



OFFICE OF THE INSPECTOR GENERAL

U.S. NUCLEAR REGULATORY COMMISSION
DEFENSE NUCLEAR FACILITIES SAFETY BOARD

Audit of the Board's Travel Card and Travel Program

DNFSB-15-A-05
April 23, 2015



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DEFENSE NUCLEAR FACILITIES

SAFETY BOARD

WASHINGTON, D.C. 20004-2901

OFFICE OF THE
INSPECTOR GENERAL

April 23, 2015

MEMORANDUM TO: Mark T. Welch
General Manager

FROM: Stephen D. Dingbaum */RA/*
Assistant Inspector General for Audits

SUBJECT: AUDIT OF THE BOARD'S TRAVEL CARD AND TRAVEL
PROGRAM (DNFSB-15-A-05)

Attached is the Office of the Inspector General's (OIG) audit report titled *Audit of the Board's Travel Card and Travel Program*.

The report presents the results of the subject audit. Following the April 17, 2015, exit conference, Board staff indicated that they had no formal comments for inclusion in this report.

Please provide information on actions taken or planned on each of the recommendations within 30 days of the date of this memorandum.

We appreciate the cooperation extended to us by members of your staff during the audit. If you have any questions or comments about our report, please contact me at (301) 415-5915 or Eric Rivera, Team Leader, at (301) 415-7032.

Attachment: As stated



Office of the Inspector General

U.S. Nuclear Regulatory Commission
Defense Nuclear Facilities Safety Board

OIG-15-A-05

April 23, 2015

Results in Brief

Why We Did This Review

Congress created the Defense Nuclear Facilities Safety Board (Board) as an independent agency to identify the nature and consequences of potential threats to public health and safety at the Department of Energy's defense nuclear facilities.

Board employees travel extensively to the various Department of Energy defense nuclear facilities located throughout the United States to conduct first-hand assessments of operations. Employees also travel for training purposes and for public hearings and meetings at or near Department of Energy sites.

The Federal Travel Regulation (FTR) implements statutory requirements and policies for travel by Federal civilian employees. The Board established the Official Travel Directive and the Official Travel Operating Procedures to include many of the same elements and procedures as the FTR.

The audit objective was to determine whether internal controls are in place and operating effectively to maintain compliance with applicable travel card and travel program laws, regulations, and Board policies.

Audit of the Board's Travel Card and Travel Program

What We Found

Travel card and travel program controls are generally in place. However, opportunities exist to improve the effectiveness of internal controls over the travel card and travel program and to enhance user access controls in Concur, the Board's travel management system.

Internal controls are not always effective at maintaining compliance with Federal requirements and established Board policies. The Office of the Inspector General identified that 45 percent of all employees who had Temporary Duty travel during a recent 9-month period either had travel card or travel program exceptions to include the following: (1) using the card for unauthorized expenses or ATM withdrawals, (2) claiming and receiving reimbursement for amounts not supported by or not consistent with documentation, (3) claiming compensatory time without receiving prior approval, and (4) claiming hazardous weather leave to which they were not entitled while on official travel.

In addition, the Board does not appropriately control user access in Concur. For example, user access was not disabled timely for employees who left the agency, and not limited to the least privilege required to complete responsibilities. Additionally, the user access listing has not been reviewed to determine whether access is appropriate and properly limited. Due to the lack of Concur user access controls, there is an increased potential for circumvented controls.

What We Recommend

This report makes recommendations to improve the effectiveness of internal controls and to enhance Concur user access controls.

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ABBREVIATIONS AND ACRONYMS

ATM	Automated-Teller-Machine
Board	Defense Nuclear Facilities Safety Board
Concur	Concur Government Edition
FTR	Federal Travel Regulation
GSA	General Services Administration
TDY	Temporary Duty
OGM	Office of the General Manager
OIG	Office of the Inspector General

I. BACKGROUND

Congress created the Defense Nuclear Facilities Safety Board (Board) as an independent agency to identify the nature and consequences of potential threats to public health and safety at the Department of Energy's defense nuclear facilities. Board employees travel extensively to the various Department of Energy defense nuclear facilities located throughout the United States to conduct first-hand assessments of operations. Employees also travel for training purposes and for public hearings and meetings at or near Department of Energy sites.

