

Postal Regulatory Commission Travel Expenses

AUDIT REPORT

Report Number 23-027-R23 | July 27, 2023



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Highlights

Background

The Postal Regulatory Commission (PRC) is an independent agency of the executive branch that exercises regulatory oversight over the U.S. Postal Service, and its employees travel domestically and internationally to advance the PRC's strategic mission. The PRC incurred \$190,538 in travel expenses for 62 travelers between October 1, 2013, and September 30, 2022. The PRC's Office of Secretary and Administration is responsible for developing and ensuring compliance with policies and procedures surrounding personnel matters and employee travel. Previous audits of the PRC travel program found travelers consistently claimed expenses outside of policy and made travel decisions without proper approval.

What We Did

Our objective was to evaluate the internal controls over travel expenses within the PRC to determine if they were properly supported and in compliance with travel practices, policies, and procedures. Our audit tested for the existence of issues similar to those identified in previous audits to determine whether the implemented controls were effective. The scope of our audit was October 1, 2013, through September 30, 2022, and included international, domestic, and local travel vouchers. Our scope period covers all travel paid since the most recent audit of PRC travel.

What We Found

We identified opportunities to improve policy and internal controls throughout the travel process. Despite changes employed since the last set of travel audits, issues persisted. Specifically, we found instances of incomplete and missing documentation during pre-travel and post-travel processes for domestic and international travel. This occurred due to inadequate program oversight and inconsistent approval procedures. We also found that the PRC's policies did not always align with agency needs; it did not have policy for local travel, needed policy clarifications for personal and recovery days, and had overly strict requirements for submitting travel requests in advance of required travel.

Recommendations

We recommended the Secretary, Office of Secretary and Administration (1) implement an electronic review and approval function within the existing digital repository of travel documents; (2) conduct a cost-benefit analysis of either appointing personnel with full travel authority and oversight responsibility or allowing travelers to be responsible for submitting, tracking, and supporting their travel actions and expenses in eTravel; (3) update the travel policy to reflect the needs of the PRC and align with agency priorities; and (4) create a training program about the travel process and require all employees that travel to complete this training and retake as needed when changes to the process occur.

Transmittal Letter



OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

July 27, 2023

MEMORANDUM FOR: ERICA BARKER
SECRETARY AND CHIEF ADMINISTRATION OFFICER

A handwritten signature in black ink, reading "Kelly Thresher", is centered below the memorandum header.

FROM: Kelly Thresher
Deputy Assistant Inspector General
for Field Operations

SUBJECT: Audit Report– Postal Regulatory Commission – Travel Expenses
(Report Number 23-027-R23)

This report presents the results of our audit of Postal Regulatory Commission – Travel Expenses.

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact J.T. Littlejohn, Director, Financial Controls, or me at 703-248-2100.

Attachment

Results

Introduction/Objective

This report presents the results of our self-initiated audit of the Postal Regulatory Commission's (PRC) travel expenses (Project Number 23-027). The objective of our audit was to evaluate the internal controls over travel expenses within the PRC to determine if travel expenses were properly supported and in compliance with PRC travel practices, policies, and procedures. See [Appendix A](#) for additional information about this audit.

Background

The PRC is an independent agency of the executive branch that has exercised regulatory oversight over the U.S. Postal Service since its creation by the Postal Reorganization Act of 1970, with expanded responsibilities under the Postal Accountability and Enhancement Act of 2006. The PRC is not subject to the policies and procedures of the Postal Service, although it leverages and shares many administrative systems with the Postal Service to save costs, such as the travel credit card and eTravel¹ systems.

The PRC consists of five Commissioners,² each of whom is appointed by the President, with the advice and consent of the Senate, for a term of six years. In addition, the PRC has a staff of about 75 various professional and administrative employees and is comprised of four operating offices:

- **Accountability and Compliance** – responsible for technical analysis and formulation of policy recommendations for the PRC in domestic and international matters.
- **General Counsel** – provides legal assistance on matters involving the PRC's responsibilities, defends PRC decisions before the courts, and manages the formal complaint process.
- **Public Affairs and Government Relations** – facilitates prompt and responsive

communications for the PRC with the public, Congress and federal agencies, the Postal Service, and information media.

- **Secretary, also known as Office of Secretary and Administration (OSA)** – provides management and staff support to the PRC regarding accounting and budget, resources and personnel, administrative policies, and facilities and infrastructure. The OSA is responsible for developing and ensuring compliance with policies and procedures surrounding personnel matters and employee travel.

The PRC Office of Inspector General audited the travel program in 2009 and 2014.³ The audits found travelers consistently claimed expenses outside of policy and made travel decisions without proper approval. The audits recommended PRC management modify its travel policy to better define roles and responsibilities, to review and approve travel reports, provide training to the travel coordinators and approvers that the agency used to track travel, have justifications for spending more than the government rate, and abide by per diem rates. In each instance, PRC management agreed to take action to correct the identified issues. Our audit tested for the existence of similar issues to determine whether the controls implemented in response to those audits reduced the risk of outside-of-policy travel expenses. The scope of our audit covers the period since the most recent PRC Office of Inspector General audit, October 1, 2013, through September 30, 2022.

