



Date: September 23, 2021

To: Steve Case, Chair, Board of Regents  
Risa J. Lavizzo-Mourey, Vice Chair, Board of Regents  
John Fahey, Board of Regents

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

From: Cathy L. Helm, Inspector General *Cathy L. Helm*

Subject: Travel Expenses of the Board of Regents for Fiscal Years 2019 and 2020 (OIG-A-21-06)

The Office of the Inspector General found that the Office of the Regents complied with applicable policies and procedures for reimbursing 2 of 17 Regents for travel and other meeting expenses totaling \$20,345 in fiscal years 2019 and 2020.

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>1</sup>

The objective of this audit was to determine whether Regents' travel expense reimbursements for fiscal years 2019 and 2020 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.

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

Attachments (2)

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<sup>1</sup> The Executive Committee of the Board 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 2019 and 2020 complied with applicable policies and procedures.

To identify the fiscal year 2019 and 2020 expenses reimbursed under the *Reimbursement of Regents' Expenses* (Travel Reimbursement Policy), the Office of the Inspector General (OIG) reviewed the Smithsonian Institution's (Smithsonian) general ledger and compiled a list of 25 reimbursements made by the Office of the Regents that pertained to travel expenses for two Regents and other meeting expenses.<sup>2</sup> OIG reviewed all of the Regents' travel reimbursement requests and supporting documentation for the period October 1, 2018, through September 30, 2020.

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; and Smithsonian Directive 312, *Travel Handbook*. OIG also interviewed key personnel from the Office of the Regents, the Office of the General Counsel, and the Office of Finance and Accounting.

In planning and performing this audit, OIG identified three internal control components (control activities, information and communication, and monitoring) and six underlying principles as significant to the audit objective, see Table 1. OIG assessed the design, implementation, and operating effectiveness of the internal controls significant to the audit objective and identified no internal control deficiencies.

**Table 1. Internal Control Components and Principles Significant to the Audit Objective**

<b>Control Activity Principles</b>
Management should design control activities to achieve objectives and respond to risks.
Management should implement control activities through policies.
<b>Information and Communication Principles</b>
Management should use quality information to achieve the entity's objectives.
Management should internally communicate the necessary quality information to achieve the entity's objectives.
<b>Monitoring Principles</b>
Management should establish and operate monitoring activities to monitor the internal control system and evaluate the results.
Management should remediate identified internal control deficiencies on a timely basis.

Source: OIG analysis.

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<sup>2</sup> *Reimbursement of Regents' Expenses*, effective June 2018.

OIG conducted this performance audit in Washington D.C., from May 2021 through September 2021 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.

## 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>3</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' Expenses* (Travel Reimbursement Policy). The Regents coordinate their travel through the Office of the Regents, which 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>4</sup>

The Travel Reimbursement Policy establishes reimbursement limits and sets requirements for the Regents to follow. For example, the policy limits the reimbursements for air or train transportation to the equivalent of coach or actual expenses, whichever is lower. The General Counsel is authorized to approve reimbursement of any reasonable expenses for mission-related activities, provided expenses are under a limit of \$750 per occasion.

The travel reimbursement process involves review and action by several parties. Regents submitted their reimbursement request to the Special Assistant for the Office of the Regents. For all of fiscal years 2019 and 2020, the Special Assistant performed the initial review of the reimbursement requests for completeness and accuracy and sent the request to the Office of General Counsel. The General Counsel or designee reviewed the request for compliance and authorized payment. The General Counsel returned the request to the Special Assistant who submitted the completed reimbursement request to the Administrative Officer in the Office of Regents. The Administrative Officer reviewed the reimbursement request for accuracy and ensured that all documentation was provided and then 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.

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<sup>3</sup> 20 U.S. Code § 42(a).

<sup>4</sup> The Office of the Regents provides support to the Board of Regents.