The Federal Travel Regulation (FTR) implements statutory requirements and policies for travel by Federal civilian employees. This includes allowable travel expenses, arranging for travel services, paying travel expenses, claiming reimbursement, and agency responsibilities. The Board also has an Official Travel Directive and Official Travel Operating Procedures (collectively referred to as the Board's policies), which include many of the same elements and procedures as the FTR.

The Board's Travel Program

The Board receives travel system and operations services through an Interagency Agreement with the General Services Administration (GSA). The Board uses *Concur Government Edition* (Concur) from Concur Technologies, Inc., to process its travel and miscellaneous vouchers. While GSA maintains the contract with Concur, the Board is responsible for setting up, maintaining, and terminating user accounts.

The Board has three types of vouchers in Concur: (1) Temporary Duty (TDY) travel vouchers, (2) local travel vouchers, and (3) miscellaneous vouchers. The employee's supervisor reviews and approves TDY travel authorizations,¹ but not the resulting travel vouchers. Miscellaneous vouchers are used to reimburse employees for miscellaneous expenses

¹ Travel authorizations submitted by Board members and other Senior Executive Service employees are reviewed and approved by the General Manager with concurrence from the Office of the General Counsel.

paid out-of-pocket and are reviewed and approved by the individual's supervisor in addition to an Office of the General Manager (OGM) employee.

Once an employee returns from travel, he or she completes a travel voucher cover sheet. Next, the employee submits this cover sheet, along with receipts, to their respective travel arranger/timekeeper.² The travel arranger/timekeeper uses the cover sheet to complete the travel voucher, uploads the receipts into the system, and routes the voucher to the employee for review. Once the employee has reviewed the travel voucher, it is forwarded to an OGM employee for review and approval prior to payment.

During the period covered by this audit, January 1, 2014, through October 6, 2014, the Board had about 380 vouchers totaling approximately \$510,000.³

The Board's Travel Card Program

The Board contracts with a bank for Government travel cards using the GSA SmartPay 2 contract. Citibank, which is used by the Board, is one of three banks that provide charge cards under the current GSA SmartPay 2 contract.

The Board issues two types of travel cards: (1) individually billed and (2) centrally billed. Individually billed travel cards are issued to all employees who are required to obtain a Government travel card. These cards are used by the employee for official Board travel related expenses and are billed directly to the employee. Centrally billed travel cards are used to purchase airline tickets and are billed directly to the Board.

During the period covered by this audit, January 1, 2014, through October 6, 2014, the Board had 109 active travel card accounts, including 2 centrally billed accounts. Of these 109 accounts, 81 were used during the

² Travel arrangers/timekeepers prepare employees' travel authorizations, travel vouchers, and timesheets. They are also sometimes referred to as administrative assistants by Board employees.

³ The voucher figures include TDY travel, local travel, and miscellaneous vouchers.

period covered by this audit. Also during this same period, there were 2,138 travel card transactions totaling about \$431,000.⁴

II. OBJECTIVE

The audit objective was to determine whether internal controls are in place and operating effectively to maintain compliance with applicable travel card and travel program laws, regulations, and Board policies.

III. FINDINGS

Travel card and travel program controls are generally in place. However, opportunities exist to improve the effectiveness of internal controls and to enhance Concur user access controls.

A. Internal Controls Need Improvement

Overall, the Board's policies are in compliance with the FTR. However, internal controls are not always effective at maintaining compliance with Federal requirements and established Board policies. As a result, there is an increased risk of misuse of travel cards, waste of Government funds, and misuse of hazardous weather leave while on TDY travel.

