



Office of the Inspector General

Date: March 26, 2015

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

Cc: Ambassador Barbara M. Barrett, Chair, Audit and Review Committee,  
Board of Regents  
Porter N. Wilkinson, Chief of Staff to the Board of Regents  
Rachel Parker, Deputy Chief of Staff to the Board of Regents  
John Lapiana, Acting Under Secretary for Finance and Administration/Chief  
Financial Officer  
Patricia Bartlett, Chief of Staff, Office of the Secretary  
Judith Leonard, General Counsel

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

Subject: Audit of Travel Expenses of the Board of Regents for Fiscal Year 2014 (Audit  
Number A-15-02)

Our audit determined that all travel expenses reimbursed to Regents in fiscal year 2014 generally complied with applicable rules. All expenses for lodging and meals were reimbursed within required limits, and there were no requests or reimbursements for business- or first-class air or rail fares. In fiscal year 2014, 4 of the 17 Regents were reimbursed for 36 trips totaling \$43,097.

We conducted this audit pursuant to 20 U.S.C. § 44, which authorizes 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 applicable rules. We also assessed the effectiveness of the Smithsonian's processes governing travel expense reimbursements for the Board. (See attachment I for further information about our 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 Mockeridge, 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 2014, we reviewed the Smithsonian's general ledger and compiled a listing of all reimbursements made for Regents' travel expenses. In addition, we reviewed the minutes of the meetings of the Board of Regents and its committees to verify that Regents attended the specific meeting for which reimbursement was paid. We reviewed all of the Regents' travel reimbursement requests and supporting documentation for the period October 1, 2013, through September 30, 2014.

To evaluate the Smithsonian's process for reimbursing Regents' travel expenses, we reviewed the Board of Regents *Charter and Bylaws*; the *Reimbursement of Regents' Meeting Expenses* (dated January 2011 and revised April 2014); and Smithsonian Directive 312, *Travel Handbook*. We also reviewed the *Federal Travel Regulation* to identify applicable per diem rates. We interviewed key personnel from the Office of the Regents, the Consolidated Administrative Office, and the Office of Finance and Accounting.

We conducted this audit in Washington, D.C., from October 2014 through March 2015 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

The Smithsonian Institution was created by Congress in 1846 as “an establishment for the increase and diffusion of knowledge.” Congress vested responsibility for the administration of the Smithsonian in a Board of Regents, consisting of the Chief Justice of the United States, the Vice President of the United States, three members of the United States Senate, three members of the United States House of Representatives, and nine citizens.

Regents generally attend four Board meetings a year, committee meetings, and occasional special events; and they may travel to attend these meetings and events. Regents who pay for their travel may request reimbursement.

According to the Smithsonian Directive 312, *Travel Handbook*, travel expense reimbursement may be provided to members of the Board of Regents in accordance with the *Reimbursement of Regents Meeting Expenses* policy as published by the Office of the Regents. The Regent’s travel policy establishes reimbursement limits for travel. For example, the policy limits the reimbursements for transportation to coach air- or train-fare or actual expenses, whichever is less.

At the beginning of each fiscal year, the Office of the Regents creates a purchase order for each Regent expected to request reimbursement for travel. After completing travel, the Regent submits travel reimbursement requests and supporting documentation to the Office of the Regents. The requests state what meeting the Regent attended and itemizes the expenses.

In fiscal year 2014, the Chief of Staff to the Regents reviewed the reimbursement requests to determine if the costs were accurate, allowable, and supported by documentation. The Chief of Staff sent the requests to the Administrative Officer in the Consolidated Administrative Office, Office of the Under Secretary for Finance and Administration/Chief Financial Officer. The Administrative Officer reviewed the requests and submitted them to the Accounts Payable Division, Office of Finance and Accounting, for payment. The Accounts Payable staff reviewed the requests and entered the approved amounts into the Smithsonian’s accounting system. The accounting system then generated the payment to the Regent by an electronic fund transfer.