



Office of Inspector General

January 6, 2012

MEMORANDUM

TO: John Peevey, Director
Office of Management Services

Dana Mansuri, Mission Director
USAID/Nigeria

Richard Greene, Mission Director
USAID/Bangladesh

Diana Putman, Mission Director
USAID/Democratic Republic of Congo

Glenn Anders, Mission Director
USAID/Indonesia

FROM: Joy Kadnar, Director /s/
Inspections and Evaluations Division, Office of Audit

SUBJECT: Review of Whether Selected Missions Are Making Duplicate Travel Reimbursements (Report No. 2-000-12-003-S)

This memorandum transmits our final report on the subject review. We considered your comments on the draft in finalizing the report and have included your responses in Appendix II.

Although not an audit report, this report contains six recommendations: three to USAID/Nigeria, USAID/Bangladesh, and USAID/Democratic Republic of Congo's Mission Directors; two to the Director of the Office of Management Services; and one to USAID/Nigeria's Mission Director. None was directed to USAID/Indonesia. To reduce the likelihood of duplicate payments, these recommendations require exclusive use of the E2 Solutions Travel System (E2) and prompt needed E2 training.

Based on our evaluation of management comments, management decisions have been reached on Recommendations 2, 3, and 4, and final action taken on Recommendations 1, 5, and 6. Please provide the Audit Performance and Compliance Division with evidence of final action to close Recommendations 2, 3, and 4.

Thank you for the cooperation and courtesy extended during this review.

SUMMARY

USAID direct-hire employees travel for work purposes. Such temporary duty (TDY) travel must be authorized and to obtain reimbursement and account for costs incurred, travelers must submit travel vouchers. To process, document, and account for the travel authorization and payment, travelers and authorizers must use USAID's automated E2 Solutions Travel System (E2). E2 is a Web-based application that provides electronic routing, approval, and processing of travel authorizations and payments.

The Travel and Transportation Division (TTD) of USAID's Bureau for Management, Office of Management Services, is responsible for developing and administering travel policy and training E2 users. Missions worldwide are responsible for creating travel authorizations and processing and paying travel vouchers in E2.

The objective of the review was to determine whether selected USAID missions are making duplicate travel reimbursement payments to employees. This review was prompted by a prior review conducted by the Office of Inspector General (OIG) which revealed indications that duplicate payments had been made to employees for TDY travel.

Generally, the selected missions—in Nigeria, Bangladesh, Democratic Republic of Congo (DRC), and Indonesia—are not making duplicate travel reimbursement payments to employees. At these USAID missions, just one duplicate travel reimbursement payment was made to an employee between May 2010 and May 2011. However, these four missions are either not using or not consistently using E2 to create travel authorizations and process vouchers for TDY travel (page 4). According to TTD, the same is true at other missions not selected for this review.

Inconsistent use of E2 should have stopped worldwide by July 2009, because the Agency had mandated the exclusive use of E2. Alternative practices can have several negative effects. For example, manual processing prevents USAID from accurately reporting travel costs and prevents certifying officers from knowing of all payments involving funds obligated for a trip.

Specifically, the review found:

- E2 is not being used exclusively (page 4).

To address this matter, OIG recommends that USAID/Nigeria, USAID/Bangladesh, and USAID/DRC:

1. Identify their employees' E2 training needs (page 4).
2. Implement a plan to use E2 exclusively for TDY travel (page 5).
3. Develop and implement a plan to retain E2 expertise when employees leave the mission (page 5).

OIG recommends that TTD, within USAID's Office of Management Services:

4. Respond to the needs identified by the selected missions by providing E2 training to their staff members (page 5).

5. Identify other missions not using E2, and develop a plan for them to implement exclusive use of the system (page 5).

In addition, OIG recommends that USAID/Nigeria:

6. Assess connectivity problems related to the use of E2, and implement a plan to enable E2 to become operational (page 5).

Details on review results follow. Appendix I contains a discussion of the review's scope and methodology. Our evaluation of management comments is included in the report on page 6, and the full text of management comments in Appendix II.

