



United States Department of Agriculture



OFFICE OF INSPECTOR GENERAL



USDA webTA Expense Reimbursement Audit Report 50601-0007-31

OBJECTIVE

Our objective was to determine if USDA has sufficient controls in place to ensure that expense reimbursements being issued to employees through the webTA system are appropriate.

REVIEWED

We reviewed relevant laws and guidance on local travel reimbursements; interviewed OCFO, FSA, NFC, and webTA representatives; and examined FSA supporting documentation for a non-statistical sample of 47 of the 87,724 webTA transactions for FSA in FY 2016, which represents 2.14 percent of the total dollars paid in FY 2016 for FSA.

RECOMMENDS

We recommend that OCFO obtain a report from the webTA vendor detailing individual reimbursements for the current fiscal year and periodically thereafter, and establish a procedure to analyze individual reimbursements for questionable transactions. Also, we recommend that OCFO finalize its draft update to the Agriculture Travel Regulation and include a minimum set of internal controls over webTA expense reimbursement transactions for agencies to follow.

OIG reviewed OCFO's controls over claims for reimbursement made through USDA's time and attendance software system.

WHAT OIG FOUND

We reviewed a non-statistical sample of 47 fiscal year (FY) 2016 webTA expense reimbursements from the Farm Service Agency (FSA) and found that 6 of those reimbursements, totaling \$22,652, contained the wrong reimbursement amount. The Office of the Chief Financial Officer (OCFO) did not have adequate controls in place to monitor webTA transactions for questionable expense reimbursement requests. FSA employees used the wrong transaction code when submitting their requests, and the National Finance Center (NFC) rejected those requests. NFC manually corrected the transaction code errors, but it inadvertently changed the associated amounts of reimbursement. OCFO was unaware of the errors because it did not have ready access to the webTA data. OCFO needs an adequate process in place to obtain, review, and assess webTA data so that any questionable reimbursements can be flagged and any additional errors can be mitigated.

We also found that OCFO has no guidance in place for local travel reimbursements. Although we found no errors in our sample, there is a possibility that errors could occur due to lack of guidance. Specific guidance would assist agencies in using webTA properly and limit improper reimbursements.

OCFO generally agreed with the issues identified in our findings. However, in order to reach management decision on all recommendations, additional actions are required for two of the three recommendations.



United States Department of Agriculture
Office of Inspector General
Washington, D.C. 20250



DATE: September 28, 2017

AUDIT
NUMBER: 50601-0007-31

TO: Lynn Moaney
Acting Deputy Chief Financial Officer
Office of the Chief Financial Officer

ATTN: Annie Walker
Director
Internal Control Division

FROM: Gil H. Harden
Assistant Inspector General for Audit

SUBJECT: USDA webTA Expense Reimbursement

This report presents the results of the subject audit. Your written response, dated September 18, 2017, is included in its entirety at the end of the report. Your response and the Office of Inspector General's (OIG) position are incorporated into the relevant sections of the report. Based on your written responses, we have accepted management decision on Recommendation 3. Management decision has not been reached for Recommendations 1 and 2. The actions needed to reach management decision for these recommendations are described under the relevant OIG Position sections.

In accordance with Departmental Regulation 1720-1, please furnish a reply within 60 days describing the corrective actions taken or planned, and timeframes for implementing the recommendations for which management decisions have not been reached. Please note that the regulation requires management decision to be reached on all recommendations within 6 months from report issuance, and final action to be taken within 1 year of each management decision to prevent being listed in the Department's annual Agency Financial Report. Please follow your internal agency final action procedures.

We appreciate the courtesies and cooperation extended to us by members of your staff during our audit fieldwork and subsequent discussions. This report contains publically available information and will be posted in its entirety to our website (<http://www.usda.gov/oig>) in the near future.