The PRC incurred \$190,538⁴ in travel expenses for 309 trips, taken by 62 travelers between fiscal years (FY) 2014 and 2022 (see [Figure 1](#)). The PRC did not conduct domestic or international travel between FYs 2019 and 2021 (during the COVID-19 pandemic). Most travel logged was for local transportation, but international travel expenses still made up the majority (79.2 percent) of overall travel costs for the agency.

¹ eTravel is the Postal Service's online application to create, submit, and approve official business travel expense reports for reimbursement.

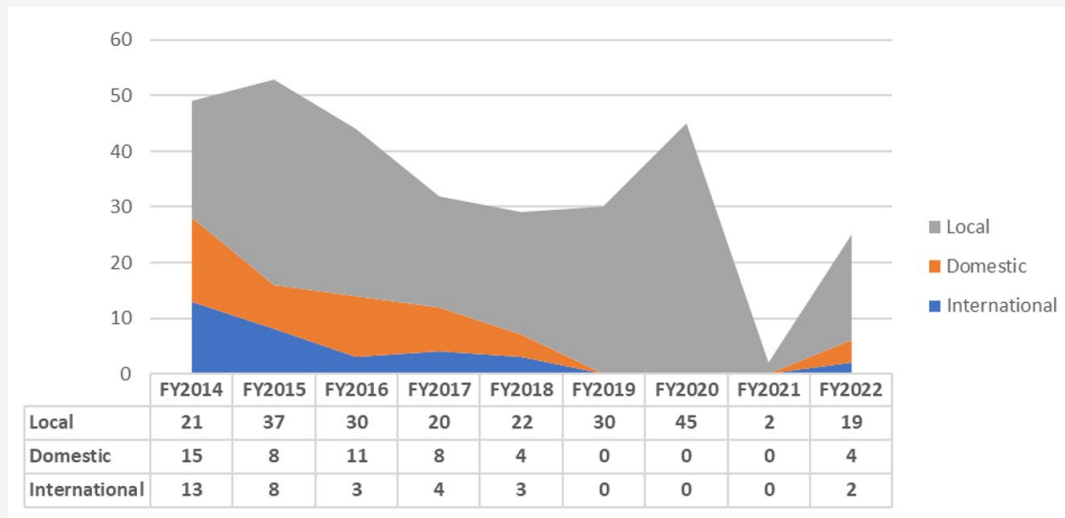
² Includes one Chairman and one Vice Chairman.

³ Beginning October 3, 2022, the PRC Office of Inspector General role was assumed by the U.S. Postal Service Office of Inspector General.

⁴ Gathered from Postal Service Enterprise Data Warehouse (EDW), which is the central source for information on retail, financial, and operational performance.

Figure 1. Number and Type of PRC Trips Taken During FYs 2014-2022

Source: EDW and eTravel data.



Most of the travel assessed in this audit was taken prior to January 2020, when travel was more frequent. Since a new PRC Chairman and Secretary were appointed, travel was limited in years 2020-2021, due to the COVID-19 pandemic. Individuals currently responsible for submitting, reviewing, or approving travel may not have been decision makers for some of the authorized travel discussed in this report.

Travel Policy and Procedures

The PRC is not bound by Federal Travel Regulations, and instead, travelers adhere to the *PRC Travel Policy*,⁵ issued on April 20, 2010, and reissued on February 11, 2015. Under this policy, all travel must be related to business or training purposes and advance the PRC’s strategic plan or one of its statutory obligations.

Furthermore, the policy states that travelers must consider the cost and use the most advantageous form of transportation available. If a more expensive means is used, travelers must obtain prior approval from the Chairman and include a written justification in the file explaining the benefits of alternative or higher cost services to the PRC.

“The policy states that travelers must consider the cost and use the most advantageous form of transportation available.”

In addition, the PRC uses the General Services Administration (GSA) guidance for domestic travel and U.S. State Department guidance for international travel, both of which encompass per diem, mileage, and lodging rates.

The PRC documents the nature of travel in three categories: international, domestic, and local travel.

- International – Travel to another country to participate in meetings and seminars outside of the continental U.S. such as Universal Postal Union (UPU) meetings.⁶
- Domestic – Travel within the continental U.S. for conferences or speaking engagements. Travel is considered domestic if the employee is required to stay overnight.
- Local – Travel to a location within a 50-mile radius of the PRC’s offices for which overnight lodging is not needed and per diem is not claimed. Most reimbursements account for transportation costs, such as rideshares, taxis, and parking fees for various meetings conducted locally in the Washington, DC area.