What Is Required

Compliance with Regulations and Policies

The FTR and the Board's policies include detailed guidelines regarding travel card use and the travel program. These guidelines include the following:

⁴ The travel card figures include purchases and automated-teller-machine (ATM) withdrawals, not payments.

- Travel cards may be used only for official travel related expenses.
- Claims for lodging must be supported with receipts, regardless of cost.
- The agency may disallow payment of a claim if it is not properly supported.

Additionally, the Board's travel policies include the following requirements:

- Automated-teller-machine (ATM) withdrawals for travel related expenses which, as a general rule, cannot be charged, are limited to \$100 per trip (based on a week). If a trip is expected to last 2 weeks, the employee may withdraw \$200.
- Authorization for compensatory time off for travel must be shown on the travel authorization.
- Employees who use a rental vehicle beyond the official travel date are expected to ask for separate invoices – one for the official use of the vehicle and one for the personal use of the vehicle.

In addition, the Board is required to follow the Office of Personnel Management *Washington, DC, Area Dismissal and Closure Procedures*. These procedures state that Washington, DC, based employees on official travel when agency offices are closed in the Washington, DC, area are expected to continue working.

What We Found

Opportunities Exist To Improve Effectiveness of Internal Controls

Board internal controls are not always effective at identifying and correcting instances where travel card and travel program policy is not followed. During the period covered by this audit, the Office of the

Inspector General (OIG) noted 57 exceptions.⁵ These exceptions were incurred by approximately 45 percent of all employees who had TDY travel during the period covered by this audit. Of these 57 exceptions, 12 were travel card related and 45 were travel program related.⁶ These exceptions are detailed below.

- Four individuals used their travel cards for non-official travel related expenses.⁷
- One employee exceeded the Board's maximum ATM withdrawal limits.
- Three employees each claimed, and were paid, for a night of lodging that was not properly supported. The three employees did not charge these expenses to their Government travel card.
- Four employees each had a travel expense claim paid that exceeded the actual cost. For two employees, the estimated rental vehicle amount was claimed and paid rather than the actual cost. For the remaining two employees, the amount claimed for a taxi was greater than the amount charged to the individuals' travel cards.
- Thirty-one employees claimed travel compensatory time earned without first including the request on their related travel authorization. This is a step performed by the travel arrangers/timekeepers. On January 29, 2015, the OGM sent a reminder email to all travel arrangers/timekeepers to include travel compensatory time estimates provided by the employees on the related travel authorizations.
- One employee manually split the costs associated with a rental vehicle that was used for both Board related travel and personal use rather than receiving separate invoices. While the employee

⁵ These exceptions are based on both the travel card and travel program universe. During the audit period, the Board had about 380 vouchers and 2,138 travel card transactions.

⁶ 31 of 57 exceptions pertained to employees claiming compensatory time without receiving prior approval.

⁷ However, these transactions were not claimed on a voucher or paid by the Board and are not considered overpayments.

claimed reimbursement for only those costs associated with official Board travel, the employee was not removed from the Government's insurance or Government contract rates for the days related to personal use.

- During this audit, OIG also noted that six employees claimed hazardous weather leave while on TDY travel outside of the Washington, DC, area. Four individuals took 8 hours each on a day in which only Federal agencies in the Washington, DC, area were closed. Two individuals took 4 hours each on a day in which Federal agencies in the Washington, DC, area were open and their TDY location was not experiencing hazardous weather.

Why This Occurred

Insufficient Review and Training

The Board's travel related internal controls are not always effective, in part, because the Board's management does not require the employee's supervisor to review and approve the related travel voucher. While supervisors approve the travel authorizations, they do not review the resulting travel voucher even though they should have insight into the work schedules and travel plans associated with the voucher. Instead, once a travel voucher has been created by the assigned travel arranger/timekeeper, it is routed back to the employee and then to an OGM staff member for final review and approval. Additionally, the Board's management does not have an effective independent monitoring process established. The Board relies on one OGM staff member to review and approve all travel vouchers.