Table of Contents

Background and Objectives	1
Section 1: OCFO Needs to Improve Controls Over webTA	3
Finding 1: OCFO Needs Improved Monitoring over webTA Expense Reimbursements	3
Recommendation 1	5
Recommendation 2	6
Finding 2: OCFO Needs Guidance over webTA Expense Reimbursements	8
Recommendation 3	9
Scope and Methodology	10
Abbreviations	12
Agency's Response	13

Background and Objectives

Background

In April 2008, the Department of Agriculture (USDA) announced it would move to a new system for time and attendance (T&A) called webTA. WebTA is a consumer off-the-shelf software program that allows employees and/or timekeepers to enter hours worked and submit leave requests electronically. Managers certify employees' T&A submissions and can approve or reject leave requests online. The records are then transmitted to the National Finance Center (NFC) for salary processing. The transition to webTA was intended to increase productivity, ensure cost effectiveness, and standardize the T&A process across USDA.

Aside from timekeeping and leave requests, webTA allows employees to enter expense reimbursement requests, which supervisors can then approve.¹ Types of expenses that can be reimbursed through webTA include local travel, emergency pay, incentive pay, mass transit subsidies, and parking subsidies. In webTA version 3.8,² the expense reimbursement function was part of the employee's T&A submission. Employees would submit expense reimbursements on the same screen as their T&A data. Supervisors would approve any reimbursement request along with the employees' time and attendance for the pay period.

In version 4.2,³ the expense reimbursement function has a different approval process. Expense reimbursement requests are now separate from the employee's T&A approval request. Employees have the ability to submit expense reimbursement requests for approval by their supervisors instead of entering them directly to the timesheet. When an employee submits an expense reimbursement request, the supervisor will receive a notification via email to either approve or deny the request. Most Departmental agencies have now transitioned from version 3.8 to version 4.2. The Forest Service and the National Agricultural Statistics Service do not use webTA.

NFC, under OCFO, is USDA's coordinator for all implementations, changes, modifications, and upgrades for webTA. NFC also serves as the host of the webTA application. All approved expense reimbursement transactions in webTA pass through NFC for salary processing. USDA uses the Financial Management Modernization Initiative (FMMI) system as the primary system to track administrative costs for the Department. FMMI accomplishes this by integrating a majority of the financial capabilities of USDA, which includes transactions from the webTA system. Using data from the FMMI system, we determined the total amount of dollars recorded as being reimbursed through webTA from fiscal year (FY) 2010 through FY 2016 (see Figure 1).⁴

¹ A reimbursement is an amount refunded to the employee for costs incurred or expenses paid.

² USDA agencies used webTA version 3.8 from October 2008 through October 2016. Functionality within webTA to reimburse local travel expenses was available in this version.

³ Most USDA agencies transitioned to webTA 4.2 in October 2016.

⁴ The FMMI system went live with a phased rollout in FY 2010. As a result, we do not know how often the webTA expense reimbursement function was used in FY 2009.

