

Audit of WMATA's Travel Expenses

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Results in Brief

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Audit Objectives

The Office of Inspector General (OIG) for the Washington Metropolitan Area Transit Authority (WMATA) conducted this audit to determine if WMATA's internal controls for travel expenses are effective and efficient. Specifically, the audit was performed to:

- a) determine whether employees' travel expense reimbursements comply with WMATA's and federal travel program policies and procedures and
- b) examine the processes for pre-approval and expense reimbursements.

Why We Did the Audit

- A former senior official within the Office of Accounting (ACCT) suggested the audit to OIG. The former employee believed ACCT was not adequately managing and administering travel reimbursements.
- Audit was included in the Annual Audit and Evaluation Plan for Fiscal Year (FY) 2024.

Recommendations

OIG recommends that ACCT implement a management information system (MIS) to autonomously track travel requests, advances, and reimbursements. Additionally, we recommend enhanced oversight of the reimbursement and reconciliation process to ensure travelers comply with all requirements promptly. By addressing the recommendations outlined in this report, WMATA can strengthen internal controls and enhance financial accountability in the travel program.

What OIG Found

WMATA has implemented internal controls and processes for managing the travel program. However, OIG identified opportunities to strengthen internal controls for managing the travel advance and reimbursement process. Internal controls over travel expenses are designed to provide reasonable assurance that disbursed funds have been used appropriately and for the intended purpose. Non-compliance with WMATA's travel expenses policies can compromise the accuracy and integrity of financial data and increase opportunities for fraudulent activity.

OIG acknowledges that ACCT has already taken proactive measures to address the observations outlined in this report. These actions are a credit to management and indicate a clear commitment to continuously improving the program's operational effectiveness and efficiency.

Specifically, OIG's audit found that:

1. ACCT needs to improve management oversight of travel advance requests and reimbursement compliance to ensure timely submissions and reimbursement.
2. Some travel advances were processed after employee departure dates, contrary to policy.
3. Some travel requests are missing evidence of approval in PeopleSoft.
4. ACCT lacks an MIS to manage travel requests, advances, and reimbursements.



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Background

Business travel is an integral part of many organizations and often helps them achieve their respective missions and goals. According to the Internal Revenue Service (IRS), “[t]ravel expenses are the ordinary and necessary expenses of traveling away from home for your business, profession, or job.”¹ Travel expenses can represent a significant expense for an organization and pose management and administrative challenges if not properly administered. We conducted an audit of WMATA’s collections and reimbursements of expenses related to official business travel to determine whether the Authority is adhering to established policies on business travel expense reconciliations.

ACCT provides policy guidance and oversight of WMATA’s business travel program. OIG reviewed 839 reimbursement claims submitted to ACCT between July 1, 2022, and June 30, 2023, totaling \$545,945 in reimbursable expenses. We set out to determine whether ACCT adhered to WMATA’s Official Travel Policies and Procedures Manual² dated July 2012 (2012 Manual). The 2012 Manual, the governing manual during the audit, sets standards for booking, approving, expensing, and reimbursing business travel.

The 2012 Manual defines business travel as “travel performed in the conduct of WMATA business.” For example, business travel may include conferences, meetings, legislative sessions, and training events. The 2012 Manual also identifies the following as eligible travel expenses:

- lodging,
- meals,
- mileage,
- transportation,
- parking, and
- miscellaneous expenses related to official WMATA business travel.

According to the 2012 Manual, all business travel must be authorized in advance. Travelers must complete a Travel Authorization and Request for Advance Form 50.29 (TA Request) and submit the form to the appropriate authorizing official for approval. The TA Request serves two main functions: it requests approval for official travel and cash advances before the initiation of travel. All TA Requests must be submitted to ACCT five workdays before the travel departure date. In

¹ Internal Revenue Service, Topic No. 511, Business Travel Expense.

² OIG used WMATA’s *Official Travel Policies and Procedures Manual* dated July 2012 to analyze the sample discussed in our report. This policy was in effect during the 2023 period for the travel data OIG collected.

emergencies, the authorizing official may grant written approval via email and initiate the formal authorization process within three (3) workdays.

After the authorizing official approves the TA Request, it goes to ACCT for processing. ACCT is responsible for reviewing each travel request, providing estimates, and taking appropriate action to satisfy the travel requirements. However, the 2012 Manual does not specify a timeframe within which ACCT must process the traveler's request.

Once the employee returns from travel, they must reconcile their cash advance by submitting a completed Travel Reimbursement and Expense Reporting Voucher Form 50.210 (TR Voucher) no later than 20 workdays after the end of each travel period. Unless approved in writing by the authorizing official, the traveler cannot receive additional travel cash advances when they have an outstanding advance. Any advance not cleared within 45 days after the scheduled completion of travel gets deducted from the traveler's salary.

Since the conclusion of this audit, WMATA has published updated travel standards that modified the 2012 Manual. The new travel manual, implemented in October 2023 (2023 Manual), was not in effect during the audit period and, thus, was not used to review the travel reconciliations we analyzed as part of our audit.

Finding 1: Improved Management Oversight is Needed for TR Voucher Compliance to Ensure Timely Submissions

OIG found vouchers that had been submitted late and that ACCT did not review and clear over half of the vouchers in accordance with policy requirements. ACCT needs enhanced management oversight to ensure that employees submit TR Vouchers and supporting documentation on time and that ACCT promptly reconciles those vouchers. Continued delays in enforcing voucher submission and reconciliation requirements could cause significant accounting and operational inefficiencies for WMATA. Further, by not enforcing submission requirements, ACCT exposes WMATA to fraud, inaccurate financial reporting, operational inefficiencies, misconduct opportunities, and increased opportunities for employees to misplace supporting travel documents.