Travel arrangers/timekeepers are trained to enter travel authorizations and vouchers in Concur as well as employees' time and attendance. However, management has not provided them training on travel policies so that they can proactively address potential travel related issues.

Why This Is Important

Travel Card Misuse and Waste of Funds

Travel card and travel program internal controls are less effective, which could result in an increased potential for travel card misuse and waste of funds. During the audit period, some Government travel cards were misused, the Board paid for travel claims that exceeded the employees' actual costs, and hazardous weather leave was incorrectly used. By enhancing internal controls, the Board will reduce the risk of travel card misuse and waste of funds.

Recommendations

OIG recommends that the Board

1. Revise policies and procedures to route TDY vouchers to the original travel authorization approver for review and approval before sending to the OGM for review and approval.
2. Develop and implement a plan to periodically conduct independent reviews of a sample of vouchers and travel card transactions.
3. Develop and implement a plan to periodically train travel arrangers/timekeepers on the Board's travel policies so that they may complete the travel voucher in accordance with these policies.
4. Train employees on the appropriate use of hazardous weather leave.

B. Inadequate Concur User Access Controls

The Board does not appropriately control user access in Concur. This is because the Board's management has not established user access controls. As a result, there is an increased risk of failed automated controls as well as disclosure of sensitive personal information.

What Is Required

User Access Should Be Properly Controlled

Good business practices⁸ include internal control techniques to appropriately control user accounts. These control techniques include

- Limiting access to individuals with a valid business purpose and at the least privilege necessary to perform their duties.
- Disabling user accounts that are inactive, or no longer necessary, and removing employees who have departed from the agency in a timely manner.
- Periodic review of user access listings to determine whether access is properly limited and remains appropriate.

What We Found

Lack of User Access Controls for Concur

Concur user access controls are not in place. Specifically,

- User access is not limited to the least privilege required to complete responsibilities.
- User access for employees who are no longer employed by the Board was not disabled timely.
- The user access listing has not been reviewed to determine whether access is appropriate and properly limited.

⁸ These practices are consistent with control techniques outlined in the Federal Information System Controls Audit Manual which is based on the National Institute of Standards and Technology Special Publication 800-53, Revision 4, *Security and Privacy Controls for Federal Information Systems and Organizations*.

Why This Occurred

User Access Controls and Policies Have Not Been Established

The Board does not appropriately control user access in Concur because the Board's management has not established user access or related policies and procedures. Additionally, management has not performed a review of the user access listing to determine whether access is properly limited and remains appropriate.

Why This Is Important

Increased Potential for Circumvented Controls

Due to the lack of Concur user access controls, there is an increased potential for:

- Circumvented or removed automated controls.
- Unauthorized access and release of personally identifiable information.
- Erroneously or inappropriately edited, reviewed, or approved travel authorizations and travel vouchers.

Recommendations

OIG recommends that the Board

5. Establish, document, and implement a user access policy for Concur to include user access roles to be limited to the least privilege necessary.
6. Establish, document, and implement a user access policy for Concur to include the timely disabling of accounts that are no longer necessary.

7. Establish, document, and implement a user access policy for Concur to include periodic reviews of the user access listing to determine whether access is properly limited and remains appropriate.

IV. CONSOLIDATED LIST OF RECOMMENDATIONS

OIG recommends that the Board

1. Revise policies and procedures to route TDY vouchers to the original travel authorization approver for review and approval before sending to the OGM for review and approval.
2. Develop and implement a plan to periodically conduct independent reviews of a sample of vouchers and travel card transactions.
3. Develop and implement a plan to periodically train travel arrangers/timekeepers on the Board's travel policies so that they may complete the travel voucher in accordance with these policies.
4. Train employees on the appropriate use of hazardous weather leave.
5. Establish, document, and implement a user access policy for Concur to include user access roles to be limited to the least privilege necessary.
6. Establish, document, and implement a user access policy for Concur to include the timely disabling of accounts that are no longer necessary.
7. Establish, document, and implement a user access policy for Concur to include periodic reviews of the user access listing to determine whether access is properly limited and remains appropriate.