Findings Summary

We found, despite changes employed since the last set of travel audits issued in 2009 and 2014, the issues noted in prior reports regarding travelers claiming expenses outside of policy and making travel decisions without proper approval persisted. Specifically, we found instances of incomplete and missing documentation required before and after domestic and international travel. Additionally, the

⁵ Authorization for this is provided under 39 U.S. Code §410.

⁶ An intergovernmental organization that sets the rules and rates for international mail delivery, established by 22 countries in 1874, making it one of the world’s oldest international organizations. Today, the UPU has 192 member states and is a specialized agency within the United Nations, consisting of four bodies: the Congress, the Postal Operations Council, the Council of Administration, and the International Bureau.

PRC had insufficient policy and controls regarding local travel, personal and recovery days, and documentation timeliness.

Finding #1: Missing and Incomplete Documentation

Travelers did not always properly complete their travel documentation, and oversight of the documentation submission and payment for travel expenses was not always consistent.

“Travelers did not always properly complete their travel documentation, and oversight of the documentation submission and payment for travel expenses was not always consistent.”

Previous travel audits reported that the PRC had no review process for travel reports and recommended the PRC modify its travel policy to better define roles and responsibilities to review and approve travel reports. In response to these findings, the PRC updated its policies.

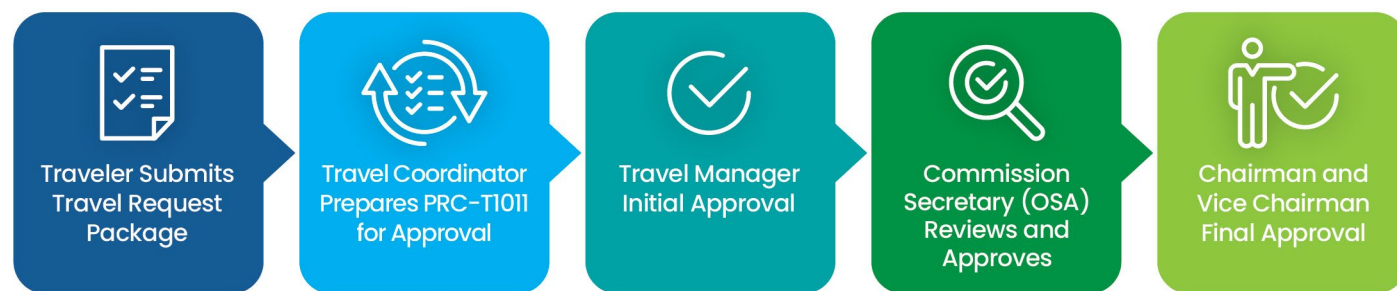
At the PRC, there is a pre-travel process wherein travelers submit their planned trips, itineraries, and initial manager approvals in a travel package

to travel coordinators who book the travel. Once the travel coordinators have a completed travel package, the travel manager reviews the contents, and sends the package to the Secretary for review and approval. Once approved, it is sent to the Chairman and Vice Chairman for final approval for international travel or domestic travel over \$1000 (see Figure 2). Approvals are shown with a physical signature and maintained in a physical folder.

When they return, there is a post-travel process wherein travelers submit their expenses to the travel coordinator, who adds all receipts and documentation to the existing travel folder, which is sent to the Secretary for review and approval. Starting in 2023, once approved, the coordinator itemizes the expenses in eTravel for payment, and all expense documentation is electronically scanned and uploaded into the repository.⁷ The travel manager then reviews the expenses and records final approval in the system.

Our review of PRC records found that in 2013, the PRC had six travel coordinators with responsibility for preparing all travel requests, including planning and processing travel reimbursements. The PRC staff overseeing travel are assigned other duties. As of May 2023, the PRC has no full-time travel manager or coordinators, and the Human Resources Manager and the Commissioners’ assistants complete travel-related duties.

Figure 2. Pre-Travel Process for International Travel and Domestic Travel Over \$1,000



Source: PRC Travel Policy, April 2010, reissued February 2015.

⁷ Since the start of this audit, all contents of the travel folders are now being electronically scanned and uploaded to an online repository versus maintaining physical folders.

Pre-Travel Documentation Submissions

We found pre-travel documents submitted by employees were sometimes missing⁸ or incomplete.⁹ The majority of the 309¹⁰ trips taken during the scope of our review (FYs 2014–2022) were outside the PRC’s records retention policy.¹¹ For purposes of evaluating missing and incomplete documentation, we only assessed the 50 trips that were taken during the six-year required document retention period (FYs 2017–2022). For those 50 trips, we could not locate some documents or found incomplete documentation. See Table 1 for a list of all pre-travel documentation issues we identified from our review of the 50 domestic and international trips.