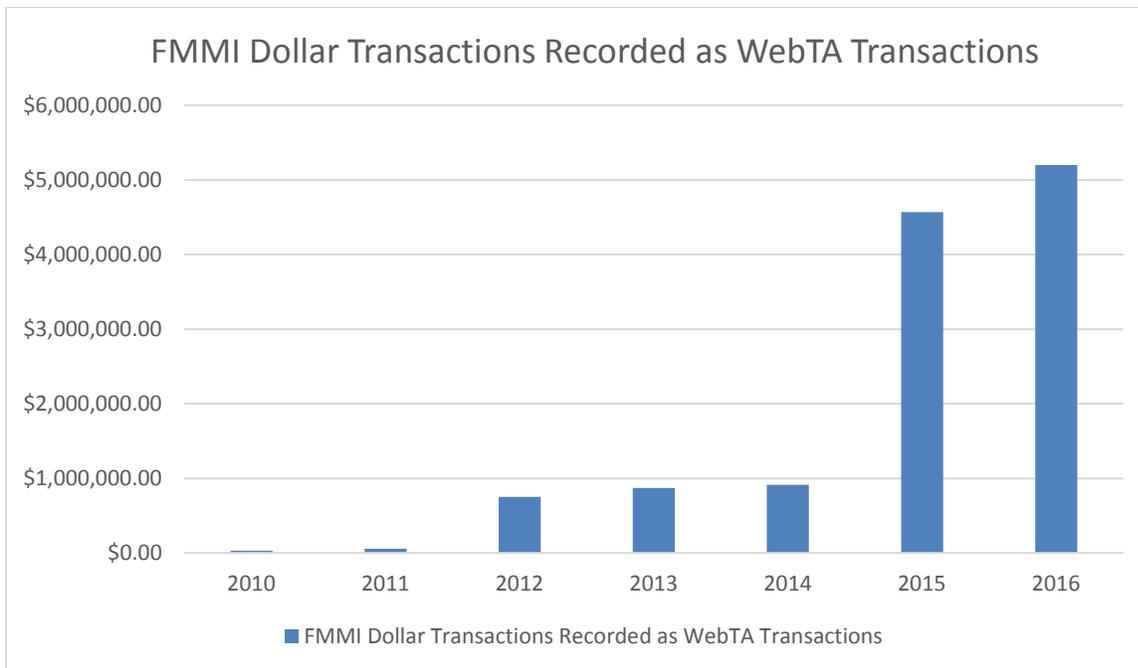


Figure 1: Department-wide webTA expense reimbursements from FYs 2010-2016

Since 2010, the amount of expense reimbursements recorded as webTA transactions in FMMI has been on the rise, as more agencies began using the expense reimbursement function. As is presented in Figure 1, the amount of expense reimbursements in webTA across USDA has increased substantially since 2010, with the most notable increases coming in 2015 and 2016 when FSA began using webTA to reimburse employees for local travel. As more agencies begin using the expense reimbursement function more often, we expect this amount to continue to increase.

Objectives

Our objective was to determine if USDA has sufficient controls in place to ensure that expense reimbursements being issued to employees through the webTA system are appropriate.

Section 1: OCFO Needs to Improve Controls Over webTA

Finding 1: OCFO Needs Improved Monitoring over webTA Expense Reimbursements

OCFO has not adequately monitored webTA for questionable reimbursement activity. In our review of 47 webTA expense reimbursements from FSA for FY 2016, we found 6 instances where NFC reimbursed FSA employees 100 times the original requested amount. OCFO was not aware of these overpayments because OCFO did not have ready access to webTA reimbursement data for review. Because OCFO did not receive the webTA data in a readable format, it could not establish and implement adequate controls to determine if abuses were occurring. As a result, FSA employees were overpaid by a total of \$22,425.48. Without a periodic review of webTA reimbursements, OCFO will not know if similar overpayments are occurring in the future.

Congress has stated that agencies could significantly decrease monetary losses in the Federal Government by improving their internal controls and financial accounting.⁵ Agencies must have systems in place to ensure the Federal Government consistently and accurately records, monitors, and reports all its expenditures and activities.⁶

OCFO informed us that while webTA data are stored with NFC, the data are unusable and unreadable without assistance from webTA representatives. OCFO officials said they do not own the source code and without the source code they cannot properly read and interpret the data.⁷ We were quoted a cost of almost \$13,000 for webTA representatives to write a script to decode the data.⁸ Since OCFO did not have a procedure in place to review webTA data, it did not readily have access to the data and was unable to monitor the expense reimbursements for any questionable amounts. OCFO had guidance in place to monitor Temporary Duty (TDY) travel but had not yet established guidance to monitor local travel.⁹ In order to properly evaluate whether webTA reimbursements were appropriate, we needed to find a different approach to reviewing the data.

USDA uses the FMMI system as the primary system to track administrative costs for the department. In our review of FMMI data, we found employees from 22 USDA agencies had received expense reimbursements through webTA through FY 2016.¹⁰ Of these 22 agencies using webTA to reimburse expenses, FSA employees accounted for 90 percent of all webTA

⁵ Chief Financial Officers Act of 1990, Sec. 102 (a) 3 and 4, dated Nov. 15, 1990.

⁶ Federal Financial Management Improvement Act of 1996, Sec. 802 (a) (5), dated Sept. 30, 1996.

⁷ Source code is written by computer programmers in a programming language, which tells the computer program how to function.

⁸ Due to the excessive cost to obtain the script necessary to read the webTA data, we decided to conduct alternate audit procedures.

⁹ TDY travel is a place, away from an employee's official duty station, where the employee is authorized to travel. Local Travel is any travel within 50 miles of the employee's duty station or residence lasting less than 12 hours. Departmental Regulation 2300-005, Dec. 8, 2015.