TR Vouchers Were Submitted Late

OIG reviewed a sample of 40 TR Vouchers totaling \$100,130. OIG found that 11 of 40 employees submitted their TR Vouchers after the 20-workday requirement (see Table 1). The delays ranged from three (3) to 139 workdays beyond the 20-workday requirement. In six (6) of 11 cases (55%), the amount due to the employees totaled \$2,999, and in five (5) of 11 cases (45%), the amount employees owed to WMATA was \$1,439.

Table 1: TR Vouchers Submission Timeframes

No.	Traveler	Status	Travel Vouchers Amount	Amount Owed or Due Employee	Number of Work-Days After Return	Excess Days Past 20
1	Traveler 4	WMATA Owed Money	\$5,269.55	\$1,067.56	23	3
2	Traveler 22	WMATA Owed Money	\$5,269.55	\$1,318.39	27	7
3	Traveler 34	WMATA Owed Money	\$1,053.50	\$265.78	91	71
4	Traveler 40	WMATA Owed Money	\$2,589.25	\$176.28	138	118
5	Traveler 37	WMATA Owed Money	\$982.60	\$82.44	141	121
6	Traveler 33	WMATA Owed Money	\$1,569.88	\$89.01	159	139
Totals			\$16,734.33	\$2,999.46		
1	Traveler 16	Owed WMATA Money	\$1,578.50	\$490.22	29	9
2	Traveler 14	Owed WMATA Money	\$1,799.02	\$786.40	65	45
3	Traveler 10	Owed WMATA Money	\$2,449.96	25.84	95	75
4	Traveler 30	Owed WMATA Money	\$1,198.07	\$133.76	86	66
5	Traveler 9	Owed WMATA Money	\$2,433.50	\$2.81	149	129
Totals			\$9,459.05	\$1,439.03		

ACCT Did Not Reconcile and Clear TR Vouchers in Accordance with Policy

OIG also found that ACCT did not reconcile and clear 24 out of the 40 TR Vouchers within 45 calendar days, as required by the 2012 Manual (see Table 2). The processing delays ranged from 12 to 315 days beyond the 45-day deadline. OIG also discovered that WMATA owed 19 out of 24 (79%) employees approximately \$10,428, while five (5) out of 24 (21%) owed WMATA roughly \$1,430.

Table 2: Travel Reimbursement Processing Time Lengths

No.	Traveler	Status	Travel Vouchers Amount	Amount Owed or Due Employee	Number of Calendar Days After Return	Excess Days Past 45
1	Traveler 3	WMATA Owed Money	\$5,441.00	\$268.38	57	12
2	Traveler 18	WMATA Owed Money	\$1,447.35	\$0.00	70	25
3	Traveler 23	WMATA Owed Money	\$795.00	\$1,159.53	92	47
4	Traveler 31	WMATA Owed Money	\$1,289.76	\$448.20	132	87
5	Traveler 4	WMATA Owed Money	\$5,269.55	\$1,067.56	139	94
6	Traveler 22	WMATA Owed Money	\$5,269.55	\$1,318.39	139	94
7	Traveler 2	WMATA Owed Money	\$6,797.78	\$485.64	142	97
8	Traveler 13	WMATA Owed Money	\$1,833.60	\$174.20	148	103
9	Traveler 24	WMATA Owed Money	\$1,128.50	\$762.96	157	112
10	Traveler 35	WMATA Owed Money	\$1,042.24	\$351.17	176	131
11	Traveler 39	WMATA Owed Money	\$5,269.55	\$1,430.96	199	154
12	Traveler 19	WMATA Owed Money	\$5,269.55	\$1,444.32	199	154
13	Traveler 40	WMATA Owed Money	\$2,589.25	\$176.28	210	165
14	Traveler 34	WMATA Owed Money	\$1,053.50	\$265.78	215	170
15	Traveler 36	WMATA Owed Money	\$1,791.50	\$14.06	223	178
16	Traveler 38	WMATA Owed Money	\$1,689.50	\$734.36	225	180
17	Traveler 37	WMATA Owed Money	\$982.60	\$82.44	232	187
18	Traveler 33	WMATA Owed Money	\$1,569.88	\$89.01	253	208
19	Traveler 32	WMATA Owed Money	\$1,578.50	\$155.08	360	315
Totals			\$52,108.16	\$10,428.32		
1	Traveler 14	Owed WMATA Money	\$1,799.02	\$786.40	100	55
2	Traveler 30	Owed WMATA Money	\$1,198.07	\$133.76	207	162
3	Traveler 9	Owed WMATA Money	\$2,433.50	\$2.81	265	220
4	Traveler 15	Owed WMATA Money	\$1,765.38	\$17.22	287	242
5	Traveler 16	Owed WMATA Money	\$1,578.50	\$490.22	360	315
Totals			\$8,774.47	\$1,430.41		

ACCT did not track when it received the TR Vouchers for the period OIG reviewed. Consequently, OIG could not determine whether the travelers submitted the vouchers to ACCT later than required or if ACCT staff did not process the expense reports within the required timeframes. Some expense reports may have been submitted to ACCT late, resulting in departmental processing delays. However, the 2012 Manual explicitly states that ACCT must clear travel reimbursements and expense reports within 45 days of travel's completion and that additional travel advances shall not be authorized for any traveler with an outstanding travel advance unless approved in writing by the authorizing official. Furthermore, the TA Request and

TR Voucher forms state: “Travel Advances not cleared within 45 days after issuance shall be deducted from the employee’s salary.”