Table 1. Incomplete and Missing Pre-Travel Documentation

Required Documentation	Missing	Incomplete
PRC Form T-1011, <i>Pre-Travel Authorization and Itinerary</i> , (must include trip purpose)	3	2
Memorandum addressing strategic/statutory justification and alternative methods of travel	2	0
Letter of invitation or Registration form (if available)	0	0
Letter or approval to travel internationally (if applicable)	2	6
Detailed trip and travel itinerary	1	0
Flight reservation	2	0
Hotel reservation	2	0
PRC Form T-001, <i>Pre-Travel File Checklist</i>	0	2
Total	12	10

Source: OIG analysis.

PRC policy states the traveler must submit the documentation listed in Table 1 to a coordinator prior to travel.¹² Travel coordinators or employees with ad hoc travel duties prepare all travel request and book reservations after approval of the pre-travel documentation.

PRC management did not maintain and produce the travel documents because of lack of oversight. Management did not store all documents in the same way, and, due to the passage of time, some trips’ files were not maintained. Files were incomplete – without proper documented approval – because approval procedures did not align with approval policy.

“PRC management did not maintain and produce the travel documents because of lack of oversight. Management did not store all documents in the same way, and, due to the passage of time, some trips’ files were not maintained.”

The PRC could incur unapproved costs or risk not being able to justify agency travel when travel documents are incomplete. In addition, if the PRC does not consistently adhere to records retention, documentation may not be available for reconciliation purposes.

Post-Travel Documentation and Approval

Management did not provide sufficient oversight of PRC travelers’ expense reimbursements. We found issues regarding timeliness of claims, claimed travel days, per diem adjustments, ATM fee reimbursements, GSA lodging rate deviations, and travel approval, and the latter three of which were also documented in previous audits.

Travelers did not always submit post-travel supporting documents timely, as required. Specifically, we found 52 of 87 (60 percent) reimbursement requests, totaling \$92,456, that were submitted outside the required 10-day period. The reimbursement submissions ranged from 10 to 78 days after the travel occurred. PRC policy states travelers must submit all receipts for expenses over \$50 to the department’s travel coordinator within 10 days of return from business travel. The travel coordinator will then review and electronically enter expenses into eTravel on behalf of the traveler as

⁸ Could not be located physically or electronically.

⁹ Missing information, signatures, or both.

¹⁰ These trips included local, domestic, and international travel.

¹¹ PRC management stated they voluntarily followed the National Archives and Records Administration’s (NARA) retention schedule, keeping files from FY 2017–2022.

The PRC maintained travel files for trips outside of the schedule’s six-year retention policy, and those trips are assessed for compliance in the rest of this report.

¹² PRC Standard Operating Procedure updated May 23, 2013.

soon as possible, but no later than 30 days after the travel is completed.¹³

Additionally, we found charges reimbursed outside of policy without explanatory documentation during FYs 2014 through 2018:¹⁴

- There were 20 trips where additional days of per diem were claimed beyond the approved span of travel days, totaling \$5,359.¹⁵ This included two employees with seven and one employee with four occurrences where they claimed additional days of per diem over the approved number of travel days. Travelers are required to submit a written memorandum justifying the change in itinerary, which was not submitted for these 20 trips.¹⁶
- Travelers did not always reduce their per diem allocation to account for meals provided or meals purchased with their government travel card. We identified 17 trips – occurring over 158 days – where breakfast was an additional cost of \$10.75 per day, totaling \$1,699. The travelers did not deduct the additional cost of the meals from their reimbursement requests. One traveler claimed and received per diem for breakfast, in addition to charging \$145 for breakfast on the government travel card. PRC policy states if the meeting or conference attended provides one or more meals for the dates of attendance, the employee must inform the travel coordinator and deduct those meals from the per diem.¹⁷
- There were 11 occurrences, totaling \$149, where travelers were reimbursed ATM fees when using their personal bank card to obtain a cash advance. PRC policy states the government travel card may not be used for cash advances, personal business, or personal travel. While there is no PRC policy regarding reimbursements for

“We found charges reimbursed outside of policy without explanatory documentation during FYs 2014 through 2018.”

ATM fees while on official travel, employees who have individually billed travel cards must use the ATM feature of their card to obtain travel advances. Withdrawing funds from personal accounts and incurring ATM fees would be at the traveler’s discretion and expense.

- Travelers did not obtain pre-approval to exceed the GSA lodging rate for 13 trips, and there was no documentation explaining why the higher rate was used. PRC policy states that travel coordinators will reserve accommodations at the GSA per diem rate, but if the GSA per diem rate is not used, the traveler must provide a written memorandum to the travel coordinator justifying the higher rate.¹⁸

The PRC implemented controls within their approvals and travel process to protect against improper charges in response to prior audits.¹⁹ In 2012, the PRC Form T-002, *Expense Reimbursement and Travel Certification Form* was developed, and it requires a series of approvals before a traveler can be reimbursed for costs relating to travel. The traveler signs, certifying the charges were all incurred during official travel; the travel coordinator and travel manager sign, certifying the expenses are submitted within policy; and the commission secretary signs, approving the expenses for payment.²⁰ Additionally, PRC policy requires quarterly, internal audits of travel documentation to ensure compliance. Finally, in response to the FY 2014 audit, the PRC began requiring, at-minimum, annual trainings for travel coordinators.