¹⁰ Data from the FMMI system dates back to FY 2010. From FY 2010 through FY 2016, a total of \$12,378,743.78 was paid through webTA for expense reimbursements for the Department. This figure is the amount agencies recorded into FMMI as webTA transactions.

expense reimbursements in USDA (see Figure 2). Since FSA has the highest amount of expense reimbursements in USDA, we decided to assess FSA’s reimbursement transactions.

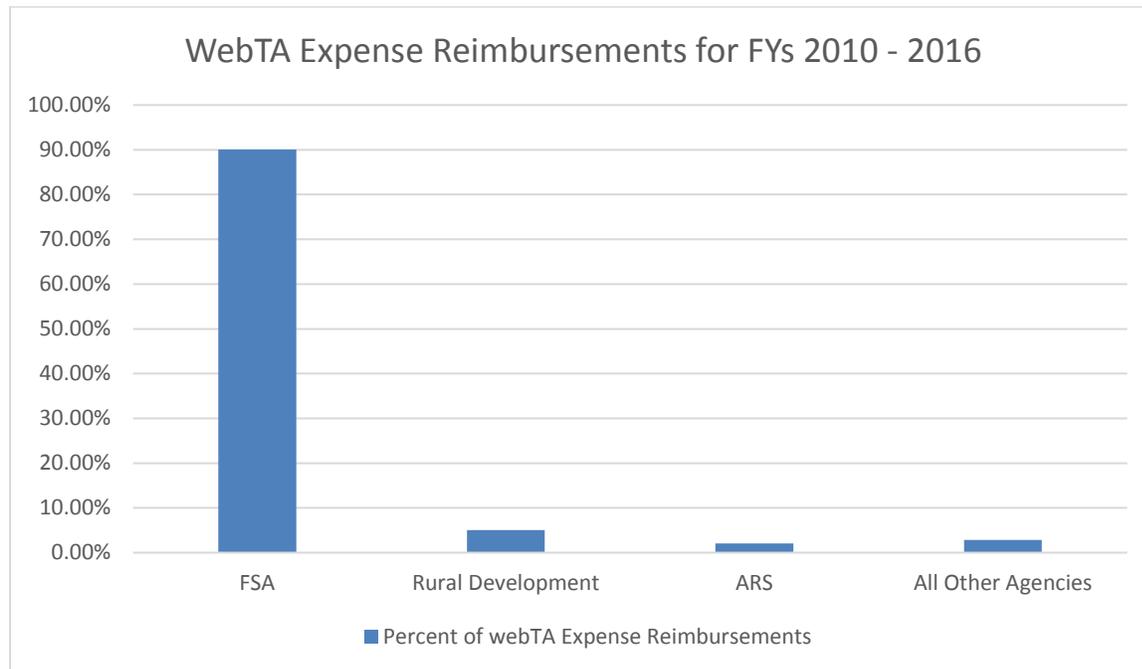


Figure 2: Breakdown of webTA reimbursement activity for FYs 2010-2016

Since FSA was the largest user of webTA for expense reimbursements, we requested and received all transactions FSA coded into its payroll system as being from webTA for FY 2016. In total, FSA had 87,724 reimbursements coded as webTA transactions for FY 2016. We non-statistically sampled 47 of these transactions.

Of the 47 sampled transactions, we identified 6 specifically because the reimbursements were unusually large and for an even dollar amount. For these six transactions, we discovered that the FSA employees incorrectly used “Magazine Subscriptions” as the transaction code instead of “Travel Reimbursements.” FSA officials told us that “Magazine Subscriptions” was the default transaction code in the previous version of webTA (3.8). When these reimbursement requests arrived at NFC, NFC’s system rejected them because magazine subscriptions are not an allowable transaction for FSA.¹¹ When NFC manually corrected these reimbursements, NFC incorrectly left off the decimal point and the employees received a reimbursement 100 times larger than what they requested (i.e., the employee requested \$86.25, but received \$8,625.00). In total, employees requested mileage reimbursements of \$226.52, but instead they received \$22,652.00. According to NFC, all overpayments were timely identified through corrected T&A submissions from the agency and appropriate bills for overpayments were generated. We found that four of the six overpayments were identified and billed in 1 month or less. However, we noted in one instance that it took 7 months to generate a bill for the overpayment and another in

¹¹ NFC’s Time and Attendance Validation System performs all editing and validating necessary for acceptance of T&A data for payment.

which it took over 5 months to generate a bill for the overpayment. NFC became aware of these overpayments through corrected T&A submissions from the agency.

