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**United States Department of State
and the Broadcasting Board of Governors**

Inspector General

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INFORMATION MEMO FOR UNDER SECRETARY HENRIETTA FORE (M)

FROM: OIG – Howard J. Krongard

HJK

SUBJECT: Assessment of Airline Travel (AUD/FM-06-23)

As part of an effort to maintain adequate internal control over OIG operations and to support Department efforts to improve controls over travel, I directed my staff to assess OIG's airline travel policies and practices. This assessment identified areas in which OIG's controls should be improved, and my staff is taking actions to do so. Performing a similar assessment would be beneficial for other bureaus and offices, and to assist them, OIG is providing the assessment plan it used as an attachment to this memorandum.

The OIG assessment team examined all OIG airline travel that occurred during 2005 to determine whether OIG had effective controls over airline travel and to identify areas for potential cost-savings. The team found that it could not determine compliance with premium-class travel requirements in many cases because OIG did not have the documentation to support the travel readily available. Although the team found that controls over unused airline tickets were limited during 2005, recent measures implemented by the Department and OIG have improved them. In addition, the team found that OIG could reduce its airline travel costs by purchasing government restricted, rather than unrestricted, contract fares when available.

OIG's Office of the Executive Director (OIG/EX), in conjunction with other OIG offices, is working to address the weaknesses identified. For example, OIG/EX is developing ways to increase training and guidance for travelers and authorizing officials, improve travel documentation, and increase monitoring of compliance with travel regulations. OIG/EX also will obtain more complete information from travelers to assist in identifying unused tickets, and it will instruct its travelers to request government restricted fares when booking travel. Although limited in

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availability, government restricted fares have no other restrictions and can result in cost-savings. OIG believes that the Department should also take full advantage of this fare option.

Using information it gained from performing its internal assessment, OIG modified the assessment plan for more general use. The plan focuses on premium-class travel requirements and controls over unused airline tickets. It also includes steps to obtain information on the type and cost of airline travel, which will be useful for monitoring travel trends and making budgetary decisions. Bureaus and offices should identify other areas of concern related to travel and expand the plan to address those issues. Periodic assessments, using this or a similar tool, should be an integral component of the Department's controls over and oversight of airline travel.

OIG appreciates the opportunity to be of assistance to the Department. If you have any questions or need additional information, please call me at (202) 663-0340, or have your staff call Mark W. Duda, Assistant Inspector General for Audits, at (202) 663-0372.

Attachment: As stated.

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Airline Travel Assessment Plan

Obtain an understanding of the type and cost of bureau travel.

1. Identify all airline travel for the selected period (identify here _____) and review travel orders to determine whether:
 - the travel was foreign or domestic; and
 - premium-class or coach tickets were purchased. For premium class, identify whether the travel was first or business class.
2. Calculate the percentage of:
 - the number of domestic trips to total travel; and
 - the number of foreign trips to total travel.
3. Calculate the percentage of the:
 - number of all premium-class trips to total travel;
 - number of first-class trips to all premium-class travel; and
 - number of business-class trips to all premium-class travel.
4. Using information on travel vouchers or from the Central Financial Management System (CFMS), calculate the:
 - total cost of all airline travel;
 - cost of all premium-class travel and percentage of total cost of all airline travel;
 - cost of first-class travel and percentage of cost of all premium-class travel; and
 - cost of business-class travel and percentage of cost of all premium-class travel.
5. Using the information on Form DS-4087, *Authorization Request for Business Class Air Travel*, calculate the total difference in cost between business-class fares and coach fares for all travel during the period under review.

Determine whether the bureau complied with premium-class airline travel requirements.

1. Prepare a checklist of requirements for premium-class airline travel.¹
2. Review documentation for each travel order for which premium-class travel was purchased against the Requirements Checklist.
(If it is not feasible to review all premium-class travel, review the documentation for all first-class travel, and select and review a random sample of business-class travel.)
3. If instances of potential noncompliance with requirements are identified, obtain an explanation from the approving official and/or traveler. If the explanation indicates that the travel met requirements, determine why sufficient documentation was not provided at the time of travel.
4. Add the instances of noncompliance and calculate the percentages of compliance and noncompliance for each requirement.
5. Develop an action plan to address the areas of noncompliance identified.

¹ OIG is providing a sample checklist on page 3 that includes many of the FAM requirements for premium-class airline travel in effect as of July 10, 2006. Before using the checklist, bureaus should consult the FAM to identify any changes and additional items that should be added. If any conflicts between the checklist and the FAM provisions are identified, bureaus should defer to the FAM.

Airline Travel Assessment Plan

Evaluate the bureau's controls over unused tickets.

