

POSTAL REGULATORY COMMISSION

OFFICE OF INSPECTOR GENERAL



FINAL EVALUATION REPORT

FOLLOW-UP REVIEW OF PRC TRAVEL EXPENSES (REPORT #13-02-A01)

**EVALUATION REPORT #19-01-A02
September 27, 2019**

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Introduction

Background

On June 11, 2014 the Postal Regulatory Commission Office of Inspector General (PRC-OIG) issued a self-initiated audit report entitled *PRC Travel Expenses* (Report Number 13-02-A01). We initiated this follow-up review to determine if the Postal Regulatory Commission (PRC) took appropriate actions to implement recommendations 2, 4 and 5 from this prior audit report.

Recommendation 2: Revise the PRC travel policy to include disciplinary actions for noncompliance.

At the time of our audit, PRC travelers did not always comply with the travel policy, because approvers did not review travel documentation properly and did not enforce the policy. For example, travelers did not consistently use a government travel card as the only payment method for lodging, travel tickets, and other travel-related expenses while on official business.

Recommendation 4: Revise the current PRC travel policy to ensure two Commissioners review and approve international travel as well as domestic travel above a reasonable threshold;

Recommendation 5: Conduct an analysis of domestic trips and adopt a reasonable dollar threshold for approval.

In 2012 prior to our audit, the Commission revised the PRC travel policy to include the following requirements:

- The Vice Chairman reviewed travel in excess of \$5,000 prior to the Chairman's review and approval;
- The traveler affirmed that the travel is within the PRC's Strategic Plan or one of the PRC's statutory obligations; and
- The traveler documented that alternatives to travel were considered.

During our audit, the OIG analyzed the PRC domestic trips and found that the PRC spent over \$17,000 for 16 domestic trips which were below the policy's \$5,000 threshold. We asked the PRC to provide a copy of the methodology used to develop the \$5,000 domestic travel threshold, but they did not provide it. We recommended that the PRC analyze domestic trips and adopt a dollar threshold for additional approval.

Objective, Scope and Methodology

The objective of this follow-up review was to determine if recommendations 2, 4 and 5 made in our 2014 audit report were implemented.

To accomplish our objective, we obtained and reviewed the PRC travel policy. We did not review implementation of these policies.

We conducted this review between June 19 and September 26, 2019 in accordance with the Council of the Inspectors General on Integrity and Efficiency's January 2012 *Quality Standards for Inspection and Evaluation*. We believe that the documentation obtained provides a reasonable basis for our conclusions based on our objectives.

Results

The follow-up review disclosed that the PRC implemented recommendations 2, 4 and 5 that we identified in our prior audit report.

Recommendation 2:

The PRC revised the travel policy on February 11, 2015 to require that failure to comply with any aspect of this policy may subject an employee to the following disciplinary actions as outlined in the PRC Code of Conduct and Discipline Policy:

- Verbal Counseling;
- Letters of Warning;
- Short-term suspensions of less than 14 days;
- Adverse Actions; including termination, suspension of more than 14 days, furlough of 30 days or less and/or reduction in grade or pay.

The action taken by the PRC is sufficient to close this recommendation.

Recommendation 4:

On February 11, 2015, the PRC revised the travel policy to require that all domestic travel over \$1,000 and all international travel must be approved in advance by the Chairman and Vice Chairman. Also, all domestic travel under \$1,000 must be approved in advance by the Chairman.

The action taken by the PRC is sufficient to close this recommendation.

Recommendation 5:

During our audit, the PRC stated that they conducted an analysis of travel from FY 2012 to 2014 and based on those results, lowered the travel threshold requiring review by the Chairman and Vice Chairman to \$4,200 for international travel and \$1,000 for domestic travel. The PRC revised the travel policy on February 11, 2015 to require that all international travel and all domestic travel over \$1,000 must be approved in advance by the Chairman and Vice Chairman.

The action taken by the PRC is sufficient to close this recommendation.