ACCT staff stated that when a TR Voucher was not submitted promptly, they would email the employee and their manager as a reminder that the voucher was due. However, employees often ignored those emails. ACCT staff also indicated that staff shortages and a backlog of reports contributed to the processing delays identified above. After the timeframe at issue in this report, ACCT staff stated that the department had filled some vacancies and started manually tracking the receipt of TR Vouchers.

2023 Travel Manual

The 2023 Manual addresses some of the issues identified in this finding. For example, the 2023 Manual provides that the traveler must reconcile all expenses within 60 days after completion of the trip. If the TR Vouchers are not completed and submitted by the required deadline: (a) the Travel Administrator³ will recover unaccounted advances via payroll deduction, and (b) any amounts owed to the Traveler are no longer eligible for reimbursements and will become a personal expense and the traveler's responsibility. The updated manual places the responsibility on the traveler to ensure all expenses are reconciled within 60 days. Not adhering to policy may result in payroll deductions for unaccounted expenses, forfeiture of reimbursable expenses, loss of travel privileges, and disciplinary action up to and including termination. Furthermore, the new manual requires the Travel Administrator to process the TR Voucher within five (5) business days of submission. However, OIG did not conduct any review or testing to verify whether ACCT is adhering to the 2023 Manual.

Recommendations

OIG recommends the GM/CEO:

1. Implement robust oversight procedures to ensure TR Vouchers are reconciled and cleared within the stipulated timeframe per policy instructions.

Management Response

Accounting agrees with the recommendation.

³ According to the new travel policy, the Travel Administrator is in the Office of Accounting.

The MetroTravel Program updated the Travel Policy and Procedures Manual (the Policy) in October 2023. Section 13.14, "Expense Reconciliation Deadlines," the Policy requires all Travel Reimbursements to be submitted no later than 60 calendar days after the trip's conclusion. This update ensures travelers know their obligations and provides Accounts Payable staff with a clear framework to track and enforce compliance.

Additionally, the MetroTravel Program implemented the Concur Solution Travel Request and Expense System in July 2024. This system offers an end-to-end travel solution, from trip authorization and purchase to expense reimbursement. It enhances visibility through detailed reporting, dashboards, enabling better oversight, and accountability.

The implementation of the Concur system has collectively improved compliance enforcement by reimbursement reconciliation, enhanced tracking, and increased accountability.

OIG Comment

OIG considers management's comments responsive to the recommendation. The update to the Travel Policy and Procedures Manual, particularly the inclusion of clear deadlines for expense reconciliation, along with the implementation of the Concur Travel Request and Expense system, collectively addresses the issues identified in this report, provided they are properly implemented. OIG will follow up on the planned actions during the corrective action plan phase.

2. Implement mechanisms to monitor compliance, including tracking submission deadlines and enforcing consequences for non-compliance in accordance with policy.

Management Response

Accounting agrees with the recommendation.

The MetroTravel Program has implemented a fully automated travel solution, Concur Travel Request and Expense. This system provides automated, real-time reporting, and tracking of all authorized travel requests without an attached expense report. The system reporting has increased the visibility and accountability for travel expense reconciliation, allowing the Accounts Payable staff to address non-compliance promptly.

This change ensures that all travel expenses are reconciled on time, aligning with policy requirements, and strengthening overall compliance management.

OIG Comment

OIG considers management's comments responsive to the recommendation and acknowledges that the Concur Travel Request and Expense system if properly implemented, could address the issues identified in this report. OIG will follow up on the planned actions during the corrective action plan phase.

3. Conduct refresher training on travel expense reporting, travel reimbursement processing, travel reimbursement, and collections, as well as reconciliation requirements, with ACCT personnel and other appropriate staff.

Management Response

Accounting agrees with the recommendation.

The Accounts Payable staff ensures compliance with travel authorization, expense reporting, reimbursement processing, and reconciliation requirements. In May 2024, the MetroTravel website was redesigned to provide a more user-friendly layout featuring key resources such as announcements, policies, forms, training videos, job aids, and system's embedded support buttons. These updates make it easier for travelers to access the information they need, and the job aids and e-learning materials to support continuous learning to reinforce policy adherence.

The latest version of the Policy is readily available on the MetroTravel Program page to ensure travelers have the most up-to-date information. This provides clear guidance on procedures and compliance requirements. Additionally, any system changes or updates are communicated through Metro Employee News. Ad hoc training sessions were offered to executive administrators, ensuring they stay informed and can guide their teams accordingly.

Accounts Payable will continue to ensure that all travelers are equipped to meet their compliance responsibilities and stay informed about policy changes.

OIG Comment

OIG considers management's comments responsive to the recommendation and the corrective actions taken should resolve the issue identified in this report. OIG will follow up on the planned actions during the corrective action plan phase.

Finding 2: Travel Advances Processed After Employee Departure Dates, Contrary to Policy

OIG reviewed travel advances to determine if they were processed in accordance with policy requirements. The purpose of an advance is to relieve travelers of anticipated travel expenses. While ACCT processed most of the travel advances in time for departure, there were two instances where ACCT did not process advances until after the travelers returned. Providing advances after travel has commenced could cause an unnecessary financial burden for travelers.

