

Fiscal Year 2023 Officers' Travel and Representation Expenses

AUDIT REPORT

Report Number 23-090-R24 | November 21, 2023



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Highlights

Background

The U.S. Postal Service has 50 authorized officer positions, including the postmaster general, deputy postmaster general, and all vice presidents. All 50 positions were active during fiscal year 2023, and the Postal Service had two employees that participated in an accredited degree program. Officers and those two employees filed 895 expense reimbursement requests totaling \$1,041,295.

What We Did

Our objective was to determine whether Postal Service officers complied with policies and procedures regarding travel and representation expense reimbursements. We reviewed 15 reimbursement requests for each quarter totaling \$191,203.

What We Found

For the travel and representation expense reimbursements we reviewed, Postal Service officers properly supported the reimbursements and complied with Postal Service policies and procedures. We identified minor documentation issues that we communicated and resolved with Postal Service management.

Recommendations

Based upon the audit results we did not make any recommendations.

Transmittal Letter



OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

November 21, 2023

MEMORANDUM FOR: CARA M. GREENE
VICE PRESIDENT, CONTROLLER

A handwritten signature in cursive script that reads "Kelly Thresher".

FROM: Kelly Thresher
Deputy Assistant Inspector General
for Field Operations

SUBJECT: Audit Report – Fiscal Year 2023 Officers' Travel and Representation
Expenses (Report Number 23-090-R24)

This report presents the results of our audit of the U.S. Postal Service's Fiscal Year 2023 Officers' Travel and Representation Expenses (Project Number 23-090).

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact John Littlejohn, Director, Seasonal Performance and Postal Regulatory Commission, or me at (703) 248-2100.

Attachment

cc: Postmaster General
Corporate Audit Response Management

Results

Introduction/Objective

This report presents the results of our audit of the U.S. Postal Service’s Fiscal Year (FY) 2023 Officers’ Travel and Representation Expenses (Project Number 23-090). 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.¹ Our objective was to determine whether Postal Service officers complied with policies and procedures regarding travel and representation expense reimbursements. See [Appendix A](#) for additional information about this audit.

Background

The U.S. Postal Service has 50 authorized officer positions,² including the postmaster general, deputy postmaster general, and all vice presidents. All 50 positions were active during FY 2023.

During FY 2023, officers and two employees that participated in Massachusetts Institute of Technology’s Sloan Fellows Program³ filed 895 expense reimbursement requests totaling \$1,041,295. Table 1 shows officers’ reimbursements from FY 2021 through FY 2023 for comparison.

Table 1. Comparison of Reimbursements and Associated Expenses

Fiscal Year	Reimbursements	Total Paid Amount
FY 2023	895	\$1,041,295
FY 2022	694	\$769,789
FY 2021	364	\$417,075

Source: Postal Service eTravel System data.

Postal Service officers and employees use the eTravel system to create, submit, and review expense reports, and to obtain reimbursement for transportation, lodging, and other expenses incurred while on official travel. Additionally, officers are reimbursed for

representation expenses incurred while participating in engagements with customers, industry, or employee groups with whom the Postal Service conducts official business.

Finding: Travel Reimbursements

We reviewed 60 travel expense reimbursements, totaling \$191,203.⁴ For those reimbursements reviewed, officers properly supported the reimbursements and complied with Postal Service policies and procedures. We identified minor documentation issues that we communicated and resolved with Postal Service management.

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



Management’s Comments

Management agreed with the finding and stated that they will continue to be diligent in the review and approval of all officers’ travel and representation 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.

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 39 Sections 202, 203, and 204, dated August 12, 1970, established five officer positions. Under the powers granted, the Board of Governors authorized 45 additional positions under Board Resolution 99-11, dated October 4, 1999.
3 The Sloan Fellows Program is a 12-month, full-time Masters of Business Administration program designed to prepare mid-career managers to become future leaders.
4 No expense reports that included representation expenses were included in our random sample for testing.

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Appendix A: Additional Information

Scope and Methodology

For FY 2023, 50 officers and two employees that participated in the Massachusetts Institute of Technology Sloan Fellows Program filed 895 travel and representation expense reimbursement requests totaling \$1,041,295. We judgmentally sampled and reviewed 60 reimbursement requests totaling \$191,203. Those 60 sampled reimbursements included 15 requests each quarter for existing officers, acting officers, and Sloan Fellows Program participants who traveled during the fiscal year. We included any reimbursements of \$7,000 or more and randomly selected additional transactions to total 15 transactions for each quarter.⁵

We retrieved reimbursement requests and supporting documents that officers filed in the eTravel system. We verified whether these employees 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,⁶ and
- Appropriateness of credit card use.⁷

We used the following as our criteria to evaluate reimbursements:

- *Revised Officers' Travel, Representation, and Office Expense Guidelines* issued by the Postmaster General, dated June 30, 2017.
- Handbook F-15, *Travel and Relocation*, dated September 2015.
- Management Instruction FM-640-2020-1, *Expenses for Internal and External Events*, dated January 2020.

- *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 April 2023 through November 2023 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. Postal Service Management elected to waive the exit conference.

In planning and conducting the audit, we obtained an understanding of eTravel internal control structure to help determine the nature, timing, and extent of our audit procedures. We reviewed the management controls for overseeing the program and mitigating associated risks. Additionally, we assessed the internal control components and underlying principles, and we determined that the following two components were significant to our audit objective: control activities and monitoring.

We developed audit work to ensure that we assessed these controls. Based on the work performed, we did not identify internal control deficiencies that were significant within the context of our objectives.

We assessed the reliability of eTravel data by comparing it to officers' travel expense data in the Enterprise Data Warehouse⁸ for each quarter. In addition, we judgmentally selected a sample of five reimbursement transactions in Enterprise Data Warehouse each quarter and verified them to the travel reimbursement requests in the eTravel system. We determined that the data were sufficiently reliable for the purposes of this report.

⁵ Each quarter, we selected the five highest dollar reimbursements and randomly selected an additional 10 reimbursements for review.

⁶ Expenses that are claimed more than once.

⁷ Travelers only use the travel card for business-related purposes.

⁸ A repository intended for all data and the central source for information on retail, financial, and operational performance.

Prior Audit Coverage

Report Title	Objective	Report Number	Final Report Date	Monetary Impact
<i>Fiscal Year 2022 Officers' Travel and Representation Expenses</i>	Determine whether Postal Service officers complied with policies and procedures regarding travel and representation expense reimbursement.	22-055-R23	12/28/22	N/A
<i>Fiscal Year 2021 Officers' Travel and Representation Expenses</i>	Determine whether Postal Service officers complied with policies and procedures regarding travel and representation expense reimbursement.	21-094-R22	2/18/2022	N/A

Appendix B: Management's Comments

CARA M. GREENE
VICE PRESIDENT, CONTROLLER



November 8, 2023

JOHN CIHOTA
Director, Audit Services

SUBJECT: FY23 Officers' Travel and Representation Expenses
Project Number 23-090

Management has reviewed the Draft Report – Officers' Travel and Representation Expenses, Project Number 23-090 DRAFT, and agrees with the OIG's findings regarding Officer travel and representation expenses. We will continue to be diligent in the review and approval of all Officers' travel and representation expenses.

E-SIGNED by CARA.M GREENE
on 2023-11-08 16:01:23 EST

Cara Greene
Vice President, Controller

cc: *Corporate Audit & Response Management*
Alan MacMullin, Deputy Assistant Inspector General for Finance, Pricing, and Human Capital

OFFICE OF INSPECTOR GENERAL

UNITED STATES



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

For media inquiries, please email press@uspsig.gov or call (703) 248-2100