REVIEW RESULTS

E2 Is Not Being Used Exclusively

Agency Notice 18017 states that the use of E2 is mandatory “for Preparation of Temporary Duty (TDY) Travel Orders and Vouchers.” The notice reinforces this point by stating that other mechanisms for preparing travel vouchers against an associated travel authorization may not be used. In addition, USAID’s Automated Directives System (ADS) 633.3.5, “Travel Voucher Processing Requirements,” mandates that travelers use E2, where available, to submit travel vouchers. ADS 630.3.4.3 states that when USAID processes a voucher for payment, the certifying officer must have complete and current knowledge of all payments involved with the related obligation. TTD is responsible for developing and administering travel policy and training E2 users.

However, four USAID missions, USAID/Nigeria, USAID/Bangladesh, USAID/DRC, and USAID/Indonesia are either not using or not consistently using E2 to create travel authorizations and process vouchers for TDY travel. Instead of or in addition to using E2, these missions manually create travel authorizations and manually process travel vouchers. Moreover, missions not included in the review are not always using E2 as required; TTD provided copies of manual travel authorizations from other missions that are still not using E2.

This inconsistent use of E2 is occurring because of deficiencies in E2 training and because of staffing and technical issues. USAID/Nigeria, USAID/Bangladesh, and USAID/DRC report that they are not using E2 exclusively because some employees have not received training and that those who have been trained do not fully understand E2. These training deficiencies are exacerbated by staff turnover and by the missions’ lack of continuity plans to retain E2 expertise among their staff. Beyond the training issues, USAID/Nigeria stated that poor Internet connectivity and an increase in Web-based applications have resulted in difficulty using Web-based applications. A USAID/Indonesia official reported that the mission does not use E2 to process travel vouchers for travelers with manually produced travel authorizations. She said that such vouchers are sometimes submitted to USAID/Indonesia by employees visiting from other missions.

Transactions done outside the system have several adverse consequences. Manual processing prevents certifying officers from having access to all information on payments related to TDY travel obligations and raises the risk that duplicate payments will be made. For example, a certifying officer at USAID/Indonesia processing a manually produced voucher authorized a transaction that led to a duplicate payment of \$5,868. Although that payment was subsequently recovered from the traveler, the incident demonstrates the increased risk of duplicate payments occurring when relevant payment information exists outside of E2. Furthermore, such transactions preclude the Agency from accurately reporting all travel data to the General Services Administration, as required by the Federal Travel Regulation Part 300–70, Subpart A. Therefore, this review makes the following recommendations.

Recommendation 1. We recommend that USAID/Nigeria, USAID/Bangladesh, and USAID/Democratic Republic of Congo identify their employees’ E2 Solutions Travel System training needs in writing.

Recommendation 2. *We recommend that USAID/Nigeria, USAID/Bangladesh, and USAID/Democratic Republic of Congo develop and execute plans to implement the exclusive use of E2 Solutions Travel System for temporary duty travel.*

Recommendation 3. *We recommend that USAID/Nigeria, USAID/Bangladesh, and USAID/Democratic Republic of Congo develop and implement a plan to retain E2 Solutions Travel System expertise when employees leave the mission.*

Recommendation 4. *We recommend that the Travel and Transportation Division provide and document E2 Solutions Travel System training to staff members at USAID missions in Nigeria, Bangladesh, and the Democratic Republic of Congo in response to their identified needs.*

Recommendation 5. *We recommend that the Travel and Transportation Division conduct and document an assessment to determine the number of additional missions currently not using E2 Solutions Travel System and develop a plan for them to implement exclusive use of the system.*

Recommendation 6. *We recommend that USAID/Nigeria collaborate with information technology personnel at the mission or in Washington to assess connectivity problems related to the use of E2 Solutions Travel System and implement a plan to enable the system to become operational.*

EVALUATION OF MANAGEMENT COMMENTS

USAID/Nigeria, USAID/Bangladesh, USAID/Democratic Republic of Congo, and the Office of Management Services agreed to take action in response to the recommendations directed to them. Management presented plans to implement all of the recommendations by September 1, 2012. Based on our evaluation of the comments and plans that management submitted in response to the draft report, management decisions have been reached on Recommendation 2, 3, and 4, and final action has been taken on Recommendations 1, 5, and 6. Determination of final action on Recommendations 2, 3, and 4 will be made by the Audit Performance and Compliance Division on completion of the planned corrective actions.