Delayed Travel Vouchers

OIG reviewed 40 travel advance requests and found two occasions where ACCT did not process travel advances until after the official departure dates. Specifically, WMATA paid those two employees approximately \$16,027 11 calendar days after the employees had departed on their trips. (see Table 3).

Table 3 shows that ACCT authorized the two TA Requests before the travel dates; however, ACCT did not clear the requests until 11 calendar days after the travel departure dates.

Table 3: Advance Authorized After Official Travel Departure

Traveler	Travel Authorized by Authorizing Official	Travel Authorized by Chief of Staff or Designee	Travel Dates	Date Advanced Processed (Accounts Payable Division)	Elapsed Days Between Travel and Request	Invoice Date	Invoice Amount
Traveler 1	1/12/2023	1/12/2023	02/6/2023-03/24/2023	2/17/2023	11	2/17/2023	\$9,229.38
Traveler 2	6/8/2022	7/13/2022	8/15/2022 - 09/25/2022	8/26/2022	11	8/26/2022	\$6,797.78
Total							\$16,027.16

ACCT staff captured the date when the department processed and paid the TA Requests. (see Table 3). However, ACCT staff did not track when the travel documents were received. As a result, OIG could not determine when the TA Requests were submitted to ACCT or identify where any processing delays occurred.

According to the 2012 Manual, “[a]pproved travel authorization shall be submitted to ACCT for processing. ACCT shall review all travel requests, provide estimates, and take appropriate action to satisfy the travel requirements. All travel shall be submitted to ACCT five (5) workdays before

the travel departure date, including all authorizing officials' signatures. In emergencies, written authorization may be granted by the authorizing official via email followed by initiating the formal authorization process within three (3) workdays." Based on this policy, ACCT **SHOULD** process travel advances before the employees' departure. However, the 2012 Manual does not specify a timeframe for ACCT to process requests for travel advances.

2023 Travel Manual

The 2023 Manual is expected to address the issues identified in this finding. The 2023 Manual requires that ACCT staff process all requests within five (5) business days of receipt. It also outlines guidelines for granting and approving exceptions. For example, the vice president and comptroller must review and approve exception requests in writing. Further, travelers must submit written requests before their anticipated travel date that include:

- the name(s) of the person(s) for whom the exception is requested;
- an explanation of the trip's purpose;
- an explanation of the types of expenses to be incurred;
- the anticipated travel dates; and
- the business reason for the requested exception.

Travelers must also attach the approved exemption to the TA Request at the time of submission. Travelers who deviate from the policy without written authorization may be subject to disciplinary action, including termination. OIG did not conduct any review or testing to verify whether ACCT is adhering to the 2023 Manual.

Recommendation

OIG recommends the GM/CEO:

4. Implement mechanisms to monitor compliance with travel advance processing timelines, including tracking exception requests and enforcing consequences for noncompliance.

Management Response

Accounting agrees with the recommendation.

We have implemented measures in alignment with section 2.9 "Responsibilities" of the Policy, which requires travelers to reconcile travel expenses within 60 days and reimburse WMATA for unspent advances. The Travel Request module is configured to enforce Section 12.3

“Travel Advances” of the Policy through audit controls that flag cash advance requests outside the allowed parameters. When such exceptions occur, a warning message will display reminding travelers of compliance deadlines, and advances not reconciled within 60 days are subject to payroll deductions for non-compliance. The warning feature is being implemented.

The Concur Travel Request and Expense system also addresses non-compliance with pre-authorization policies through a retroactive workflow. Travelers seeking reimbursement for trips taken without prior approval must justify and obtain approvals from their direct manager, executive leadership, and the Chief of Staff. This ensures that reimbursement for such cases is granted only after careful review, documentation, and approval of the exception.

Overall, the Concur Travel Request and Expense system integrates audit controls, workflows, and messaging to enforce adherence to the Policy.

These mechanisms will enable Accounts Payable to continuously monitor compliance, establish accountability, and ensure exceptions are adequately documented and addressed.

OIG Comment

OIG considers management’s comments responsive to the recommendation and acknowledges the measures outlined, including the integration of audit controls, workflows, and messaging in the Concur Travel Request and Expense system, as potential solutions to address the issues identified in this report. OIG emphasizes the importance of proper implementation and ongoing monitoring to ensure these mechanisms achieve their intended outcomes. OIG will follow up on the planned actions during the corrective action plan phase.

Finding 3: TR Vouchers Are Missing Evidence of Approval in PeopleSoft

OIG reviewed TR Vouchers to determine if those requests were processed and approved as required by policy. OIG found many that were missing the required approvals. A lapse in PeopleSoft technical controls and the established manual approval processes increases the likelihood of noncompliance with policies and procedures, potentially increasing opportunities for fraud.

We reviewed a sample size of 40 TR Vouchers and found that 14 (35%) lacked the required approvals, totaling approximately \$10,225 (see Table 4).

