

Need To Improve Internal Controls Related to Travel Advances
(AUD/FM-06-39)

Background

Travelers use the online Travel Manager (TM) application to process official travel documents. The system allows users to complete travel authorizations and vouchers. Employees obtain access to TM by contacting their bureau administrator or the TM help desk. Based on the traveler's requirements for using the system, TM personnel grant employees one of five levels of access. The help desk is the highest level of access.

A travel advance is provided to travelers in order to pay for authorized travel expenses. Travelers may receive an advance for out-of-pocket travel expenses whenever 80 percent of the estimated expenses exceed \$100. The advances may be issued as an electronic funds transfer, U.S. Treasury check, cash, or traveler's checks.

The amount of the advance should be included on the employee's travel authorization. Advances should be requested no earlier than ten days before departure if the funds will be deposited directly to the traveler's account or no earlier than three days prior to departure for cash advances. Travelers use Form OF-261, *Travel Advance Application, Voucher, and Account*, to apply for and obtain a travel advance. In order to receive an advance, all outstanding travel advances must be repaid before travel.

The RM Travel Service Center distributes travel advances. Travelers or individuals authorized by a traveler must present an approved and funded travel authorization and a completed Form OF-261 to the center's certifying officer in order to obtain cash advances. A person who is picking up the advance on behalf of a traveler must present a power of attorney form. The certifying officer certifies the travel documentation. The Travel Service Center's cashier reviews the certified travel documentation for completeness and accuracy before distributing funds. Travelers or other authorized individuals must present a Department of State or other official identification and sign for receipt of the funds.

Travelers are responsible for repaying a travel advance by submitting a travel voucher and/or direct refund within five days after travel completion. Travelers with advances outstanding more than 30 days after travel completion may be assessed interest, penalties, and administrative charges. Bureaus and/or management officers are supposed to notify the traveler by memorandum if the advance is outstanding for more than 30 days after travel completion. If settlement is not made after this notification, bureaus and/or management officers are to refer the matter to RM for collection by salary deduction.

Results

OIG found that the Department has provided travel advances to at least one unauthorized employee. This occurred because of a lack of control over TM access, the distribution of cash or traveler's checks to an unauthorized employee, and a lack of management oversight. An

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employee was allegedly able to exploit these weaknesses and embezzle over \$101,950 in funds from the Department.

RM Control Weaknesses

Travel Manager Access

OIG found that employees with the administrator level of access in TM could create or modify travel documentation without official approval because TM does not restrict employees from performing incompatible functions or functions beyond the need of the position. Administrators could create, approve, fund, and transmit official travel documents for either themselves or other employees. Administrators could also edit routing lists so that notification e-mails were not sent to travelers or bureau officials. In one instance, an administrator was allegedly able to embezzle over \$101,950 in funds by creating fraudulent travel authorizations and travel vouchers in other employees' names. Unless TM is modified to control access, other employees could similarly exploit its weaknesses.

Recommendation 1: OIG recommends that the Bureau of Resource Management determine what type of access is appropriate for administrators within Travel Manager and reconfigure the Travel Manager application to restrict administrators' access. At a minimum, the bureau should ensure that administrators cannot perform all required approvals of travel documentation and that they are restricted from rerouting notification e-mails.

The Department does not appropriately authorize access to TM or maintain a current list of authorized users and their authorized access in accordance with the Government Accountability Office's *Standards for Internal Control in the Federal Government*¹ and *Federal Information System Control Audit Manual*.² The Department has not instituted policies and procedures for authorizing access to the TM system. Currently, each bureau is responsible for determining an employee's level of access. In addition, an employee with administrator access can create an unlimited number of other administrators within the bureau or office. Although RM had developed a standard form to request access, it was not being used. As a result, there was no control over who has administrator access in TM.

The Department should have a standardized process for requesting access to TM. A standard form completed by employees and signed by managers would ensure that both RM and bureau officials have a documented record of each employee's access level in TM. In addition, RM should approve and create all administrator-level access to TM and maintain an updated list of all employees with this level of access.