Recommendation 1. USAID/Nigeria, USAID/Bangladesh, and USAID/Democratic Republic of Congo agreed with the recommendation. The Office of Management Services has received requests from all three missions, identifying each mission's training needs. Final action has been taken on this recommendation.

Recommendation 2. USAID/Nigeria agreed with the recommendation and plans to ensure that its entire staff is fully trained on the use of E2. Further, the mission intends to issue a mission notice prohibiting the use of any instrument other than E2 to create travel authorizations for TDY travelers. The target date for completion of this recommendation is September 1, 2012.

USAID/Bangladesh agreed with the recommendation and will develop a plan to implement exclusive use of E2. The target date for completion of this action is March 1, 2012.

USAID/Democratic Republic of Congo agreed with the recommendation and will have tailored training sessions provided to every mission employee, depending on his or her role in the travel process. The target date for completion is March 2012.

Recommendation 3. USAID/Nigeria agreed with the recommendation and plans to retain at least six Foreign Service National E2 subject matter experts to ensure continuity and retention of E2 expertise. The target date for completion of this recommendation is August 31, 2012.

USAID/Bangladesh agreed with the recommendation and will have its travel coordinator, supervisory executive specialist, and administrative assistant receive training on E2. Additionally, the mission has planned to develop written standard operating procedures to capture key E2 processes. The target date for completion of this recommendation is March 1, 2012.

USAID/Democratic Republic of Congo agreed with the recommendation and will create multiple "super users" to reinforce information transfer, aid and train new users of E2, and look for opportunities to provide refresher training to mission staff. The target date for completion of these actions is March 2012.

Recommendation 4. The Office of Management Services agreed with the recommendation and plans to provide training to the selected missions—in Nigeria, Bangladesh, and Democratic Republic of Congo. The target date for completion of this recommendation is March 16, 2012.

Recommendation 5. Office of Management Services agreed with the recommendation, ascertained the number of missions not using E2, and scheduled training at each. Final action has been taken on this recommendation.

Recommendation 6. USAID/Nigeria agreed with the recommendation. With the support of the Chief Information Office, a technical team performed a review of the mission's information technology system, including its communications and network infrastructures. The team recommended improvements to system efficiency, performance, and reliability. Accordingly, the mission increased its bandwidth from 512 kilobits per second to 4 megabits per second. This increase will resolve connectivity problems preventing E2 from becoming operational. Final action has been taken on this recommendation.

SCOPE AND METHODOLOGY

Scope

OIG's Inspections and Evaluations Division conducted this review of E2. This review was conducted in accordance with the July 2007 revision of the *Government Auditing Standards*^{*}—specifically, with the general standards in Chapter 3, the documentation standards in Sections 7.72–7.79, the evidence standard in Section 7.55, and the standards for developing elements of a finding in Sections 7.72–7.76. Those standards require that we plan and perform the review to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions in accordance with the review objective. We believe that the evidence obtained provides that reasonable basis.

The purpose of this review was to determine whether selected USAID missions are making duplicate travel reimbursement payments to employees on TDY travel. We conducted this review in Washington, D.C., from August 17 to October 6, 2011. The review examined all U.S. direct hire TDY travel from May 2010 through May 2011 to four missions: Nigeria, Bangladesh, the Democratic Republic of Congo, and Indonesia. These missions were selected because during a prior review TTD stated that the missions were not complying with the mandate to use E2 exclusively. This review focused on the missions' oversight and verification of travel vouchers processed manually and electronically through E2. To obtain a thorough understanding of how these double payments can be made, the review team interviewed USAID staff from TTD, the Office of the Chief Financial Officer (CFO), and the Executive Officer's office at the selected missions.