Table 4: Employees PeopleSoft Approval History - No Evidence of Approval

No.	Traveler	Invoice Date	PeopleSoft Approval Status	Invoice Amount
1	Traveler 37	3/3/2023	Approved	\$82.84
2	Traveler 28	3/3/2023	Approved	\$131.57
3	Traveler 3	4/19/2023	Approved	\$268.39
4	Traveler 17	4/20/2023	Approved	\$360.32
5	Traveler 31	3/10/2023	Approved	\$448.20
6	Traveler 2	2/14/2023	Approved	\$485.64
7	Traveler 1	4/14/2023	Approved	\$529.62
8	Traveler 38	4/12/2023	Approved	\$734.36
9	Traveler 24	3/17/2023	Approved	\$762.96
10	Traveler 4	2/17/2023	Approved	\$1,067.56
11	Traveler 23	11/10/2022	Approved	\$1,159.53
12	Traveler 22	2/17/2023	Approved	\$1,318.39
13	Traveler 39	4/12/2003	Approved	\$1,430.96
14	Traveler 19	4/18/2023	Approved	\$1,444.32
Total				\$10,224.66

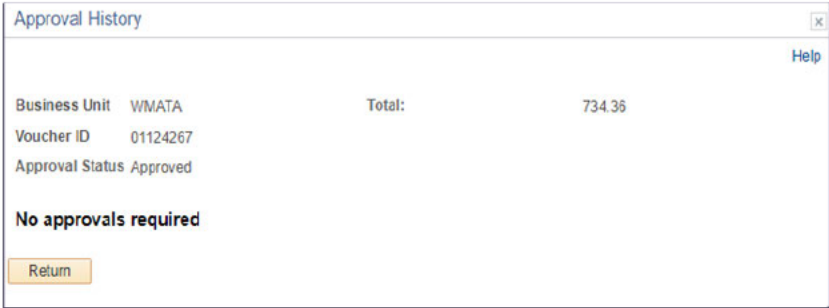
OIG also found that ACCT used two different processes (PeopleSoft⁴ and manual) to process TR Vouchers. Instead of following the required approval process, PeopleSoft automatically approved these 14 TR Vouchers. (see Table 4). The PeopleSoft system incorrectly indicated that no approvals were required for these transactions, even though approvals were, in fact, necessary. The PeopleSoft TR Voucher processing workflow requires approval based on dollar thresholds established in WMATA’s Accounting Procedures Manual, section 7.2⁵ (see Appendix

⁴ PeopleSoft is the software that ACCT’s Accounts Payable and Travel Division use to process TR voucher payments.

⁵ WMATA revised these thresholds in November 2022. The new procedures are in section 7.2 of the Accounting Policies & Procedures Manual.

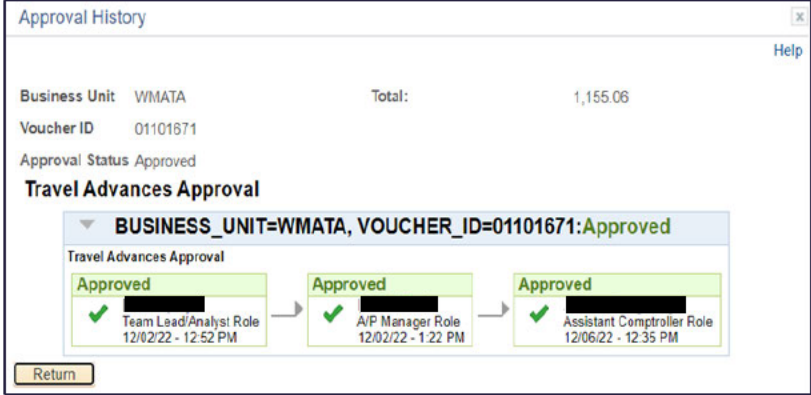
B). However, OIG found that PeopleSoft automatically approved the 14 transactions in Table 4 and allowed payment processing even though the TR Vouchers had not received the required approvals (see Figure 1).

Figure 1: No Evidence of Approval



In contrast to Figure 1, Figure 2 shows where all required approvals were obtained and properly reflected in PeopleSoft.

Figure 2: Evidence of Approval



ACCT used PeopleSoft to process both TA Advances and TR Vouchers. However, ACCT also allowed staff to process requests outside of PeopleSoft manually, which is inefficient given the availability of PeopleSoft. In addition, the two (2) processes ACCT used to approve travel requests made it difficult for OIG to determine whether the requisite approvals had been obtained.

ACCT management stated that the system was modified in May 2023 to enforce the policy's workflow approval requirements. However, OIG found at least one (1) transaction, dated June 22, 2023, where the traveler had not obtained the appropriate approval.

Recommendation

OIG recommends the GM/CEO:

5. Develop and implement, within the travel system, the appropriate workflow and approval processes that require strict adherence to the approval requirements outlined in WMATA's Accounting Procedures Manual.

Management Response

Accounting agrees with the recommendation.

The new Concur Travel Request and Expense system was implemented in FY2024, and it is configured to enforce the Policy approval requirements through tailored workflows and organizational hierarchies. Travel authorization PeopleSoft workflows follow organizational hierarchies and require executive approval within the traveler's organization, while expense reimbursement PeopleSoft workflows require direct management approval.

Administrative roles ensure compliance and proper documentation. The Financial Administrator and Chief of Staff verify documentation and business purposes before authorization for travel requests. The approved Concur Travel Request are transmitted to PeopleSoft to be approved by the Accounts Payable Manager/or Accounts Payable Director based on established dollar thresholds. Similarly, for expense reimbursements, Accounts Payable staff reviews the attached receipts for all expenses, with final approval in PeopleSoft by the Accounts Payable Manager/or Accounts Payable Director, according to the established dollar thresholds. In addition, the batch/or system automated approvals have been disabled requiring all Travel Requests and Expenses to be approved in the established PeopleSoft workflow.