FSA officials were aware that overpayments could occur because of the issue related to the default transaction code of magazine subscriptions and issued Notice BU-755, *Processing FY 2015 Local Travel Expense Reimbursements Through WebTA*, to State and county offices in October 2014 warning that using the magazine subscription transaction code may result in overpayments to employees. However, NFC did not correct this issue until the current version of webTA (version 4.2) was implemented in October 2016. In version 4.2, webTA no longer has magazine subscriptions as a default transaction code. Now, employees use a drop-down menu to select the correct transaction code. FSA officials said since this process changed, they performed a search for these types of overpayments within their payroll system and found they are no longer occurring.¹²

NFC became aware of the individual overpayments as corrected T&A submissions came in from FSA and bills for overpayment were generated. When we presented this issue to NFC, officials researched it and found they had made individual manual processing errors. NFC officials said they had manually corrected rejected transactions. NFC was not aware there were multiple issues like this since the transactions were seen individually and the data were not looked at as a whole. NFC officials told us they have improved their process. Beginning in late FY 2016, NFC started a process where it will send rejected transactions back to the agency for the agency to correct.

The overpayments we noted could easily have been detected with periodic reviews of the webTA data. OCFO was not aware that these types of suspicious transactions were occurring in webTA because it did not have ready access to the data. OCFO also agrees that periodically obtaining and reviewing webTA data for suspect transactions would be a good control to implement in order to mitigate future overpayments.

Recommendation 1

The Office of the Chief Financial Officer (OCFO) should periodically obtain a report from the webTA vendor detailing individual reimbursements claimed through webTA for the current fiscal year and periodically thereafter.

Agency Response

NFC determined that it would not be necessary or cost beneficial to pay the webTA vendor for data on an annual basis as the preventive automated controls (removing the logical access) and the updated manual processing controls are in place to prevent future overpayments.

¹² FSA used its Budget and Performance Management System (BPMS), which is a separate system from webTA, to search for these overpayments. BPMS links and integrates FSA's budget, cost, and performance management information.

NFC's T&A Validation System (TIME) has a batch processing edit that would reject the T&A if the "magazine subscriptions" dollar transaction was recorded on the T&A for an employee from agencies other than Smithsonian Institute (TIME would return error message 284 - "Transaction Code 17, Suffix 1, is valid for Smithsonian Institute only"). In all six cases of overpayments identified by OIG, the TIME system originally rejected the T&As because the magazine subscription transaction was recorded for an ineligible employee. The error occurred when NFC's Payroll Processing Branch personnel incorrectly recoded the T&A in an attempt to correct the error, and the manual recoding caused the overpayment. To address the root cause of the issue, on April 7, 2017, NFC's Payroll Processing Branch updated its procedures and trained employees on the process for addressing T&A transactions that rejected due to the magazine subscriptions dollar transaction being recorded for an ineligible employee. Under the updated procedures, Payroll Processing Branch personnel would delete the rejected T&A instead of recoding it and notify the appropriate agency personnel to resubmit the T&A with a correct transaction code.

In addition, on April 25, 2017, OCFO's Office of Human Resources Management removed the logical access by inactivating the magazine subscriptions option from the drop down in menu in webTA 4.2, since magazine subscriptions is valid only for Smithsonian Institute. Removing the logical access would prevent ineligible or inadvertent use of the magazine subscriptions dollar transaction, and thus, would prevent future overpayments associated with manual processing errors.