Methodology

To answer the review objective, we compared mission-provided and E2 information about travelers with payment data from the Agency's accounting system. To accomplish this, we contacted the four selected missions and obtained information from them about U.S. direct hires conducting TDY travel to their missions. With this mission-provided information and codes obtained from the Phoenix financial management system, we used Phoenix viewer to determine if multiple payments were made to the travelers for their TDY travel. We also consulted E2 to determine if it had been used for the identified TDY travel and if it had been used to process any electronic payments. Using data from the missions, E2 and the Agency's accounting system, we were able to determine if any duplicate payments had been made.

In addition, we sent questionnaires to the missions regarding their use of E2 and the creation and processing of manual vouchers to gain a better understanding of why they continue to create and process vouchers manually.

^{*} *Government Auditing Standards*, GAO 07-731G (July 2007 revision).

MANAGEMENT COMMENTS

Date: Monday, November 28, 2011

MEMORANDUM

To: Joy Kadnar, Director, Inspections and Evaluations Division,
Office of Audit

FROM: Dana Mansuri, Mission Director/s/

SUBJECT: Review of Travel Reimbursements in Selected Missions not using the E2 Systems

USAID/Nigeria appreciates the opportunity to comment on the subject draft report and is pleased to report the applicable corrective actions to implement the recommendations.

Recommendation No 1: We recommend that USAID/Nigeria, USAID/Bangladesh, and USAID/DRC identify its employees' E2 training needs.

Mission Response: Mission accepts the finding and recommendation and supporting comments.

Corrective Action Already Taken: We have determined that all Mission employees require E2 training. Mission will work with M/MS/TTD to bring and complete E2 training at Post no later than August 31, 2012.

Recommendation No 2: We recommend that USAID Nigeria, USAID/Bangladesh, and USAID/DRC develop and implement plan to implement the exclusive use of E2 for temporary duty travel

Mission Response: Mission accepts the finding and recommendation and supporting comments.

Corrective Action Already Taken: USAID Nigeria would ensure that its entire staff is fully trained on the use of E2 no later than August 31, 2012. A Mission Notice would be issued on September 01, 2012 stating that effective immediately, no parallel instrument will be used to create travel authorization for TDY travels within the Mission other than the E2 system.

Recommendation No 3: We recommend that the USAID/Nigeria, USAID/Bangladesh, and USAID/DRC develop and implement a plan to retain E2 expertise when employees leave.

Mission Response: Mission accepts the finding and recommendation and supporting comments.

Corrective Action Already Taken: Upon completion of E2 training in August 31, 2012, USAID/Nigeria will ensure that there are at least 6 FSN Subject Matter Experts (SMEs) in all aspects of the E2 system. The Mission prefers to have FSNs as SMEs because they tend to stay longer at the Mission than Foreign Service Officers. Doing this will ensure continuity and retention of E2 expertise within the Mission.

Recommendation No 4: We recommend that USAID Nigeria collaborate with information technology personnel from the Mission or Washington to assess connectivity issues related to the use of E2 and to implement a plan to enable E2 to become fully operational.

Mission Response: Mission accepts the finding and recommendation and supporting comments.

Corrective Action Already Taken: The Mission in September 2011 with the support of the CIO office performed a technical assessment of the Mission's networking, systems and remote access to include establishing a functional recovery plan. The team performed an overall review of the Mission's Information Technology Systems including communications, network, infrastructures and made recommendations to improve efficiency, performance, and reliability. One of the recommendations proffered which was recently implemented is the increase of the Mission's bandwidth from 512Kbps to 4Mbps. These assessments and recommendations will greatly help to address some of the connectivity issues preventing E2 from becoming fully operational.



Date: November 21, 2011

To: Joy Kadnar, Director
Inspections and Evaluations Division, Office of Audit

From: Richard Greene, Mission Director /s/
USAID/Bangladesh

This document is in response to a memorandum from Joy Kadnar, Inspections and Evaluations Division, Office of Audit, the Office of Inspector General on November 8, 2011.

Recommendation 1: We recommend that USAID/Bangladesh identify its employees' E2 training needs.

