



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

WASHINGTON, D.C. 20460

December 13, 2021

OFFICE OF THE
CHIEF FINANCIAL OFFICER

MEMORANDUM

SUBJECT: Response to the Office of Inspector General Report No. 21-P-0265, *"EPA Needs to Strengthen Oversight of Its Travel Program Authorization and Voucher Approval Processes,"* dated September 30, 2021

FROM: Faisal Amin, Chief Financial Officer Amin,
Office of the Chief Financial Officer Faisal

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Amin, Faisal
Date: 2021.12.13
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TO: Sean W. O'Donnell, Inspector General
Office of Inspector General

Thank you for the opportunity to respond to the issues and recommendations in the subject report. The following is the U.S. Environmental Protection Agency's response to unresolved recommendations 1, 3, and 4.

AGENCY'S OVERALL POSITION

The Office of the Chief Financial Officer agrees with the Office of Inspector General's recommendations numbers 1(b), 3, and 4; however, we do not agree with recommendation 1(a). Responses to specific unresolved recommendations are outlined in the table that begins on page 4.

The report cites issues that do not represent noncompliance and several items listed do not reflect the correct application of the relevant regulation/policy. In addition, a number of the review gaps mentioned were caught in the routine follow up associated with agency internal control processes. Though the report does accurately identify two expenses paid without receipts, totaling less than \$50, the OCFO feels this represents a small margin of error. However, receipts will continue to be a focus of monthly, quarterly, and annual internal reviews. Our issues with the report and its accuracy are discussed in more detail below.

High Cost Travel

The report cites unsupported travel expenses, such as Privately-Owned Vehicles and parking. The authorizations contained comments that POV mileage would need to be claimed due to the response to Hurricane Maria. Though some documentation was excluded in the initial voucher submissions, the EPA's routine subsequent reviews found all costs were justified. All required justifications were in place before the Cincinnati Finance Center paid each voucher.

Foreign Travel

The OIG cited that the Senior Resource Official's approval was not provided prior to a trip; however, the SRO memorandum in the voucher is signed and dated July 25, 2019 for a trip that departed on August 10, 2019. The OIG report also cited a receipt with another traveler's name included. This receipt was added to show the traveler shared the expense for that room with another traveler on those dates, as is allowed in section 301-11.13 of the Federal Travel Regulation. The cost on the reviewed voucher reflected the split. In addition, for the per diem and lodging, all nights above 150 percent were flagged, and authorization was provided in the SRO approval memorandum. Both the kayak and boat rentals cited were in line with the travel mission as it was related to water quality and sampling that required these modes of transportation. The OCFO agrees the Automated Teller Machine fee expensed for this trip was personal and should not have been paid. The agency collected the \$15.92 ATM fee on June 2, 2021.

Temporary Duty

The OIG report indicated that most of the travel exceptions they reviewed were due to late submission. The CFC Travel Team must pay valid travel claims regardless of when they are submitted. The CFC Travel Team can only deny claims as outlined in FTR § 301-52.8:

§301-52.8 - May my agency disallow payment of a claimed item?

Yes, if you do not:

Provide proper itemization of an expense;

Provide receipt or other documentation required to support your claim; and

Claim an expense which is not authorized.

In addition, the EPA has agencywide metrics that report monthly on late travel voucher submissions by office. Submission of travel vouchers within five business days of return to the office is required by the FTR. The EPA's monthly reporting allows offices to see frequent offenders and non-compliant supervisors in order to counsel employees on timely submissions.

The report also described items where the traveler's card was delinquent at the time of payment or time and attendance does not match the voucher as exceptions. Neither of those items would affect the payment of a complete voucher. Card delinquency is addressed in monthly reviews using a report from CitiManager.

Similarly, time and attendance deviations were mentioned by the OIG in the report. However, time and attendance are reconciled during the payroll process and any differences between the timecard and travel voucher would not prevent payment. Reporting these instances as exceptions inflates the OIG's numbers.

Travel Team Monitoring Weakness

The OIG report indicates that the CFC Travel Team is not matching all receipts to expenses during their review. The CFC Travel Team audits 100 percent of all vouchers before payment; however, any manual process is susceptible to human error and some items will be missed. To mitigate this, the CFC Travel Team has additional internal control processes and performs monthly, quarterly, semi-annual, and annual reviews of paid vouchers. During these reviews, mistakes are identified and billed to the traveler

if necessary. While the OIG's review of their sampled documents only produced three missing receipts, we agree that no missing receipts should occur. Should a mistake be made, we agree that controls need to be and are in place to catch any errors. In two of the three cases, the missing documentation had already been identified in one of the internal quality assurance reviews. Documentation for these occurrences were provided by the traveler or the expense was billed to the traveler and collected.

The OIG report mentions staff interviews revealed that decreased monitoring was due to staff shortages. The OIG's statement is inconsistent with what was communicated. The CFC Travel Team has not decreased any monitoring of travel documents due to staffing levels. One hundred percent of all vouchers are reviewed prior to payment and the team still monitors travel card reports for delinquency and atypical use.