V. BOARD COMMENTS

A discussion draft of this report was provided to the Board prior to an exit conference held on April 17, 2015. Board management provided comments that have been incorporated into this report, as appropriate. As a result, Board management stated their general agreement with the report and will not provide formal comments.

OBJECTIVE, SCOPE, AND METHODOLOGY

Objective

The audit objective was to determine whether internal controls are in place and operating effectively to maintain compliance with applicable travel card and travel program laws, regulations, and Board policies.

Scope

The audit focused on reviewing documentation of the Board's travel card and travel program transactions from January 1, 2014, through October 6, 2014. OIG also met with individuals who manage and participate in the Board's travel program.

We conducted this performance audit at the Board's headquarters. Internal controls related to the audit objective were reviewed and analyzed. Throughout the audit, auditors were aware of the possibility of fraud, waste, or abuse in the program.

Methodology

OIG reviewed Federal guidance pertaining to the administration of Government travel cards and travel programs. Additionally, OIG considered pertinent internal Board travel program documents. Lastly, OIG reviewed previously issued Federal audit reports addressing issues related to other agencies' travel card programs and travel programs.

OIG interviewed management and staff in the OGM to gain an understanding of the implementation and oversight of the Board's travel program.

Auditors analyzed Concur and Citibank reports covering January 1, 2014, through October 6, 2014, and timesheet reports covering January 12, 2014, through October 4, 2014, to identify travel card transactions and travel voucher transactions for additional followup.

Travel card transactions were selected based on attributes such as occurring outside TDY travel dates, being charged to a vendor that did not appear to be official travel related, being declined, and occurring on the same date the individual took leave or was on telework. ATM withdrawals for more than \$100 or that occurred on a weekend were also selected for additional followup.

Voucher related transactions were selected based on attributes such as not matching the amount charged to the individual's travel card, relating to premium travel, including both significant personally owned vehicle mileage reimbursement and a rental car claim, and incurring more than 9 hours of travel compensatory time off in a pay period. Followup was conducted on travel authorizations that appeared to have been approved after the start of the TDY travel and vouchers that were more than \$500 over the travel authorization amount.

OIG reviewed related data for these selected transactions. Supporting documentation was also examined, as necessary, to determine the propriety of the transactions. Supporting documentation included expense receipts, travel authorizations, and medical notes.

Auditors used airline flight information provided by the Board's travel consultant along with travel card transaction information from Citibank to determine whether all unused airline tickets were credited back to the centrally billed account. OIG also reviewed reports generated from Citibank and information provided by the Board's human resources to test for compliance with timely card cancellation. Lastly, auditors reviewed travel card training certificates to determine whether all training was up-to-date.

OIG relied on computer-processed data from Concur for all travel voucher and travel authorization activity during the audit period. For purposes of data reliability testing, OIG verified the completeness and accuracy of the data by comparing results of multiple reports to each other, to reports generated from Citibank, and to the supporting documentation provided in the vouchers. We concluded that the data was sufficiently reliable for our audit purposes.

OIG also relied on computer-processed data from Citibank for all travel card activity during the audit period. For purposes of data reliability testing, OIG verified the completeness and accuracy of the data by comparing it to reports generated from Concur and to the receipts provided by the cardholders. We concluded that the data was sufficiently reliable for our audit purposes.

We conducted this performance audit 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 obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The audit work was conducted by Eric Rivera, Team Leader; Lindsey Heeszal, Auditor; Jimmy Wong, Auditor; George Gusack, Auditor; and Anthony Lipuma, Senior Assistant for Audit Operations.

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COMMENTS AND SUGGESTIONS

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