Mission Response: Mission accepts the finding and recommendation and supporting comments.

Corrective Action Already Taken: Mission has identified the following individuals for E2 training:

- a. Travel Coordinator – hired November 6, 2011
- b. Supervisory Executive Specialist
- c. Administrative Assistant – to be hired

Recommendation 2: We recommend that USAID/Bangladesh develop and execute plans to implement the exclusive use of E2 for temporary duty travel.

Mission Response: Mission accepts the finding and recommendation and supporting comments.

Corrective Action Already Taken: USAID/Bangladesh developed a plan to fully implement E2 with a target date of March 1, 2012.

Recommendation 3: We recommend that the USAID/Bangladesh develop and implement a plan to retain E2 expertise when employees leave.

Mission Response: Mission accepts the finding and recommendation and supporting comments.

Corrective Action Already Taken: USAID/Bangladesh identified the individuals it will train to ensure retention of E2 expertise – the travel coordinator, supervisory executive specialist, and administrative assistant. Additionally, Mission has planned to develop a written SOP to capture key E2 processes.

Recommendation 4: We recommend that M/MS/TTD provide E2 training to USAID/Bangladesh in response to their identified needs.

Mission Response: Mission accepts the finding and recommendation and supporting comments. Additionally, Mission is looking into other training options from an experienced E2 user in the region.

Corrective Action Already Taken: Mission contacted M/MS/TTD for E2 training opportunities and expects to send its new travel coordinator for E2 training. Mission has also contacted regional missions (RDMA, Nepal, India, and Philippines) to find an experienced E2 user to come to Bangladesh on TDY and is considering available E2 classes outside Bangladesh. EXO understands that much of this plan, not to mention the resulting efficiency gains from the use of E2, is dependent on this critical first stage.

Clearance:

Dennis Sharma, Deputy Mission Director
Marty D. George, Supervisory EXO

/s/
/s/



November 25, 2011

Memorandum

To: Joy Kadnar, Director
Inspections and Evaluations Division, Office of Audit

Through: Diana Putman, Mission Director /s/
USAID/Democratic Republic of Congo

From: Debbie Jackson, Supervisory Executive Officer /s/
USAID/Democratic Republic of Congo

Subject: Review of Travel Reimbursements in Selected Missions not using the E2 System
(Report No. 2-000-12-00X-S)

This memorandum transmits USAID/Democratic Republic of Congo's (DRC) response to the three review recommendations related to USAID/DRC detailed in Report No. 2-000-12-00X-S.

Mission Background

USAID/DRC has faced tremendous growth over the last year and a half with a very large influx of Foreign Service Officers (FSO) via the Development Leadership Initiative (DLI) as well as a marked increase in the Foreign Service National (FSN) staff. Further, the Mission has been without an FSO Controller and Supervisory Executive Officer for an extended time and has had a complete turnover of Front Office Management. The Mission understands the importance of establishing and maintaining the E2 System as the exclusive method for temporary duty travel and we have taken steps to get E2 rolled out as quickly as possible as discussed below. Initial steps included the newly assigned Supervisory Executive Officer conferring with M/MS/TTD, before coming to post, regarding the state of E2 at the Mission and requesting to have DRC placed on the training and implementation schedule as soon as possible. Further, a training schedule and other training-related requirements have been outlined. The Mission has funded travel authorizations for the E2 trainers and implementers. The originally scheduled training and implementation date was in December 2011 but had to be postponed until early 2012 due to elections in the DRC.

We have reviewed the report and agree with all recommendations.

Recommendation 1: We recommend that USAID/DRC identify its employees' E2 training needs.