Accounting will continue to monitor the new Concur system performance and its adherence to the approval requirements.

OIG Comment

OIG considers management's comments responsive to the recommendation and acknowledges the measures outlined, including the tailored workflows, organizational hierarchies, and multi-level approval processes within the Concur Travel Request and Expense system. If properly implemented and monitored, these measures could address the issues identified in this report. OIG will follow up on the planned actions during the corrective action plan phase.

Finding 4: Lack of a Management Information System to Manage Requests for Travel Advances, Travel Reimbursements, and Reconciliations

OIG reviewed ACCT's method for tracking and managing requests for travel advances, reimbursements, and reconciliation and found that ACCT did not have an MIS. ACCT staff stated they utilized end-user computer systems, *i.e.*, Excel spreadsheets, to track these functions. Manually tracking TA Requests and TR Vouchers creates inefficiencies, increases workload, and puts WMATA at risk for accounting inaccuracies. These mechanisms also require ACCT staff to dedicate additional time tracking TR Vouchers, ensuring proper approval, matching receipts, and correcting errors. If ACCT continues to use manual tracking methods, it will increase the chances of inaccurate financial reports, transposition, processing delays, and limited real-time visibility into ACCT activities.

According to section 10.06 of the Government Accountability Office's (GAO's) Standards for Internal Control in the Federal Government:⁶

Control activities can be implemented in either an automated or a manual manner. Automated control activities are either wholly or partially automated through the entity's information technology. Manual control activities are performed by individuals with minor use of the entity's information technology. Automated control activities tend to be more reliable because they are less susceptible to human error and are typically more efficient.

The Center for Government Innovation (the Center) provides that - Processing travel claims, in part, requires: "[u]se a centralized program to track travel. Consider using software or another technology-based solution to organize records and streamline the reimbursement process. . . ."⁷ OIG concurs with the Center that ACCT should (1) transition from manual tracking systems, such as Excel spreadsheets, to automate control activities where feasible and (2) leverage information technology solutions to automate reimbursement tracking. This can reduce human error, enhance efficiency, and provide better oversight. Both GAO and the Center recognize the need to implement an MIS.

At the time of our audit, ACCT staff stated that an MIS system had not been implemented. However, once we completed the audit, ACCT personnel informed us that a new system had

⁶ GAO Standards of Internal Control in the Federal Government (September 2014) - Principle 10 – Design Control Activities.

⁷ Center for Government Innovations - Office of the Washington State Auditor Best Practices for Travel and Reimbursable Expenses - Processing Travel Claims (January 2024).

been implemented. Although management reported that the new system possesses capabilities addressing some of the areas for improvement OIG identified, we could not verify this claim. OIG may conduct a follow-up review to assess the system and its implementation.

Recommendation

OIG recommends the GM/CEO:

6. Implement a management information system to manage, administer, and monitor travel advance and travel reimbursement tracking in line with best practices.

Management Response

Accounting agrees with the recommendation.

To effectively manage, administer, and monitor travel advances and reimbursements in line with best practices, MetroTravel has implemented a robust process through the new Concur Travel Request and Expense system. Travel advances are administered based on Federal Domestic and International GSA per diem rates, ensuring compliance with destination-specific requirements. This approach limits advances to per diem amounts—meals only for domestic travel and meals plus lodging for international trips—while airfare, lodging, and car rentals are charged directly to a centralized corporate travel card. By reducing the amount of cash advances, the risk of over-advancing is mitigated thereby reducing WMATA's financial liability. Advances are reviewed within the Concur Travel Request and Expense system before transmission to PeopleSoft to confirm compliance with the Policy criteria, including adherence to Federal per diem rates. To prevent unnecessary payouts, travel advances are issued as close to the departure date, ensuring trips have not been canceled or rescheduled.

The Travel Expense module incorporates an approval escalation process to enforce timely submission and approval of travel expenses. If an expense remains unapproved for three days, it automatically escalates to the next managerial level, ensuring adherence to approval timelines outlined in the Policy. This process strengthens compliance and reinforces accountability within the program.

Overall, the Concur Travel Request and Expense system integrates audit controls, best practices, and policy requirements, providing Accounts Payable staff with the tools to manage and monitor travel advances and reimbursements effectively while promoting compliance and fiscal responsibility.

Accounting will continue to monitor the new Concur system performance and its adherence to the Policy.

OIG Comment

OIG considers management's comments responsive to the recommendation and acknowledges that the Concur Travel Request and Expense system if properly implemented, could address the issues identified in this report. OIG will follow up on the planned actions during the corrective action plan phase.

Scope

The audit's scope included reviewing WMATA's Travel Expenses from July 1, 2022, to June 30, 2023, and applicable policies, procedures, and guidance.

Methodology

To achieve the audit objectives, OIG's audit methodology was as follows:

- Reviewed and defined responsible organizational infrastructure for the management and administration of the program;
- Reviewed relevant laws, regulations, policies and procedures, best practices, and guidance, such as WMATA Policy Instructions, Accounting Policies and Procedures, and Standard Operating Procedures;
- Reviewed prior audits conducted by other organizations;
- Conducted interviews with responsible management and staff;
- Conducted walkthroughs to become familiar with WMATA's Travel and Expenses administrative and management processes;
- Identified and documented internal controls over WMATA's Travel Program; and
- Identified universe of travel transactions for FY 2023 and selected a sample for review and testing.

