

Commissioners' Travel

The Office of Inspector General evaluated the Securities and Exchange Commission's (Commission) management controls over the official travel of its Commissioners. We tested a judgment sample of twenty of the ninety Commissioner travel vouchers submitted and processed between April 1, 1998 and March 31, 1999. We reviewed these vouchers to determine that the trip was for official business, for a reasonable period of time given the purpose of the trip, and that the expenses claimed were valid.

The results of our tests indicated that, with respect to the items reviewed, the Commissioners complied in all material respects with relevant Commission policies and procedures.

Scope and Objectives

Last year, the Office of Inspector General conducted audits of the *Commissioners' Travel* (No. 280) and of *Travel Upgrades* (No. 281) at the request of the Subcommittee on National Economic Growth, Natural Resources, and Regulatory Affairs of the House Committee on Government Reform and Oversight. This audit of the Commissioners' travel is a follow-up to last year's review.

The audit objective was to determine whether the trips were for official business, for reasonable periods of time given the purpose of the trip, and that the expenses claimed were valid. We also evaluated the Commission's management controls over the official travel of its Commissioners. We tested a judgment sample of twenty of ninety Commissioner travel vouchers submitted and processed between April 1, 1998 and March 31, 1999.

Our review was performed during April 1999 in accordance with generally accepted government auditing standards, except that our independence, with respect to the Chairman of the Commission, is limited by the provisions of the Inspector General Act of 1978, as amended, applicable to Designated Federal Entities.

Audit Results

The results of our tests indicated that, with respect to the items reviewed, the Commissioners complied in all material respects with the Commission's policies and procedures related to travel. Generally, the Commissioners properly documented the purpose of their trips; the trips were for official business and lasted a reasonable amount of time; expenses claimed were valid; hotel and transportation upgrades were properly justified and approved; and no charges for first class transportation were incurred by the Commission. In addition, management controls over Commissioner travel were in place and functioning as intended.

However, we also found that, on average, the Commissioners took approximately 17 days to file their travel vouchers. The elapsed time ranged from 1 day to 73 days. Although this is an improvement from last year's average of 25 days, Commission guidance indicates that vouchers should be filed within five days of the end of the trip. Also, five of the twenty vouchers (25%) contained errors corrected by the Comptroller's Office, compared to 17% last year. Three of these errors were caused by incorrect per diem rates, one was an addition mistake of \$.01, and the other requested in error a refund for an unused transportation ticket that had already been refunded. This issue is further discussed below.

VOUCHER ACCURACY

Until overtaken by the urgency of year 2000 compliance requirements, the Commission was implementing a Travel Management system to replace paper processing of travel documents. The system includes up-to-date per diem rates for use in preparing travel vouchers. At this time, the Commissioners' Offices do not have access to the new system. Once the year 2000 constraints have subsided, the Commission plans to complete implementation of the system. The implementation is expected to increase the accuracy of travel vouchers throughout the Commission.