The Mission has reviewed the requirements of the E2 system as well as the organizational structure of the Mission and concluded that everyone will need to be trained, in some manner, if E2 is to be implemented correctly and work successfully. Every Mission employee will be trained in one or more of the following areas depending on their role in the travel process:

- Arranger – All Administrative staff, multiple individuals in the Executive and Financial Management offices, dedicated USAID travel agent as well as three designated Super Users.
- Traveler – Everyone in the Mission will have this training and we will designate three Super Users as well.
- Financial Management – Office of Financial Management and two individuals from the Executive Office will cover required travel actions and other required documentation. Two Super Users from OFM and one from EXO will be designated.
- System Administrator Training – Executive Officer and two other mission personnel will cover system management issues, password resets, changing routing pools, running reports and other system management actions.
- All designated Super Users will have additional time with the trainers to ensure all questions are answered and processes mastered.

Recommendation 2: We recommend that USAID/DRC develop and execute plans to implement the exclusive use of E2 for TDY travel.

Training and implementation is scheduled for 23 January – 2 February, 2012. The tentative training schedule is outlined below:

1. Arranger Training - Two days
2. Traveler Training - Two days - Will cover the same material as above, but this will be the shortened version of the training. Each group will receive three hours of training.
3. Financial Management Training – One day - Office of Financial Management and Executive Office on financial issues, BTAs and related documentation requirements.
4. System Management Training – One day – Executive Office and other designated participants on system management issues, running reports and password resets.
5. Super User Groups – One half day – All Super Users to review processes and answer questions.

6. Out Brief and After Action Review – One half day – Executive Office, Office of Financial Management and Front Office brief on assessment of the success of the training and questions.

The Mission will be fully using E2 by the end of March 2012.

Recommendation 3: We recommend that USAID/DRC develop and implement a process to mitigate the loss of E2 expertise from employee turnover.

As noted in your report USAID/DRC has not implemented E2 to date and therefore does not currently have system knowledge or expertise in house. However, the Mission will ensure that knowledge gained from training and implementation of E2 will not be lost through the following actions:

1. Requiring that everyone in the Mission is trained in various aspects of E2.
2. Creating multiple Super Users in each category to reinforce information transfer and aid/train new users.
3. Look for and plan opportunities to piggy back on scheduled regional opportunities for refresher training within the Mission as well as have key individuals, new staff assigned to post, individuals traveling back to Washington for training, and Washington HR and AMS staff coming to the Mission to solicit updated E2 information and processes from Travel and Transportation for dissemination to the Mission.



November 17, 2011

MEMORANDUM

TO: Joy Kadnar, Director
Inspections and Evaluations Division, Office of Audit

FROM: John Peevey, Director /s/
Office of Management Services

SUBJECT: Management Comments on the Recommendations of the Review of Travel Reimbursements in Missions not using the E2 System (Report No. 2-000-12-00X-S).

This memorandum transmits Management Decision, a corrective action and targets dates of completion on the below subject report recommendations 4 and 5.

Recommendation 4: We recommend that M/MS/TTD provide E2 training to USAID missions in Nigeria, Bangladesh and the Democratic Republic of Congo in response to their identified needs.

Recommendation 5: We recommend that M/MS/TTD conduct an assessment to determine the number of additional missions currently not using E2 and develop and implement a plan for them to become fully operational with E2.

Recommendation 4: We recommend that M/MS/TTD provide E2 training to USAID missions in Nigeria, Bangladesh and the Democratic Republic of Congo in response to their identified needs.

Management Decision: M/MS/TTD has received request for training for these Missions and have identified their training needs. M/MS/TTD will provide E2 and E2i training to Nigeria, Bangladesh and the Democratic Republic of Congo in response to their identified needs.

Corrective Action: These missions have been added to the training schedule (see attachment A).

Completion Date: Nigeria Jan 30- Feb 3, Democratic Republic of Congo Feb 20- Feb 24 and Bangladesh Mar 12- Mar 16

Recommendation 5: We recommend that M/MS/TTD conduct an assessment to determine the number of additional missions currently not using E2 and develop and implement a plan for them to become fully operational with E2.

Management Decision: M/MS/TTD has ascertained that the following Missions are not using the E2 travel system at this time (see attachment B). M/MS/TTD has developed and implemented a training plan. (see attachment A).

Corrective Action: M/MS/TTD has identified Missions that are not using the E2 travel system and has schedule training.

Completion Date: March 2012 all training completed on E2 and E2i.