

POSTAL REGULATORY COMMISSION

OFFICE OF INSPECTOR GENERAL



FINAL EVALUATION REPORT

FOLLOW-UP REVIEW OF EMPLOYEE TRANSPORTATION SUBSIDY PROGRAM (REPORT #09-01-A01)

**EVALUATION REPORT #20-01-A03
October 30, 2020**

Table of Contents

| | |
|-----------------------------------------------|----------|
| INTRODUCTION | 1 |
| BACKGROUND..... | 1 |
| OBJECTIVE, SCOPE AND METHODOLOGY | 2 |
| RESULTS | 2 |

Introduction

Background

On September 30, 2009 the Postal Regulatory Commission Office of Inspector General (PRC-OIG) issued a self-initiated audit report entitled *Employee Transportation Subsidy Program* (Report Number 09-01-A01). We initiated this follow-up review to determine if the Postal Regulatory Commission (PRC) took appropriate actions to implement recommendations 1, 8 and 9 from this prior report.

Recommendation 1: We recommend that the Office of the Secretary and Administration revise the transportation subsidy policy to require annual renewals for parking subsidy consistent with the Metro transit subsidy program.

PRC employees supported expenses for parking transportation subsidies and complied with policies and procedures for the parking program. However, they did not consistently submit or renew parking applications. Applications and renewals are necessary for the PRC to determine the number of parking spaces to lease and to use in prioritizing parking space allocations. The policy requires that applications be completed semi-annually for the parking subsidy and annually for Metro transit benefits.

Recommendation 8: We recommend that the Office of the Secretary and Administration implement procedures to perform periodic reviews of the local business travel log.

The policy did not require the PRC to review periodically the local business travel log to determine usage and inventory of SmarTrip fare cards and balances. However, periodic reviews would ensure the integrity of the program and safeguard assets. The Transit Subsidy Program enabled PRC employees attending work-related meetings locally to receive a metro fare card from the PRC to pay for the trip. The employee can use this fare card instead of being reimbursed from the cash imprest fund.

Recommendation 9: We recommend that the Office of the Secretary and Administration implement procedures to perform periodic reconciliation of vouchers purchased and distributed to voucher inventory on hand.

The PRC provided transit benefits to employees to encourage them to commute to work by public transportation. The Washington Metropolitan Area Transit Authority provides the transit benefit called Smartbenefits, which allows employers to electronically administer the Transit Benefits Program online and directly allocate the benefit to the employee's SmarTrip card. Employees can receive Smartbenefits vouchers for regional transit systems in Virginia and Maryland that have not adopted the SmarTrip fare payment system.

The PRC did not reconcile metro transit voucher inventory for vouchers that employees use on regional transit systems in Virginia and Maryland.

Undistributed or extra vouchers are maintained in a locked cabinet but were not reconciled. Even though the reconciliation of vouchers is not required in the Transit Subsidy Program, this procedure would enhance controls and improve the safeguarding of assets.

Objective, Scope and Methodology

The objective of this follow-up review was to determine if recommendations 1, 8 and 9 made in our 2009 audit report were implemented.

To accomplish our objective, we obtained and reviewed:

- PRC Transit Subsidy and Parking Policy
- Management Response to the draft audit report dated September 30, 2009 (Appendix 1)

We conducted this review 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 policies addressing recommendations 1, 8 and 9 of our prior audit report.

Recommendation 1: We recommend that the Office of the Secretary and Administration revise the transportation subsidy policy to require annual renewals for parking subsidy consistent with the Metro transit subsidy program.

The PRC revised the transportation policies and procedures in January 2010 to require annual renewals for the parking subsidy each January.

The policy change implemented by the PRC is sufficient to close this recommendation.

Recommendation 8: We recommend that the Office of the Secretary and Administration implement procedures to perform periodic reviews of the local business travel log.

During our audit, the PRC redesigned the local business travel logs for the Parking Report, the spare parking spaces and local business travel, recording data such as employee name, date, destination and business purpose, similar to data required on the cash imprest fund form. They implemented these changes in 2009. They also implemented procedures to perform a quarterly reconciliation of the local business travel log. These new policies and procedures became effective at the end of the first quarter of fiscal year 2010.

The PRC has not revised the Transit Subsidy and Parking Policy since 2014.

The policy changes implemented by the PRC are sufficient to close this recommendation.

Recommendation 9: We recommend that the Office of the Secretary and Administration implement procedures to perform periodic reconciliation of vouchers purchased and distributed to voucher inventory on hand.

The PRC implemented a process to separate the duties of processing applications and receiving, distributing and paying transit benefits in 2009.

The procedures implemented by the PRC are sufficient to close this recommendation.