



Office of Inspector General | United States Postal Service

Audit Report

Fiscal Year 2018 Officers Travel and Representation Expenses

Report Number FT-AR-19-005 | December 18, 2018



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Highlights

Objective

Our objective was to determine whether travel, representation, and office expense reimbursements, requested by U.S. Postal Service officers during fiscal year (FY) 2018, were supported and complied with Postal Service guidelines.

The Postal Service has 50 authorized officer positions, including the postmaster general, deputy postmaster general, and all vice presidents. During FY 2018, the Postal Service had 41 active officers, including acting officers and one officer who participated full-time in an accredited degree program.

During FY 2018, 39 Postal Service officers filed 966 reimbursement requests totaling \$961,372. We reviewed 60 reimbursements filed by these officers, totaling \$88,356.

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

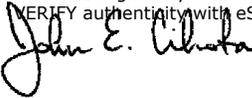


OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

December 18, 2018

MEMORANDUM FOR: CARA M. GREENE
ACTING VICE PRESIDENT, CONTROLLER

E-Signed by John Cihota
VERIFY authenticity with eSign Desktop



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

SUBJECT: Audit Report – Fiscal Year 2018 Officers Travel and
Representation Expenses (Report Number FT-AR-19-005)

This report presents the results of our audit of the Fiscal Year 2018 U.S. Postal Service's Officers Travel and Representation Expenses (Project Number 18BM003FT000).

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

Results

Introduction/Objective

This report presents the results of our audit of the FY 2018 U.S. Postal Service's Officers Travel and Representation Expenses (Project Number 18BM003FT000). We conducted this audit in response to the U.S. Postal Service Board of Governors' policies and procedures requiring annual audits of officer travel and representation expenses.¹

Our objective was to determine whether travel, representation, and office expense reimbursements, requested by Postal Service officers during FY 2018, were supported and complied with Postal Service guidelines. As part of this audit, we reviewed 60 reimbursements, totaling \$88,356, filed by 39 officers. See [Appendix A](#) for additional information about this audit.

“ Our objective was to determine whether travel, representation, and office expense reimbursements, requested by Postal Service officers during FY 2018, were supported and complied with Postal Service guidelines. ”

Background

The Postal Service has 50 authorized officer positions,² including the postmaster general (PMG), deputy postmaster general, and all vice presidents. During FY 2018, the Postal Service had 41 active officers, including acting officers and one officer who participated full-time in an accredited degree program.³

Postal Service officers and employees use the Electronic Travel Voucher (eTravel)⁴ system to create, submit, and review expense reports; and obtain reimbursement for transportation, lodging, and other expenses incurred while on official travel. Officers are also reimbursed for representation expenses incurred with customer, industry, or employee groups with whom the Postal Service conducts official business.

During FY 2018, 39 Postal Service officers filed 966 reimbursement requests totaling \$961,372. Table 1 shows reimbursements from FY 2016 through FY 2018 for comparison.

Table 1. Reimbursements and Associated Expenses

Item	FY 2018	FY 2017	FY 2016
Number of Reimbursements	966	1,000	1,006
Travel and Representation Expenses	\$961,372	\$936,190	\$947,923

Source: Postal Service payment data from the eTravel system.

Finding #1 Travel and Representation Expenses

We reviewed 60 travel and representation expense reimbursements, totaling \$88,356, filed by 39 officers. For those 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.



¹ Representation expenses nearly always involve one or more non-Postal Service personnel (suppliers, customers, and foreign postal administrators) and a Postal Service officer.
² U.S.C. Title 30 established five officer positions and the Board of Governors authorized 45 positions.
³ 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.
⁴ The eTravel system is an automated, web-based system.

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 finding in the report.

Appendices

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Appendix A: Additional Information

Scope and Methodology

For FY 2018, 39 officers filed 966 travel and representation expense reimbursement requests totaling \$961,372. We judgmentally sampled and reviewed 60 reimbursements totaling \$88,356. Those 60 sampled reimbursements included 15 reimbursements each quarter for existing officers, acting officers, or Sloan Fellows Program participants who traveled during the fiscal year. We included any reimbursement of \$7,000 or higher, and ensured each officer who traveled during the fiscal year was selected for review at least once.

We retrieved the reimbursement requests that officers filed in the eTravel system and the supporting documents within the system. We verified whether officers complied with policies and procedures regarding:

- Submission and approval of the travel reimbursement requests.
- Air transportation and other transportation methods.
- Lodging and per diem.
- International travel.
- Representation expenses.
- Duplicate claims.⁵
- Appropriateness of card use.⁶

We used the following as our criteria to evaluate reimbursements:

- *Revised Officers' Travel, Representation, and Office Expense Guidelines* issued by the PMG, dated June 30, 2017.
- Handbook F-15, *Travel and Relocation*, dated September 2015.
- Management Instruction FM-640-2008-1, *Expenses for Internal and External Events*, dated February 2018.
- *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 2017 through December 2018 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 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 discussed our observations and conclusions with management on December 4, 2018, and included their comments where appropriate.

We assessed reliability of the eTravel data by comparing it to the accounts payable information in the Accounting DataMart (ADM)⁷ for each quarter. In addition, we judgmentally selected a sample of five reimbursement transactions each quarter and verified them against the travel reimbursement requests in the eTravel system. We determined the data were sufficiently reliable for the purposes of this report.

⁵ Expenses that are claimed more than once.

⁶ Travelers only use the travel card for business-related purposes.

⁷ ADM is the repository for all accounting and finance related data for the Postal Service.

Prior Audit Coverage

Report Title	Objective	Report Number	Final Report Date	Monetary Impact
<i>Officers' Travel and Representation Expenses for Fiscal Year 2017</i>	To determine whether travel and representation expense reimbursements requested by Postal Service officers during FY 2017 were properly supported and complied with Postal Service policies and procedures.	FT-AR-18-004	11/28/2017	None
<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

CARA M. GREENE
AVice President, Controller



December 7, 2018

LORI LAU DILLARD
DIRECTOR, AUDIT OPERATIONS

SUBJECT: Fiscal Year 2018 Officers' Travel and Representation Expenses
Report Number FT-AR-19-DRAFT

Management has reviewed the Draft Report - Fiscal Year 2018 Officers' Travel and Representation Expenses, 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 blue ink that reads "Cara M. Greene".

Cara M. Greene

cc: Sally K. Haring, Manager, Corporate Audit & Response
Robert M. Duncan, USPS Board of Governors
David C. Williams, USPS Board of Governors



OFFICE OF
**INSPECTOR
GENERAL**
UNITED STATES POSTAL SERVICE

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1735 North Lynn Street
Arlington, VA 22209-2020
(703) 248-2100