However, the PRC has not always effectively implemented these safeguards. We found nine international and seven domestic PRC Forms T-002 not signed by management between 2015 and 2020. We also found 99 local trips where PRC Forms T-002 were submitted, but not signed by management. In these instances, travel coordinators submitted the expenses in eTravel and the charges were paid, but the review of the accuracy of the expenses was not documented. PRC management stated post-travel reimbursement charges are sometimes agreed to verbally, rather than using signatures on the PRC Form T-002. Additionally, the PRC did not document

¹³ PRC Travel Policy, TR-001, Reimbursement Process, reissued February 11, 2015.

¹⁴ The PRC was not required to retain documentation prior to FY 2017, but the PRC had files related to travel during our full scope, so we reviewed the records for improper charges.

¹⁵ See Appendix B for additional details.

¹⁶ PRC Travel Policy, TR-001, Travel Authorization and Reimbursement Process, reissued February 11, 2015.

¹⁷ PRC Travel Policy, TR-001, Reimbursement for Travel, Per Diem, reissued February 11, 2015.

¹⁸ PRC Travel Policy, TR-001, Lodging, reissued February 11, 2015.

¹⁹ See recommendations 3 and 4 in <https://www.prc.gov/sites/default/files/oig-reports/AuditReport0901A02.pdf>.

²⁰ PRC Form T-002, issued February 2012.

any internal audit findings. The annual travel training is still available, but in the past, we found the trainings were not consistently taken by all travelers.

These improper charges were paid, and travel safeguards were not followed, because of a lack of management oversight. For example, PRC management stated the travel coordinator or employees with ad hoc duties made all hotel reservations because they wanted to control and minimize access to eTravel, but the coordinators booked reservations based on employees' requests, without adhering to policy. According to management, the travel manager did not have the authority to question travel reservations and related reimbursements under prior leadership. Furthermore, management stated they currently do not have the staffing and resources to fully review all travel reimbursement requests.

Without proper oversight and employees with delegated authority to administer the travel process, the PRC is at risk of covering travel costs outside of policy. By assigning travelers responsibility for managing their travel and sufficiently supporting their expense claims, fewer personnel would be required to provide oversight of the travel process. Additionally, having employees prepare their own travel documents and using the regular supervisory chain to review and approve that travel would encourage greater compliance with travel regulations and approval of improper charges.

“Without proper oversight and employees with delegated authority to administer the travel process, the PRC is at risk of covering travel costs outside of policy.”

Recommendation #1

We recommend the **Secretary, Office of Secretary and Administration** implement an electronic review and approval function within the existing digital repository of travel documents.

Recommendation #2

We recommend the **Secretary, Office of Secretary and Administration** conduct a cost-benefit analysis of either appointing personnel with full travel authority and oversight responsibility or allowing travelers to be responsible for submitting, tracking, and supporting their travel actions and expenses in eTravel.

Finding #2: Travel Policies

We found the PRC's travel policy does not properly reflect the agency's current needs. Specifically, the PRC lacked a policy to address local travel, recovery days (additional days to recover due to long travel), and personal days (personal vacation days taken in conjunction with business). In addition, PRC policy had onerous pre-travel documentation and timeliness requirements, to which travelers routinely did not adhere.

Local Travel

The PRC issued reimbursements for local travel, totaling \$15,920, but due to lack of a local travel policy, the validity of some of this travel was not clear. Specifically, we reviewed eight trip submissions for "various meetings," totaling \$634, that were submitted between 30 to 72 days after the travel occurred, making it difficult to determine the validity of the trips. These submissions sometimes bundled multiple rides.

This occurred because there is no policy for local travel. PRC policy²¹ recognizes three categories of travel: international, domestic, and local. However, throughout its travel policy, requirements are defined for domestic and international travel but neglect to mention applicability to local travel.

“Requirements are defined for domestic and international travel but neglect to mention applicability to local travel.”

Without a local travel policy that sets out requirements specific to the PRC and the Postal Service's travel systems the agency employs, the PRC is at risk of encountering additional costs and non-compliance by employees.

21 PRC Travel Policy, TR-001, Reimbursement for Travel, reissued February 11, 2015.

Personal and Recovery Days

Travelers sometimes took recovery days and personal days, although there are no policies allowing either.

At the PRC, travelers request international travel approval from the Chairman, and then the Chairman gives the traveler an approval letter with the approved dates. We reviewed documentation for international trips that ranged in length from four to 24 days and found 12 approval letters authorizing travel for one to five additional days before or after conferences, beyond the necessary travel days.²² We could not determine whether the additional days were personal, recovery, or related to a business purpose. During extended stays, the PRC paid per diem, lodging, and associated travel costs of the employees.