The CFC Travel Team frequently disallows claims in its review of documents. In keeping with the FTR, valid claims must be paid and the penalty for noncompliance is limited to costs above the allowance. Per the FTR, the entire amount is not disallowed, only the difference. This is true with non-contract fares and lodging as outlined in the FTR § 301-10.8 and § 301.50-5:

§301-10.8 - What is my liability if, for personal convenience, I travel by an indirect route or interrupt travel by a direct route?

Your reimbursement will be limited to the cost of travel by a direct route or on an uninterrupted basis. You will be responsible for any additional costs.

§301-50.5 - What is my liability if I do not use my agency's TMS or the E-Gov Travel Service, and an exception has not been approved?

If you do not have an approved exception under §301-50.4 or §301-73.104 of this chapter, you are responsible for any additional costs resulting from the failure to use the TMS or E-Gov Travel Service, including service fees, cancellation penalties, or other additional costs (e.g., higher airfares, rental car charges, or hotel rates). In addition, your agency may take appropriate disciplinary action.

Of the 95 OIG-identified deviations, only two instances were found to be unallowable. The CFC Travel Team has billed the travelers for each instance. In addition, the team will limit expenses to the appropriate rate if applicable approvals are missing, as full denial is not allowed under the FTR.

Reporting

The OIG report also mentioned that the CFC Travel Team rarely uses reports including the Compass Data Warehouse report on atypical use. The team uses an atypical report monthly and reports all issues to cardholders and supervisors on any card use that does not match a voucher. Along with this report, the team uses Concur reports, including custom built reports for late vouchers that notify travelers and approvers and reports on returned vouchers to help approving officials identify issues that would cause a voucher to be rejected. In addition, the team utilizes the annual reports on high dollar travel, international travel, premium class travel, and card usage. The OCFO currently utilizes the reports necessary to address its fiduciary and oversight responsibilities adequately.

AGENCY'S RESPONSE TO REPORT RECOMMENDATIONS

No.	Recommendation	High-Level Corrective Action(s)	Estimated Completion Date
1a	Ensure that individuals do not bypass justifications for travel policy deviations and documentation requirements by assessing the feasibility of modifying Concur to restrict individuals from bypassing authorization justifications or required voucher receipts.	<p>Non-concur. Concur is a governmentwide travel solution. Concur currently has all available edit checks for justifications turned on. Travelers must justify each exception to route the document for approval and supervisors are responsible for reading the justifications and ensuring they are valid. Because the system is unable to perform subjective reviews on the content of the justifications, the process relies heavily on the approving official and the voucher payment team. However, as described below, the agency did substantial work to revise and increase the availability of internal training on travel card usage.</p> <p>It should be noted, significant changes to the application must be approved by a governmentwide change management group and then are queued for deployment; otherwise, enhancements must be paid for by the requesting agency and are cost prohibitive.</p>	N/A
1b	Ensure that individuals do not bypass justifications for travel policy deviations and documentation requirements by reemphasizing, through training or other methods, the requirement for justifications and documentation.	Concur. On January 5, 2021, the OCFO implemented annual training through FedTalent for all travel cardholders and travel authorizing officials. This annual training must be completed by September 30 of each year. Travel cardholders who do not complete training on time will have their cards suspended and approving officials will be removed from routing for approvals.	January 5, 2021
3	Increase the rate of capturing deviations found in this audit by identifying monitoring reports in the travel system that can assist with targeted-deviation monitoring efforts and use the system-	Concur. In addition to monitoring the monthly delinquency and atypical reports that we reported to the OIG, the Cincinnati Travel Team will continue reviewing additional reports. The travel team will monitor reports	Ongoing

	monitoring reports for oversight.	for late voucher submissions, returned documents, outstanding travel advances, and overpayments as well as annual reports on high dollar and premium class travel. The travel team also will pull a monthly list of documents for quality assurance review. In addition, the travel team will look more closely at ATM fees on vouchers for compliance and continue to monitor receipts.	
4a	Issue addendums to the Resource Management Directive System 2550B travel policy or equivalent to require approvers to estimate and compare the total cost of temporary change of station versus extended temporary duty travel and authorize the one that is most advantageous for the Agency, cost and other factors considered.	Concur. The OCFO will issue either an addendum or update to the RMDS 2550B travel manual to state that cost comparisons on temporary change of station versus extended temporary duty travel must be considered and maintained in the program/regional office. Per the FTR, only details over six months are considered eligible for a temporary change of station. Detailed language will be added to the travel policy to require a cost comparison to be performed for details over six months.	September 30, 2022
4b	Issue addendums to the Resource Management Directive System 2550B travel policy or equivalent to require the travel card cancellation and closeout process to occur within a predetermined number of days.	Concur. The OCFO will issue either an addendum or an update to the RMDS 2550B travel manual to require explicitly that the travel card cancellation and closeout process occur within 30 days of an employee's departure from the agency.	September 30, 2022

CONTACT INFORMATION

If you have any questions regarding this response, please contact the OCFO Audit Follow-up Coordinator, Andrew LeBlanc, at leblanc.andrew@epa.gov or (202) 564-1761.

cc: David Bloom
Carol Terris
Lek Kadeli
Jeanne Conklin
Meshell Jones-Peeler
Richard Gray
Khadija Walker
OCFO-OC-MANAGERS
Kevin Chaffin

Myka Bailey-Sparrow
Eileen Collins
Alexandra Zapata-Torres
Andrew LeBlanc
José Kercadó