



# Smithsonian Institution


Memo

Office of the Inspector General

Date: August 6, 2014

To: John W. McCarter, Chair, Board of Regents

Cc: Robert P. Kogod, Chair, Audit and Review Committee, Board of Regents  
Porter N. Wilkinson, Chief of Staff to the Board of Regents  
Albert Horvath, Under Secretary for Finance and Administration/Chief  
Financial Officer  
Patricia Bartlett, Chief of Staff to the Secretary  
Judith Leonard, General Counsel

From:  Cathy L. Helm, Inspector General

Subject: Audit of Travel Expenses of the Board of Regents for Fiscal Year 2013 (Audit Number A-14-04)

In fiscal year 2013, 3 of the 17 Regents requested reimbursement for travel expenses for 22 trips totaling \$31,664. Based on our audit of these expenses, we determined that travel reimbursements complied with applicable laws, regulations, policies, and procedures. In addition, we did not identify any trips for which the Smithsonian reimbursed the Regents for first-class air or rail fares, and all meals and miscellaneous expenses were within required limits. We also concluded that the Smithsonian policies and procedures governing Regents' travel reimbursements were adequate.

We conducted this audit pursuant to 20 U.S.C. § 44, which allows each member of the Board of Regents (Board) to be paid necessary travel and other actual expenses to attend Board meetings and requires an audit of these expenses.

Our objective was to determine whether the travel expenses for those Regents who seek reimbursement for expenses associated with attending Board meetings comply with laws, regulations, policies, and procedures. We also assessed the adequacy of the Smithsonian's policies and procedures governing travel expense reimbursements for the Board. (See attachment I for further information about our objectives, scope, and methodology, and attachment II for background information.)

We provided a draft report to the Chief of Staff to the Board who concurred with the report results and chose not to provide a written response.

Please call me or Joan Mockridge, Acting Assistant Inspector General for Audits, at 202.633.7050 if you have any questions.

Major contributors to this report were Brian Lowe, Supervisory Auditor, and Elsy Woodill, Auditor-in-Charge.

Attachments (2)

## **SCOPE AND METHODOLOGY**

To identify the Regents who were reimbursed for travel in fiscal year 2013, we reviewed the Smithsonian's general ledger to compile a listing of all reimbursements made for Regents' travel expenses. In addition we reviewed the minutes of the Board of Regents and Committee meetings to verify that Regent's attended the specific meeting for which reimbursement was paid.

We reviewed all of the Regents' travel reimbursement requests for the period October 1, 2012, through September 30, 2013. During this period, 3 of the 17 Regents requested reimbursement for travel expenses for 22 trips totaling \$31,664. We verified the accuracy of the claims for reimbursement and confirmed that all claims were properly reviewed, approved, and paid in accordance with the Regent's policy.

To evaluate the Smithsonian's procedures for reimbursement of Regents' travel expenses, we reviewed the Board of Regents Charter and Bylaws and the Office of the Regents' Reimbursement of Regents Meeting Expenses Policy (January 2011). We also reviewed the Federal Travel Regulations to identify applicable per diem rates.

We conducted this audit in Washington, D.C., from April 2014 through August 2014, 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 we obtained provides a reasonable basis for our conclusions based on our audit objectives.

## **BACKGROUND**

Regents generally attend four Board meetings a year, committee meetings, and occasional special events. Regents who live outside the Washington, D.C. area may travel to attend meetings and events. In most cases, these Regents initially pay for the travel and then seek reimbursement from the Smithsonian for their lodging, transportation, meals, and related expenses.

The Smithsonian Regent's travel policy establishes reimbursement limits for travel. The policy limits the Regents' reimbursements for transportation to coach air- or train-fare or actual expenses, whichever is less. The Smithsonian also reimburses the Regents up to \$20 or \$75 for ground transportation to or from Ronald Reagan National Airport, or Dulles International Airport, respectively. In addition, meals are reimbursed at the actual cost or the government per diem rate, whichever is less.

### *Regent's Travel Reimbursement Process*

At the beginning of each fiscal year, the Office of the Regents creates purchase orders for each Regent expected to request reimbursement for travel. After completing travel, the Regent submits travel reimbursement requests and supporting documentation to the Smithsonian's Office of the Regents.

In fiscal year 2013, the administrative assistant within the Office of the Regents reviewed the reimbursement requests to determine if the costs are accurate, supported by documentation, and allowable. Then, the acting program officer in the Office of the Regents reviewed and approved the requests and submitted a summary memorandum to the Accounts Payable Division in the Office of Finance and Accounting for payment. The summary memo states what meeting the Regent attended and describes the charges including approved amounts.

The Accounts Payable staff reviews the summary memo and inputs the approved amounts into the Smithsonian's accounting system, and the system creates a voucher. The accounting system then generates the payment to the Regent by an electronic fund transfer.