1. Determine whether the bureau has written procedures for:
 - identifying and collecting unused tickets,
 - returning them and requesting a refund, and
 - ensuring that the refund is received.
2. Determine whether the bureau has a process to:
 - verify that tickets issued for canceled trips have been credited by reviewing the *Billing Transaction Report vs. CFMS Data Spreadsheet*;
 - identify potential unused tickets by reviewing the *Potential Canceled Travel Order Report* and following up on any ticket charges for which travel vouchers have not been prepared; and
 - identify potential duplicate charges for tickets by reviewing the *Potential Ticket Overpayment Report* and following up on any obligations that were less than the total paid against the travel order.

(The Bureau of Resource Management prepares and provides these reports to each bureau budget office.)
3. Determine the number and the dollar value of unused tickets that the bureau collected and returned for a refund during the period under review and prepare a schedule of the tickets.
4. Determine whether refunds were received for the unused tickets the bureau returned by researching the travel orders in CFMS.
5. If all refunds were not received, obtain an explanation from Global Financial Services-Charleston.
6. To identify potential unused tickets, compare the travel on Carlson Wagonlit Government Travel itineraries (or travel orders if the itineraries are not available) to actual travel on the corresponding travel vouchers. Identify differences in planned and actual travel and determine whether:
 - the travelers returned the original tickets purchased to the bureau,
 - the bureau returned the tickets and requested a refund, and
 - the refunds were received.

Follow up on any differences for which the travelers did not return the tickets and/or no refunds were received.
7. Review the results obtained for Nos. 1-6 above and determine whether existing controls are adequate. If not, develop and implement additional controls.

Airline Travel Assessment Plan

Sample Requirements Checklist for Premium-Class Airline Travel

Travel Order Number: _____

Type of Travel: _____
(Foreign or Domestic)

Class of Travel: _____
(First or Business)

Requirement	Yes	No	N/A	Unable to Determine ⁱ	Comments
General					
Do the travel authorization and the associated travel vouchers specify clearly the purpose of the travel? (14 FAM 521.1)					
Was the travel authorized, in writing, before travel began? If not:					
Was it subsequently authorized in writing? (14 FAM 524.1)					
Did the authorization explain the circumstances for the late authorization?					
For travel originating in the continental U.S., or at a location outside the U.S. where a travel management center (TMC) exists, did the traveler make flight arrangements through the TMC?					
For other locations, did the traveler obtain tickets directly from a carrier or at the same or lower cost from a travel agent? (14 FAM 542)					
Did the traveler use a contract carrier? (14 FAM 543) If not:					
Did the traveler complete a justification certificate? (14 FAM Exhibit 543)					
Did the travel meet one of the following requirements?					
<ul style="list-style-type: none"> • Space on a contract flight was not available in time to accomplish the purpose of the travel or would require unnecessary overnight lodging costs, which would increase the total cost of the trip. 					

Airline Travel Assessment Plan

Requirement	Yes	No	N/A	Unable to Determine ⁱ	Comments
<ul style="list-style-type: none"> • The contract flight schedule was inconsistent with FAM with regard to scheduling travel during the employee's regularly scheduled workweek. • A noncontract carrier offered a lower fare available to the general public. • Rail service was available, cost-effective, and consistent with mission requirements. • Smoking was permitted on the contract flight. <p>(14 FAM 543)</p> <p>Was the use of a noncontract carrier approved on the travel order?</p>					
<p>If the traveler used other than government contract fares (i.e., through, special, commutation, excursion- and reduced-rate fares), did the authorizing official determine, before the start of the trip, that the fares were practical and economical? (14 FAM 564.2)</p>					
<p>Did the traveler use the most direct and expeditious route? (14 FAM 585.1)</p>					
<p>For travel between the U.S. and a foreign country, did the traveler use a U.S. flag carrier? (14 FAM 583.2) If not:</p> <p>Did the traveler complete a justification for use of a foreign air carrier? (14 FAM Exhibit 583.7)</p> <p>Does the justification indicate that travel met one of the following exceptions:</p> <ul style="list-style-type: none"> • A US carrier offered direct flights, but the flights extended travel time by 24 hours or more. • No US carrier offered direct flights, and the use of a U.S. carrier would: <ul style="list-style-type: none"> • extend travel time by six hours or more, • increase the number of aircraft changes abroad by two or more, 					

Airline Travel Assessment Plan

Requirement	Yes	No	N/A	Unable to Determine ⁱ	Comments
<ul style="list-style-type: none"> • require a connecting time abroad of four hours or more. • A U.S. carrier could not accomplish the agency's mission. • Use of a foreign carrier was necessary for medical reasons, the traveler's safety, or there was no ticket available in the authorized class of service on a U.S. carrier. • Transportation was provided under the terms of a bilateral or multilateral agreement. • No U.S. carrier provided service on a particular leg of travel. • The U.S. carrier involuntarily rerouted the traveler on a foreign carrier. • Travel time on a foreign carrier was three hours or less, and the use of the U.S. carrier would have doubled the travel time. • Travel costs were reimbursed by a third party. <p>(14 FAM 583.2(1)–583.6(5))</p> <p>Was the justification signed by the bureau executive officer, post management officer, or the Chief of Travel and Transportation in Washington, DC? (14 FAM 583.7(b))</p>					
First Class					
Was the travel authorized in advance of the actual travel in writing and documented? (14 FAM 567.2-2(A)(a) and 567.2-2(b))					
Was the traveler subordinate to the authorizing official? (14 FAM 567.2-2(A)(a))					
Was the travel approved by the Under Secretary for Management (M)? (14 FAM 567.2-3(a)(1))					
Did the request for authorization contain the:					
	<ul style="list-style-type: none"> • name, grade, and position of the traveler? • points between which first-class accommodations were authorized? 				