For example, an employee attended a conference in Bern, Switzerland, from February 8–26, 2016. The employee was approved to travel to Bern on February 3. The agency paid a total of 25 days of per diem to the employee (see Figure 3). The travel file did not have an explanation of why the employee arrived five days prior to the start of the conference.

We also saw five international trips that had annual leave or unaccounted-for days between flights into or home from the country that were not included in the approval letter. There was no travel deviation demonstrating that the additional days did not cost the agency more. A previous audit suggested the agency include a standard travel deviation form

in the agency’s travel documents, but the PRC did not make the change. For these international trips, the unaccounted-for days sometimes included weekends and holidays, ranging from one to 10 days, either before, or after the business travel. Because of the way leave was documented in conjunction with weekends or holidays, we assumed trips were extended to accommodate personal travel.

Trips with durations longer than the approval letters or with extra days included occurred because of insufficient policy around recovery days or personal days. PRC policy states an itinerary should achieve the purpose of the travel with a minimum investment of time and expense.²³ While PRC policy says official travel may include non-workdays, it did not clearly define what constituted a non-workday or include parameters for recovery or personal days during trips. The PRC also does not have a policy for documenting when employees are or are not expected to travel home for weekends or holidays. Additionally, the PRC did not require employees to do a cost comparison or complete a travel deviation form when taking personal days to ensure they were traveling at the lowest cost to the agency.

This lack of clarification in the travel policy resulted in the PRC paying for 24 days of international travel since FY 2014 without proper documentation supporting the reason for the extended stay. Without controls over the length of stay, the PRC incurs unnecessary travel costs.

Figure 3. Example of Travel with Personal Days

Source: OIG analysis of PRC travel records.

2016 FEBRUARY						
SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
31	01	02	03 Travel Day to Bern, Switzerland	04 Agency pays per diem and hotel	05 Agency pays per diem and hotel	06 Agency pays per diem and hotel
07 Agency pays per diem and hotel	08 Conference Begins	09 Conference	10 Conference	11 Conference	12 Conference	13
14	15 Holiday	16 Conference	17 Conference	18 Conference	19 Conference	20
21	22 Conference	23 Conference	24 Conference	25 Conference	26 Conference Ends	27 Travel Day to USA

²² See Appendix B.

²³ PRC Travel Policy, TR-001, Requirements for Travel, reissued February 11, 2015.

Travel Documentation Timeliness

PRC travelers did not always submit travel requests to the travel coordinator in accordance with timelines outlined in policy – 30 days in advance of domestic travel and 60 days in advance of international travel.²⁴ Specifically, pre-travel requests were not submitted timely for 28 trips during our scope period. These specific trips occurred between October 20, 2013, and May 29, 2018. Although policy allows late requests to be denied if not submitted timely, all requests were approved.

“Pre-travel requests were not submitted timely for 28 trips.”

When asked why pre-travel submissions were not timely, PRC management stated the policy was unnecessarily strict. Specifically, PRC management stated that the timeliness policy required an unnecessary amount of advance notice.

“PRC management stated the policy was unnecessarily strict, and that the timeliness policy required an unnecessary amount of advance notice.”

When travel policy does not align with agency priorities, such as local travel, recovery and personal days, and timeliness requirements, it can create an undue burden on travelers and lead to employees disregarding the travel policy altogether.

Recommendation #3

We recommend the **Secretary, Office of Secretary and Administration**, update the travel policy to reflect the needs of the Postal Regulatory Commission and align with agency priorities.

Recommendation #4

We recommend the **Secretary, Office of Secretary and Administration**, create a training program about the travel process and require employees that travel to complete this training and retake as needed when changes to the process occur.

Management’s Comments

Management agreed with the recommendations. In subsequent communications, management agreed with findings. See [Appendix C](#) for management’s comments in their entirety.

Regarding recommendation 1, management stated that prior to the start of the audit, they implemented an electronic document submission and approval process for all travel requiring pre-approval. Management said they will demonstrate the process for the OIG. The target implementation date is July 31, 2023.

Regarding recommendation 2, management stated they will conduct a cost-benefit analysis of either appointing personnel with full travel authority and oversight responsibility or allowing travelers to be responsible for submitting, tracking, and supporting their travel actions and expenses in the USPS eTravel system. The target implementation date is March 29, 2024.

Regarding recommendation 3, management stated they will update and implement a travel policy that aligns with agency priorities, reflects the needs of the PRC, and includes recommendations from the OIG audit report. The target implementation date is May 31, 2024.

Regarding recommendation 4, management stated they assign annual travel training to all employees who travel on official business representing the PRC. The training is assigned via the USPS HERO training system. In addition, management stated they make sure employees take the mandatory training for proper use of the travel card. Management stated they will research and leverage additional training provided by the USPS HERO training system. The target implementation date is May 31, 2024.