Generally Accepted Government Auditing Standards (GAGAS) Statement

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Data Integrity

To assess the data reliability of the data, OIG used processed data obtained from WMATA's PeopleSoft Financial System, *i.e.*, Accounts Payable Division Travel Voucher Listing for FY 2023, to determine travel advances paid to travelers on official business travel. OIG also used PeopleSoft Financial Accounts Payable module data to verify supporting documentation attached to TA Requests and TR Vouchers. The data utilized to support the findings in this report were sufficiently reliable. OIG took a sample of data and traced it back to source documentation. This test demonstrated that the data could reasonably be relied on as a sufficient and appropriate basis for the foundation of several audit observations and findings.

WMATA’s Accounting Procedures Manual Section 4.1 provides “[A]ccounts Payable Branch is responsible for processing payment vouchers, based on the approval thresholds”

APM section 5.4. provides “[a]ccounts Payable workflow (or the approval threshold structure thereof) is specifically used for vouchers, **travel advances** [emphasis added], warrant registers, claims and direct payments.” The dollar threshold for approval is as follows:

Type	Dollar Amount	Approver	
Vouchers	<= \$25,000	Team Lead/Analyst	
	<= \$75,000	Supervisor	
	<= \$500,000	Manager	
	<= \$1,000,000	Assistant Comptroller	
	> \$1,000,000	Comptroller	
Travel Advances	<= \$800	Team Lead/Analyst	
	<= \$800	Supervisor/Manager	
	> \$800	Assistant Comptroller	
Warrant Registers:			
	<ul style="list-style-type: none"> ▪ Regular A/P 	<ul style="list-style-type: none"> <= \$500,000 > \$500,000 	<ul style="list-style-type: none"> Manager Assistant Comptroller
	<ul style="list-style-type: none"> ▪ Payroll related - Garnishments, Taxes, Saving Bonds, etc. 	All payroll related except weekly Garnishments	<ul style="list-style-type: none"> Manager Assistant Comptroller
Direct Requisitions	<= \$75,000	Supervisor	
	<= \$500,000	Manager	
	<= \$1,000,000	Assistant Comptroller	
	<= \$2,000,000	Comptroller	
	> \$2,000,000	Chief Financial Officer	

M E M O R A N D U M

SUBJECT: OIG Audit of WMATA's Travel Expenses

DATE: January 9, 2025

FROM: Executive Vice President and Chief Financial Officer – Yetunde Olumide

Yetunde Olumide

Digitally signed by
Yetunde Olumide
Date: 2025.01.09
16:33:15 -05'00'

TO: Inspector General – Michelle Zamarin

WMATA management has carefully reviewed the Office of Inspector General's (OIG) December 16, 2024, "Audit of WMATA's Travel Expenses." The report noted gaps in compliance and clarity in the travel reimbursement and advance process. WMATA's travel program, now titled MetroTravel, underwent significant corrective actions to enhance clarity, compliance, and operational efficiency. The 2012 Travel Manual was updated in October 2023, introducing clear deadlines for requests and expenses. In July 2024, the Concur Travel Request and Expense solution was launched, offering a comprehensive travel management system that automates processes, integrates policy compliance controls, and provides real-time tracking through detailed dashboards.

The revamped program also implemented robust mechanisms, such as audit controls to flag exceptions, workflows for approvals aligned with organizational hierarchies, and automated escalation for overdue expenses. Job aids, e-learning resources, and targeted communications ensure travelers are enabled to comply with updated policies. These actions have improved policy adherence, streamlined processes, and reduced financial risks by minimizing over-advancing and addressing non-compliance. These measures establish a stronger framework for oversight, enhance accountability, and align the travel program with best practices.

1. **Implement robust oversight procedures to ensure TR Vouchers are reconciled and cleared within the stipulated timeframe per policy instructions.**

Response:

Accounting agrees with the recommendation.

The MetroTravel Program updated the Travel Policy and Procedures Manual (the Policy) in October 2023. Section 13.14, "Expense Reconciliation Deadlines," the Policy requires all Travel Reimbursements to be submitted no later than 60 calendar days after the trip's conclusion. This update ensures travelers know their obligations and provides Accounts Payable staff with a clear framework to track and enforce compliance.

Additionally, the MetroTravel Program implemented the Concur Solution Travel Request and Expense System in July 2024. This system offers an end-to-end travel solution, from trip authorization and purchase to expense reimbursement. It enhances visibility through detailed reporting, dashboards, enabling better oversight, and accountability.

The implementation of the Concur system has collectively improved compliance enforcement by reimbursement reconciliation, enhanced tracking, and increased accountability.

- 2. Implement mechanisms to monitor compliance, including tracking submission deadlines and enforcing consequences for non-compliance in accordance with policy.**

Response:

Accounting agrees with the recommendation.

The MetroTravel Program has implemented a fully automated travel solution, Concur Travel Request and Expense. This system provides automated, real-time reporting, and tracking of all authorized travel requests without an attached expense report. The system reporting has increased the visibility and accountability for travel expense reconciliation, allowing the Accounts Payable staff to address non-compliance promptly.

This change ensures that all travel expenses are reconciled on time, aligning with policy requirements, and strengthening overall compliance management.