OIG Position

We do not accept management decision for this recommendation. We agree that the specific issue noted in the report concerning magazine subscriptions has been addressed, however we do not know if other overpayments are being processed and paid as we did not have access to the complete data set. As mentioned in the finding, the use of webTA for expense reimbursement has been increasing and additional agencies have started using webTA. Without access to the complete dollar transaction data, the Department is unable to determine how many overpayments have occurred or are occurring and what corrective action needs to be implemented. This recommendation requires OCFO to obtain the webTA dollar transaction data so that it can be monitored and analyzed for potential overpayments. Neither OIG nor OCFO can say with reasonable assurance that no other overpayments have occurred or are currently occurring without obtaining and reviewing the webTA data. In order to reach management decision, OCFO needs to obtain the webTA dollar transaction data. The current webTA contract expires in March 2018. If the Department determines it will continue using webTA for T&A purposes, OCFO should include a clause in the new contract requiring the software developer to provide webTA dollar transaction data to NFC on a periodic basis.

Recommendation 2

OCFO should establish a procedure or control to analyze individual reimbursements for questionable transactions and to refer suspect transactions to the applicable agency for review and determination of the appropriateness of the transaction.

Agency Response

NFC determined that it would not be necessary or cost beneficial to pay the webTA vendor for data on an annual basis as the preventive automated controls (removing the logical access) and the updated manual processing controls are in place to prevent future overpayments.

OIG Position

We do not accept management decision for this recommendation. As noted in our response to Recommendation 1, we acknowledge the magazine subscription issue has been addressed. However, without the webTA data, the Department cannot be assured that improper payments are not occurring. In order to reach management decision, OCFO needs to establish procedures to periodically analyze the webTA dollar transaction data.

Finding 2: OCFO Needs Guidance over webTA Expense Reimbursements

OCFO has not issued guidance on what controls agencies should implement over webTA expense reimbursements (e.g., dollar limits, supervisory review, receipts, etc.) or the types of expenses allowed. This occurred because OCFO's focus for expense reimbursements has been on temporary duty travel guidance and not on reimbursements for other expenses, like local travel.¹³ Instead, OCFO has left it to individual agencies to determine how they would reimburse employees for local travel. Without Departmental guidance, USDA agencies could be using webTA improperly.

Congress has stated that agencies could significantly decrease monetary losses in the Federal Government by improving their internal controls and financial accounting.¹⁴ Agencies must have systems in place to ensure the Federal Government consistently and accurately records, monitors, and reports all its expenditures and activities.¹⁵

However, in our review of OCFO's guidance, we found it does not specify what internal controls should be implemented or how agencies will reimburse employees for local travel expenses. In addition, OCFO has not issued any guidance on how agencies are to use the webTA function that allows for expense reimbursements. OCFO had previously drafted an update for the Agriculture Travel Regulation that explained that local travel expenses may be reimbursed through the webTA system. However, this draft policy does not discuss the types of controls over local travel reimbursements that would help reduce inappropriate uses of webTA for expense reimbursements and this draft policy was not implemented. These controls may include dollar limits on transactions, evidence of supervisory review, and required documentation of expenses. As of May 2017, OCFO officials informed us they have started drafting guidance to revise the policy and definition of local travel.

While we did not find any instances of misuse with the 47 sampled transactions, the opportunity for inadvertent misuse of webTA expense reimbursements may occur without documented guidance, as shown in Finding 1. The Government Accountability Office has determined that "documentation is required for the effective design, implementation, and operating effectiveness of an entity's internal control system."¹⁶ Since OCFO has not had documented policy or had ready access to the expense reimbursement data, more inappropriate reimbursements may have occurred. While reimbursements through webTA have been minor in the past, data suggests agencies are using this function more and more and Finding 1 demonstrates that the errors can be proportionally large. Without Departmental guidance, it would be easier for employees to be reimbursed for inappropriate expenses through webTA.

¹³ OCFO provided an undated draft update to the Agriculture Travel Regulation, which revised the local travel definition and policy and discussed employees using webTA for reimbursement. However, this policy had not been implemented.

¹⁴ Chief Financial Officers Act of 1990, Sec. 102 (a) 3 and 4, dated November 15, 1990.

¹⁵ Federal Financial Management Improvement Act of 1996, Sec. 802 (a) (5), dated September 30, 1996.

¹⁶ Standards for Internal Control in the Federal Government, Overview, Section 4 – Additional Considerations, 4.08, dated September 2014.

Departmental guidance is necessary to avoid inadvertent misuse of webTA expense reimbursements. Specific guidance would assist agencies in using webTA properly and limit improper reimbursements. OCFO acknowledged a lack of access to data and stated it is drafting a Departmental policy that provides a standardized process for using webTA for local travel reimbursements.

