators) and a Postal Service officer.

<sup>2</sup> The Sloan Fellows Program is a 12-month, full-time Masters of Business Administration program designed to prepare a group of mid-career managers to become future leaders.

<sup>3</sup> Electronic Travel Voucher System.

<sup>4</sup> A repository intended for all data and the central source for information on retail, financial, and operational performance. Mission-critical information comes to the EDW from transactions that occur across the mail delivery system, points-of-sale, and other sources.

properly supported and complied with Postal Service policies and procedures. As part of this audit, we reviewed 60 reimbursements, totaling \$170,721. See [Appendix A](#) for additional information about this audit.

## Background

Postal Service officers shape the strategic direction of the agency by setting goals, targets, and indicators within the framework established by the Board of Governors. The Postal Service classified officer positions as Postal Career Executive Service (PCEs), and includes the Postmaster General (PMG), deputy postmaster general, and all vice presidents in that classification. The Board of Governors authorized 50 officer positions. Of these 50 positions, 37 were active and filled at the end of FY 2017, including one position held by an acting officer, and one officer who participated full-time in an accredited degree program.<sup>2</sup>

Postal Service officers and employees use the eTravel System,<sup>3</sup> an automated, webbased system, that enables Postal Service employees to create, submit, and review expense reports, and obtain reimbursement for actual and authorized transportation, lodging, and other expenses incurred while on official travel. During FY 2017, 43 Postal Service officers filed 1,000 reimbursement requests totaling \$936,190. In comparison, Table 1 shows reimbursements from FYs 2016 and 2015.

**Table 1. Reimbursements and Associated Expenses**

Item	FY 2017	FY 2016	FY 2015
Reimbursements	1,000	1,006	862
Travel & Representation Expenses	\$936,000	\$948,000	\$832,000

Source: Postal Service Enterprise Data Warehouse (EDW).<sup>4</sup>

Officers use the *Revised Officers' Travel Representation, and Office Expense Guidelines* (Guidelines) when traveling. These Guidelines require officers to be familiar with Handbook F-15, *Travel and Relocation*, Section 2-1, Your Responsibilities as a Traveler. Where there is a conflict between the Guidelines, handbook, or other instructions regarding travel, entertainment, meals, and refreshments, officers are required to follow the Guidelines.

### **Finding #1**

For the 60 travel and representation expense reimbursements reviewed, Postal Service officers properly supported the reimbursements and complied with Postal Service policies and procedures. Based on the audit results, we did not offer any recommendations.

### **Management's Comments**

Management agreed with the finding and stated they have instituted controls over the years that have contributed to this audit resulting in no issues or recommendations. Management also stated they would continue to be diligent in their review and approval of all officers' travel expenses.

See [Appendix B](#) for management's comments in their entirety.

### **Evaluation of Management's Comments**

The OIG considers management's comments responsive to the report.

# Appendices

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# Appendix A: Additional Information

## Scope and Methodology

We judgmentally sampled and reviewed 60 travel and representation expense reimbursements, totaling \$170,721, from a universe of 1,000 reimbursements totaling \$936,190. For those 60 sampled reimbursements, we reviewed:

- Fifteen travel reimbursements each quarter for existing or acting officers.
- At least one reimbursement for each existing officer, acting officer, or Sloan Fellows Program participant who traveled during the fiscal year.
- All individual officer reimbursements of \$7,000 and above.
- Travel and representation expense reimbursements for lodging, airfare, train, local transportation, training, per diem, and meetings.

We used the following as our criteria to evaluate reimbursements:

- *Revised Officers' Travel and Representation Expense Guidelines* issued by the PMG, dated December 8, 2015.<sup>5</sup>
- *Revised Officers' Travel, Representation, and Office Expense Guidelines* issued by the PMG, dated June 30, 2017.<sup>6</sup>
- Handbook F-15, *Travel and Relocation*, dated September 2015.

- Management Instruction FM-640-2008-1, *Expenses for Internal and External Events*, dated September 10, 2008.
- *The Massachusetts Institute of Technology Sloan Fellows Program Guide*, Learning and Development, United States Postal Service, dated January 5, 2016.

We conducted this performance audit from December 2016 through November 2017 in accordance with generally accepted government auditing standards and included such tests of internal controls, as we considered necessary under the circumstances. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our conclusions based on our audit objective. We discussed our observations and conclusions with management on November 14, 2017, and included their comments where appropriate.

We assessed reliability of the eTravel and EDW systems data by comparing EDW accounts payable information to eTravel System data for all officers who traveled during FY 2017. In addition, we traced 60 travel reimbursements claimed in eTravel to available supporting documentation retained within the system. Moreover, we verified the travel reimbursement amounts were posted to the appropriate general ledger accounts in EDW. We determined the data were sufficiently reliable for the purposes of this report.

<sup>5</sup> Guidelines applied to reimbursements paid from October 1, 2016, through June 30, 2017.

<sup>6</sup> Guidelines applied to reimbursements paid from July 1 through September 30, 2017.

## Prior Audit Coverage

Report Title	Objective	Report Number	Final Report Date	Monetary Impact
<i>Officers' Travel and Representation Expenses for Fiscal Year 2016</i>	To determine whether travel and representation expense reimbursements Postal Service officers requested during FY 2016 were properly supported and complied with Postal Service policies and procedures.	FT-AR-17-005	02/09/17	None
<i>Officers' Travel and Representation Expenses for Fiscal Year 2015</i>	To determine whether travel and representation expenses Postal Service officers requested during FY 2015 were properly supported and complied with Postal Service policies and procedures.	FT-AR-16-003	02/10/16	None

# Appendix B: Management's Comments

MAURA A. MCDEVITT  
VICE PRESIDENT, CONTROLLER



November 16, 2017

LORI LAU DILLARD  
DIRECTOR, AUDIT OPERATIONS

SUBJECT: Officers' Travel and Representation Expenses for Fiscal Year 2017 Report Number  
FT-AR-18-DRAFT

Management has reviewed the Draft Report – Officers' Travel and Representation Expenses for Fiscal Year 2017, and agrees with the OIG's findings. We have instituted several controls over the last several years that we believe contributed to this audit resulting in no issues or recommendations. We will continue to be diligent in the review and approval of all Officers' travel expenses.

A handwritten signature in black ink, appearing to read "Maura A. McDevitt".

Maura A. McDevitt

cc: Sally K. Haring, Manager, Corporate Audit & Response  
Julie S. Moore, Secretary, USPS Board of Governors

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