Evaluation of Management’s Comments

The OIG considers management’s comments responsive to the recommendations in the report, and the corrective actions should resolve the issues identified in the report.

All recommendations require OIG concurrence before closure. Consequently, the OIG requests written confirmation when corrective actions are completed. All recommendations should not be closed until the OIG provides written confirmation that the recommendations can be closed.

²⁴ PRC Travel Policy, TR-001, Requests for Travel, reissued February 11, 2015.

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Appendix A: Additional Information

Scope and Methodology

The scope of our audit included domestic and international travel expenses paid between October 1, 2013, through September 30, 2022. To achieve our objective, we reviewed approximately 626 travel reimbursements, totaling \$190,037, for former and current PRC employees.

To evaluate the adequacy of travel policies and practices, we compared PRC travel policies to the U.S. Postal Service's Board of Governors and Officers' travel policies and guidelines. We also considered suggested changes to the Board of Governors and Officers' guidelines made by the PRC OIG, which were based on benchmarking travel guidelines prescribed by other federal agencies and local government entities, private corporations, and not-for-profit organizations.

We assessed the reliability of PRC data by testing a sample of transactions against supporting documentation and information in the eTravel system. We determined the data were sufficiently reliable for the purposes of this report.

We reviewed the applicable policies, procedures, and guidelines, and we conducted a benchmark analysis of comparable travel policies, and the PRC's Travel Policy, including:

- PRC Policy Number 001: Travel, dated April 20, 2010, reissued February 11, 2015.
- USPS Handbook F-15, *Travel and Relocation Expense*, revised September 3, 2015.
- USPS Officers' Travel Representation and Office Expenses Guidelines, July 1, 2017.
- USPS Revised Officers' Travel Representation and Office Expense Guidelines, effective October 12, 2021.
- Board of Governors Resolution 21-24 – Policies Relating to Governors' Official Expenses, September 10, 2021.
- USPS Management Instruction – Compliance with Prompt Payment Act, August 30, 2013.
- Policies Relating to Governors; Official Expenses, January 7, 2014.
- USPS Revised Update to Foreign Travel Authorization Procedures, May 24, 2021.
- USPS Business Travel and Training COVID-19, dated December 7, 2020.
- USPS Business Travel and Training COVID-19, dated March 17, 2020.
- USPS Corporate Travel, Corona Virus, dated March 6, 2020.

To determine if travel expenses were properly supported and complied with PRC policies and procedures, we examined expense reports within our sample and supporting documentation to analyze:

- Adequate preparation and proper authorization of travel.
- Whether the trip was for official business purposes.
- The reasonableness of airfare, lodging, per diem and car rental expenses.
- Whether government credit cards were used properly for travel expenses.
- Whether travel exceptions, deviations, and international travel were properly authorized.

We conducted this review between December 2022 and July 2023 in accordance with generally accepted government auditing standards and included tests of internal controls that were 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. We discussed our observations and conclusions with management on June 15, 2023, and included their comments where appropriate.

Prior Audit Coverage

From 2007 through October 2, 2022, the PRC Office of Inspector General provided oversight of the PRC. In 2022, Congress enacted the Postal Reform Act of 2022, which, among other changes, transferred responsibility for oversight of the PRC to the USPS OIG. The following prior reports were completed by the previous OIG.

Report Title	Objective	Report Number	Final Report Date
<i>PRC Travel Expenses</i>	The objective of this audit was to assess whether PRC travel expenses were properly supported, were reasonable, and complied with policy.	13-02-A01	June 11, 2014
<i>PRC Travel Policy and Practices</i>	The objective of this audit was to assess whether PRC travel expenses were properly supported, were reasonable, and complied with policy.	0901A02	May 26, 2009

Appendix B: Additional Per Diem Claimed and Additional Days Approved Beyond Travel Days

Table 2. Additional Per Diem Claimed

Employee ²⁵	Trips	Per Diem Claimed (Days)	Approved Span (Days)	Additional Days Claimed	Amount Paid Over Authorized
A	1	13	12	1	\$166
	2	25	24	1	156
	3	7	6	1	151
	4	8	7	1	157
	5	8	7	1	164
	6	7	5	2	370
	7	5	1	4	416
B	1	6	5	1	177
	2	9	8	1	166
	3	5	3	2	218
	4	12	11	1	157
	5	22	21	1	178
	6	11	9	2	370
	7	5	4	1	101
C	1	7	6	1	121
D	1	5	4	1	113
	2	6	1	5	765
	3	6	3	3	492
E	1	8	3	5	820
F	1	6	5	1	101
Total	20	-	-	36	\$5,359

Source: eTravel data and OIG analysis.

²⁵ Letter is used to maintain employee anonymity.