Recommendation 3

OCFO should finalize its draft update to the Agriculture Travel Regulation and include a minimum set of internal controls over webTA expense reimbursement transactions for agencies to follow.

Agency Response

The Fiscal Policy Division issued the *Revised Local Travel Definition and Policy* memorandum, dated August 24, 2017, to address local travel expense reimbursements; regardless of whether the reimbursement is made through webTA, another time and attendance system, or via direct entry method into the financial system.

OIG Position

We accept management decision for this recommendation.

Scope and Methodology

To complete our audit of USDA's controls over expense reimbursements in webTA, we performed audit steps at the national offices for FSA, OCFO, Office of Human Resources Management (OHRM), and NFC in Washington, D.C. We also held discussions with OCFO's Travel Policy group at the national office in Washington, D.C., as well as webTA representatives via teleconference. The original scope of our audit covered expense reimbursement requests in webTA from October 2008 to September 30, 2016.

As USDA did not own the source code for webTA data and there was an excessive fee to obtain these data, we decided to conduct alternate audit procedures by using the FMMI system to obtain data on webTA expense reimbursements. We pulled summary data of transactions recorded as webTA from the FMMI system for FYs 2010 through 2016.¹⁷ From our analysis of these data, we determined that FSA accounted for about \$11.1 million out of a total of over \$12.3 million, or 90 percent, of all dollars recorded into FMMI as being from webTA. Based on this, we decided to review FSA's webTA expense reimbursement transactions since it had the largest volume of transactions in the system.

FMMI data go back to FY 2010, which is when the system went live. However, these data are not useful in reviewing individual transactions as FMMI does not identify which employee received the reimbursement. As a result, we requested from FSA and received all transactions FSA coded as being from webTA for FY 2016 from its payroll system. FSA also provided us with its guidance on how its employees are to use webTA and the internal controls governing these reimbursement requests. In FY 2016, FSA had 87,724 reimbursements for a total of approximately \$4.6 million coded as webTA transactions. We non-statistically sampled 47 of these transactions totaling about \$97,494 for review. We performed numerous manual sorts of the FSA data including searching for large dollar payments, large even dollar payments, and repetitive payments. We also looked at office locations when selecting the samples.

To accomplish our objective, we:

- reviewed relevant laws, regulations, and guidance, including Department-wide and agency-specific guidance on local travel reimbursements in order to identify key controls over webTA expense reimbursements;
- interviewed FSA, OCFO, and OHRM national officials as well as NFC and webTA representatives;
- obtained and reviewed FSA's FY 2016 webTA reimbursement transaction data from its payroll system; and
- obtained and reviewed FSA-generated supporting documentation for 47 non-statistically selected webTA reimbursement transactions.

During the audit, we focused on whether USDA has sufficient controls in place to ensure employees are being properly reimbursed for appropriate expenses through webTA. During the course of our audit, we did not solely rely on or verify information in any agency information

¹⁷ FMMI was initiated in FY 2010 so data prior to this would not have been captured in FMMI.

systems, and we make no representation regarding the adequacy of any agency computer systems or the information generated from them. There was sufficient supporting or corroborating information or documentary evidence available other than that produced by the information system. Our audit fieldwork was conducted from November 2016 to May 2017.

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. We did not have access to complete data in our initial scope period of FY 2009 through FY 2016. We had access to data recorded as being from webTA for FYs 2010 through 2016, but not FY 2009. However, the scope limitation experienced does not affect the findings and recommendations, which are related to OCFO's controls over webTA expense reimbursements.

Abbreviations

BPMS	Budget and Performance Management System
FMMI	Financial Management Modernization Initiative
FSA	Farm Service Agency
FY	fiscal year
NFC	National Finance Center
OCFO	Office of the Chief Financial Officer
OHRM	Office of Human Resources Management
OIG	Office of Inspector General
T&A	Time and Attendance
USDA	Department of Agriculture

**AGENCY'S
RESPONSE TO AUDIT REPORT**



**United States
Department of
Agriculture**

September 18, 2017

Office of the Chief
Financial Officer

1400 Independence
Avenue, SW

Washington, D.C.
20250

TO: Gil H. Harden
Assistant Inspector General for Audit
Office of Inspector General

FROM: Lynn Moaney /S/
Acting Deputy Chief Financial Officer

SUBJECT: USDA WebTA Expense Reimbursement, Audit Report #50601-0007-31

This memorandum responds to the discussion draft report for the subject audit report 50601-0007-31, USDA WebTA Expense Reimbursement. This response addresses completed actions to reach management decision on Recommendations 1, 2, and 3.