Airline Travel Assessment Plan

Requirement	Yes	No	N/A	Unable to Determine ⁱ	Comments
<ul style="list-style-type: none"> • additional cost resulting from the difference between first-class and coach-class accommodations? • beginning date of travel? • explanation of circumstances justifying the use of first-class air accommodations? (14 FAM 567.2-2(B)(a))					
Was the authorization reflected in the travel order and accompanied by a memo from M? (14 FAM 567.2-2(B)(a))					
Was the travel authorized separately? (14 FAM 567.2-2(B)(a))					
From the information in the travel documentation, did the travel meet one of the following requirements? <ul style="list-style-type: none"> • No other class of accommodations was reasonably available on any scheduled flight in time to accomplish the purpose of the travel. • Regularly scheduled flights provided only first-class accommodations, and the employee certified this on the travel voucher. • First-class accommodations were necessary to: <ul style="list-style-type: none"> • accommodate the traveler's disability or other physical impairment, and this need was substantiated in writing by M/Med or the regional medical officer or other competent medical authority, or • allow for an attendant traveler(s) authorized to accompany the employee. • Exceptional security circumstances required first-class travel. (14 FAM 567.2-3(b))					
Was the travel included on the report of all first-class travel that the authorizing official submitted to the Bureau of Administration? Was the report submitted no later than 30 days after the end of the fiscal year? (14 FAM 567.2-3(c))					

Airline Travel Assessment Plan

Requirement	Yes	No	N/A	Unable to Determine ⁱ	Comments
Business Class					
Was the travel authorized in advance of the actual travel in writing and documented? (14 FAM 567.2-2(A)(a) and 567.2-2(B))					
Was the traveler subordinate to the authorizing official? (14 FAM 567.2-2(A)(a))					
Did the request for authorization (Form DS-4087) contain the:					
• name, grade, and position of the traveler?					
• points between which business-class accommodations were authorized?					
• additional cost resulting from the difference between business-class and coach-class accommodations?					
• beginning date of travel?					
• explanation of circumstances justifying the use of business-class air accommodations? (14 FAM 567.2-2(B)(a))					
Was Form DS-4087 signed by the designated authorizing official?					
Was the authorization for business-class accommodations in the travel order? (14 FAM 547.2-2(B)(a))					
From the information in the travel documentation, did the travel meet one of the following requirements:					
• Coach-class accommodations were not available.					
• No space was available in coach-class accommodations in time to accomplish the purpose of the travel.					
• The use of business-class accommodations was recommended by M/Med, or in other exigent circumstances, other competent medical authority, to:					
• accommodate the traveler's disability or special need, or					
• allow for an attendant traveler(s) authorized to accompany the employee.					

Airline Travel Assessment Plan

Requirement	Yes	No	N/A	Unable to Determine ⁱ	Comments
<ul style="list-style-type: none"> • Security or exceptional circumstances existed that made use of business-class air accommodations essential to the successful performance of the agency's mission. 					
<ul style="list-style-type: none"> • Coach-class air accommodations on foreign carriers did not provide adequate sanitation or health standards, and the use of foreign-flag air carrier service was approved in accordance with the Fly America Act. 					
<ul style="list-style-type: none"> • Business-class accommodations would result in an overall savings. 					
<ul style="list-style-type: none"> • Travel was in excess of 14 hours for TDY travel, permanent change-of-station travel, or medical evacuation travel (see 14 FAM 567.2-2(B)(a)(7) for details). 					
<ul style="list-style-type: none"> • Business-class accommodations were required because of agency mission. 					
<ul style="list-style-type: none"> • Business-class accommodations were obtained as an upgrade through the redemption of frequent traveler benefits. 					
<ul style="list-style-type: none"> • The transportation was paid in full by a nonfederal source as authorized by law or regulation. 					
(14 FAM 567.2-4(b)(1)-(10))					
If business-class accommodations were approved because travel was in excess of 14 hours, was the destination country listed on <i>Travel Times for Determining Business Class Eligibility</i> , available on the Bureau of Administration's website?					
Did the traveler take a rest stop on a leg of travel for which business class travel was used? (14 FAM 567.2-4(b)(7)(a))					

ⁱ If unable to determine compliance with the requirements based on the documentation available, obtain additional information to determine whether the travel was appropriate and the reason why the documentation was not complete.