Table 3. Additional Days Approved Beyond Travel Days

Conference or Meeting Start	Approval Letter Start	Additional Days	Conference or Meeting End	Approval Letter End	Additional Days	Amount Paid for Additional Days ²⁶
3/31/14	3/29/14	1	4/7/14	4/7/14	-	\$481
6/7/14	6/4/14	2	6/7/14	6/7/14	-	1,218
10/27/14	10/25/14	1	11/14/14	10/30/14*	-	460
12/10/14	12/8/14	1	12/11/14	12/13/14	1	920
12/10/14	12/8/14	1	12/12/14	12/13/14	-	460
4/15/15	4/13/15	1	5/1/15	4/25/15*	-	432
4/15/15	4/13/15	1	5/1/15	4/21/15*	-	432
10/26/15	10/20/15	5	11/13/15	10/31/15*	-	2,210
2/8/16	2/3/16	4	2/26/16	2/27/16	-	1,752
11/2/16	10/31/16	1	11/4/16	11/5/16	-	275
10/16/17	10/14/17	1	10/27/17	10/21/17*	-	442
4/16/18	4/14/18	1	4/27/18	4/21/18*	-	461
Total						\$9,543

Source: eTravel data and OIG analysis.

*In starred instances, travelers' requested travel dates were before the conference ended.

²⁶ This amount includes per diem and hotel costs.

Appendix C: Management's Comments



U.S. POSTAL REGULATORY COMMISSION
Washington, DC 20268-0001

Office of the Secretary and Administration

July 21, 2023

Kelly Thresher
Deputy Assistant Inspector General for Field Operations
U.S. Postal Service Office of Inspector General (USPS OIG)

Dear Deputy Assistant Inspector General,

Thank you for providing the Postal Regulatory Commission ("the Commission") management with the Office of Inspector General's ("OIG") Audit "Postal Regulatory Commission Travel Expenses" Project number 23-027 dated June 28, 2023. The Commission thanks the OIG for the opportunity to provide feedback on the draft audit report and Management agrees with the recommendations provided by the OIG team.

OIG Recommendation #1:

We recommend the Secretary, Office of Secretary and Administration, implement an electronic review and approval function within the existing digital repository of travel documents.

Management Response:

Management agrees with this recommendation. Prior to this audit, as part of the Commission's compliance efforts, it implemented an electronic document submission and approval process for all travel requiring pre-approval. The Commission will demonstrate this process for OIG review and closure of this recommendation.

Target Implementation Date:

July 31, 2023

Responsible Official:

Secretary and Chief Administrative Officer

OIG Recommendation #2:

We recommend the Secretary, Office of Secretary and Administration conduct a cost-benefit analysis of either appointing personnel with full travel authority and oversight responsibility or allowing travelers to be responsible for submitting, tracking, and supporting their travel actions and expenses in eTravel.

Management Response:

Management agrees with this recommendation. In response to this recommendation, the Commission will conduct a cost-benefit analysis of either appointing personnel with full travel authority and oversight responsibility or allowing travelers to be responsible for submitting, tracking, and supporting their travel actions and expenses in the USPS eTravel system.

Target Implementation Date:

March 29, 2024

Responsible Official:

Secretary and Chief Administrative Officer

OIG Recommendation #3:

We recommend the Secretary, Office of Secretary and Administration, update the travel policy to reflect the needs of the Postal Regulatory Commission and align with agency priorities.

Management Response:

Management agrees with this recommendation. The Commission will update and implement a travel policy that aligns with agency priorities, reflects the needs of the Commission, and includes recommendations from the OIG audit report.

Target Implementation Date:

May 31, 2024

Responsible Official:

Secretary and Chief Administrative Officer

OIG Recommendation #4:

We recommend Secretary, Office of Secretary and Administration, create a training program about the travel process and require employees that travel to complete this training and retake as needed when changes to the process occur.

Management Response:

The Commission agrees with this recommendation. The Commission assigns annual travel training to all employees who travel on official business representing the Commission, training is assigned via HERO.

Additionally, the Commission makes sure employees take the mandatory training for the proper use of travel card. The Commission will also research and leverage additional training provided by the USPS HERO training system.

Target Implementation Date:

May 31, 2024

Responsible Official:

Secretary and Chief Administrative Officer

As indicated by the Commission's response, we agree with the OIG's recommendation. The Commission will take actions to ensure records and files are complete and accurate to avoid taking documentation out of context, or subject to incomplete assessments. The Commission thanks the OIG auditors for their professionalism and cooperative spirit throughout the audit process.

Sincerely,

ERICA BARKER

Digitally signed by ERICA
BARKER
Date: 2023.07.21 11:22:21
-04'00'

Erica Barker
Secretary and Chief Administrative Officer

OFFICE OF INSPECTOR GENERAL

UNITED STATES



Contact us via our [Hotline](#) and [FOIA](#) forms. Follow us on social networks. Stay informed.

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