If you have any questions or need additional information, please contact Annie Walker, Director, Internal Control Division/Management Control and Audit Team at (202) 720-9983.

Attachment

Recommendation 1

The Office of the Chief Financial Officer (OCFO) should periodically obtain a report from the webTA vendor detailing individual reimbursements claimed through webTA for the current fiscal year and periodically thereafter.

Recommendation 2

OCFO should establish a procedure or control to analyze individual reimbursements for questionable transactions and to refer suspect transactions to the applicable agency for review and determination of the appropriateness of the transaction.

OCFO's response to Recommendations 1 and 2:

NFC's T&A Validation System (TIME) has a batch processing edit that would reject the T&A if the "magazine subscriptions" dollar transaction was recorded on the T&A for an employee from agencies other than Smithsonian Institute (TIME would return error message 284 – "Transaction Code 17, Suffix 1, is valid for Smithsonian Institute only"). In all six cases of overpayments identified by OIG, the TIME system originally rejected the T&As because the magazine subscription transaction was recorded for an ineligible employee. The error occurred when NFC's Payroll Processing Branch personnel incorrectly recoded the T&A in an attempt to correct the error, and the manual recoding caused the overpayment. To address the root cause of the issue, on April 7, 2017, NFC's Payroll Processing Branch updated its procedures and trained employees on the process for addressing T&A transactions that rejected due to the magazine subscriptions dollar transaction being recorded for an ineligible employee. Under the updated procedures, Payroll Processing Branch personnel would delete the rejected T&A instead of recoding it and notify the appropriate agency personnel to re-submit the T&A with a correct transaction code.

In addition, on April 25, 2017, OCFO's Office of Human Resources Management removed the logical access by inactivating the magazine subscriptions option from the drop down in menu in webTA 4.2, since magazine subscriptions is valid only for Smithsonian Institute. Removing the logical access would prevent ineligible or inadvertent use of the magazine subscriptions dollar transaction, and thus, would prevent future overpayments associated with manual processing errors. Since all USDA customers previously in webTA 3.8 had been converted to webTA 4.2, NFC determined that it would not be necessary or cost beneficial to pay the webTA vendor for data on an annual basis as the preventive automated controls (removing the logical access) and the updated manual processing controls are in place to prevent future overpayments.

Estimated Action Completion Date: April 25, 2017

Recommendation 3: OCFO should finalize its draft update to the Agriculture Travel Regulation (ATR) and include a minimum set of internal controls over webTA expense reimbursement transactions for agencies to follow.

OCFO's Response

The Fiscal Policy Division issued the Revised Local Travel Definition and Policy memorandum, dated August 24, 2017, to address local travel expense reimbursements; regardless of whether the reimbursement is made through webTA, another time and attendance system, or via direct entry method into the financial system.

To specifically address this recommendation, the policy states, in-part:

“Local travel expenses must be claimed within the fiscal year the expenses were incurred, and may be reimbursed through the Agency/Staff Office Time and Attendance System, or direct entry via the Department’s financial system. When requests are submitted via direct entry, the processor must use the Local Travel Invoice module in the financial system to process the request.”

Regardless of which system is used to process the claim, the traveler must complete and submit Optional Form-1164, Claim for Reimbursement for Expenditures on Official Business. The form must be submitted to the traveler’s approving official for review and approval. Receipts, or other appropriate documentation (e.g. summary of metro card swipes), must be included for expenses, regardless of cost. Either the traveler or the approving official must maintain a copy of OF-1164 and the receipts for six years, in accordance with the National Archives and Records Administration (NARA) General Records Schedule (GRS) 1.1: Financial Management and Reporting Records, item 010.

Estimated Action Completion Date: August 24, 2017

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