Recommendation 2: OIG recommends that the Bureau of Resource Management develop a standard policy for requesting access to Travel Manager.

¹ GAO/AIMD-00-21.3.1, Nov. 1999

² GAO/AIMD-12.19.6, Jan. 1999

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Recommendation 3: OIG recommends that the Bureau of Resource Management approve and provide all administrator-level access to Travel Manager. Before providing this level of access, the bureau should obtain written approval from bureau officials.

Recommendation 4: OIG recommends that the Bureau of Resource Management maintain a current list of all employees with administrator-level access within Travel Manager.

Travel Service Center

The Department did not ensure that travel advances provided in cash or travelers' checks were given to authorized individuals. The Department's policy allows individuals to pick up travel advance funds for travelers if they provide a copy of the travel authorization, travel advance request, and signed power of attorney form. According to RM officials, this is a common practice. However, OIG found that an employee had allegedly stolen over \$101,950 in government funds by forging other people's signatures on travel advance applications and power of attorney forms. OIG concluded that the current policies and procedures were not adequate to ensure that funds were provided to a valid traveler. Although OIG realizes that this practice is needed, the Department must strengthen the controls over allowing staff to obtain cash or traveler's checks on behalf of another person. Implementing a process to notify a person when funds are disbursed to another person on their behalf should help deter the distribution of funds to an unauthorized person.

Recommendation 5: OIG recommends that the Bureau of Resource Management implement a process to notify employees when a person obtains funds on their behalf as well as the bureau's executive officer.

According to the Foreign Affairs Manual (FAM), travelers should request a cash travel advance no earlier than three business days before departure and should pick it up before travel commences.³ However, OIG found instances where the Travel Service Center provided cash advances weeks before travel was scheduled to begin. OIG also found instances where the Travel Service Center provided travel advances after the travel was supposed to have begun, including one instance where the cash advance was provided after travel was completed. This situation increases the likelihood of misuse of funds. Both a certifying officer and cashier reviewed these travel authorizations. Neither questioned the situation and they allowed the travel advances to be issued.

Recommendation 6: OIG recommends that the Bureau of Resource Management provide refresher training to all Travel Service Center employees on distributing all types of travel advances.

³ 4 FAM 463.3-1.

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General Financial

According to the Foreign Affairs Handbook (FAH), RM should forward monthly reports of travel advances that are chargeable to Washington-held allotments to fund managers.⁴ However, RM officials said that this was not being done. This monthly report would assist bureaus in monitoring current and outstanding travel advances as well as verifying that travel advances are valid.

Recommendation 7: OIG recommends that the Bureau of Resource Management send a monthly report of travel advances to fund managers, with guidance on using the report to monitor current and outstanding travel advances.

Employees may receive travel advances as an electronic funds transfer, U.S. Treasury check, cash, or traveler's checks. Because of the risks of loss of cash and traveler's checks, OIG encourages RM to issue most cash advances via electronic funds transfer to a bank account. Using electronic funds transfer would avoid losing or misplacing cash or checks.

Recommendation 8: OIG recommends that the Bureau of Resource Management develop new guidelines for encouraging the use of electronic funds transfer for travel advances.

Bureau Control Weaknesses

The FAH states that bureau fund managers should notify travelers by memorandum if a travel advance is outstanding for more than 30 days after travel completion.⁵ However, OIG found that the bureau at which it performed work did not notify travelers of outstanding travel advances and did not have a process in place to properly oversee travel advances. As a result, this bureau could not identify misuse of travel advances in a timely manner. In addition, it could not identify funds that could be deobligated and put to better use.

Recommendation 9: OIG recommends that the Bureau of Resource Management remind all bureaus about the importance of properly overseeing travel advances and the need to comply with Department policies related to this issue.

Recommendation 10: OIG recommends that the Bureau of Resource Management develop a process to periodically review and remediate travel advances outstanding for more than three months.

⁴ 4 FAH-3 H-463.4-2.

⁵ 4 FAH-3 H-462 and 4 FAH-3 H-463.4-2.