- 3. Conduct refresher training on travel expense reporting, travel reimbursement processing, travel reimbursement, and collections, as well as reconciliation requirements, with Accounting personnel and other appropriate staff.**

Response:

Accounting agrees with the recommendation.

The Accounts Payable staff ensures compliance with travel authorization, expense reporting, reimbursement processing, and reconciliation requirements. In May 2024, the MetroTravel website was redesigned to provide a more user-friendly layout featuring key resources such as announcements, policies, forms, training videos, job aids, and system's embedded support buttons. These updates make it easier for travelers to access the information they need, and the job aids

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and e-learning materials to support continuous learning to reinforce policy adherence.

The latest version of the Policy is readily available on the MetroTravel Program page to ensure travelers have the most up-to-date information. This provides clear guidance on procedures and compliance requirements. Additionally, any system changes or updates are communicated through Metro Employee News. Ad hoc training sessions were offered to executive administrators, ensuring they stay informed and can guide their teams accordingly.

Accounts Payable will continue to ensure that all travelers are equipped to meet their compliance responsibilities and stay informed about policy changes.

4. **Implement mechanisms to monitor compliance with travel advance processing timelines, including tracking exception requests and enforcing consequences for noncompliance.**

Response:

Accounting agrees with the recommendation. We have implemented measures in alignment with section 2.9 "Responsibilities" of the Policy, which requires travelers to reconcile travel expenses within 60 days and reimburse WMATA for unspent advances. The Travel Request module is configured to enforce Section 12.3 "Travel Advances" of the Policy through audit controls that flag cash advance requests outside the allowed parameters. When such exceptions occur, a warning message will display reminding travelers of compliance deadlines, and advances not reconciled within 60 days are subject to payroll deductions for non-compliance. The warning feature is being implemented.

The Concur Travel Request and Expense system also addresses non-compliance with pre-authorization policies through a retroactive workflow. Travelers seeking reimbursement for trips taken without prior approval must justify and obtain approvals from their direct manager, executive leadership, and the Chief of Staff. This ensures that reimbursement for such cases is granted only after careful review, documentation, and approval of the exception.

Overall, the Concur Travel Request and Expense system integrates audit controls, workflows, and messaging to enforce adherence to the Policy.

These mechanisms will enable Accounts Payable to continuously monitor compliance, establish accountability, and ensure exceptions are adequately documented and addressed.

5. **Develop and implement, within the travel system, the appropriate workflow and approval processes that require strict adherence to the approval requirements outlined in WMATA's Accounting Procedures Manual.**

Response:

Accounting agrees with the recommendation.

The new Concur Travel Request and Expense system was implemented in FY2024, and it is configured to enforce the Policy approval requirements through tailored workflows and organizational hierarchies. Travel authorization PeopleSoft workflows follow organizational hierarchies and require executive approval within the traveler's organization, while expense reimbursement PeopleSoft workflows require direct management approval.

Administrative roles ensure compliance and proper documentation. The Financial Administrator and Chief of Staff verify documentation and business purposes before authorization for travel requests. The approved Concur Travel Request are transmitted to PeopleSoft to be approved by the Accounts Payable Manager/or Accounts Payable Director based on established dollar thresholds. Similarly, for expense reimbursements, Accounts Payable staff reviews the attached receipts for all expenses, with final approval in PeopleSoft by the Accounts Payable Manager/or Accounts Payable Director, according to the established dollar thresholds. In addition, the batch/or system automated approvals have been disabled requiring all Travel Requests and Expenses to be approved in the established PeopleSoft workflow.

Accounting will continue to monitor the new Concur system performance and its adherence to the approval requirements.

6. **Implement a management information system to manage, administer, and monitor travel advance and travel reimbursement tracking in line with best practices.**

Response:

Accounting agrees with the recommendation.

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To effectively manage, administer, and monitor travel advances and reimbursements in line with best practices, MetroTravel has implemented a robust process through the new Concur Travel Request and Expense system. Travel advances are administered based on Federal Domestic and International GSA per diem rates, ensuring compliance with destination-specific requirements. This approach limits advances to per diem amounts—meals only for domestic travel and meals plus lodging for international trips—while airfare, lodging, and car rentals are charged directly to a centralized corporate travel card. By reducing the amount of cash advances, the risk of over-advancing is mitigated thereby reducing WMATA's financial liability. Advances are reviewed within the Concur Travel Request and Expense system before transmission to PeopleSoft to confirm compliance with the Policy criteria, including adherence to Federal per diem rates. To prevent unnecessary payouts, travel advances are issued as close to the departure date, ensuring trips have not been canceled or rescheduled.

The Travel Expense module incorporates an approval escalation process to enforce timely submission and approval of travel expenses. If an expense remains unapproved for three days, it automatically escalates to the next managerial level, ensuring adherence to approval timelines outlined in the Policy. This process strengthens compliance and reinforces accountability within the program.

Overall, the Concur Travel Request and Expense system integrates audit controls, best practices, and policy requirements, providing Accounts Payable staff with the tools to manage and monitor travel advances and reimbursements effectively while promoting compliance and fiscal responsibility.

Accounting will continue to monitor the new Concur system performance and its adherence to the Policy.

cc: Senior Executive Team
VP & Chief Risk and Audit Officer - Elizabeth Sullivan

To Report Fraud, Waste, or Abuse

Please Contact:

Email: hotline@wmataoig.gov

Website: wmataoig.gov/hotline-form/

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