

**OFFICE OF THE
INSPECTOR GENERAL**

Memo



Date: January 24, 2023

To: Steve Case, Chair, Board of Regents
Risa J. Lavizzo-Mourey, Vice Chair, Board of Regents
John Fahey, Board of Regents

Cc: Porter N. Wilkinson, Chief of Staff to the Regents
Kate Forester, Deputy Chief of Staff to the Regents
Judith Leonard, General Counsel

From: Cathy L. Helm, Inspector General

DocuSigned by:

A handwritten signature in black ink that reads "Cathy Helm".

FA013041C5054A3...

Subject: Regents' Reimbursed Expenses for Fiscal Years 2021 and 2022 (OIG-A-23-03)

The Office of the Inspector General found that the Office of the Regents generally complied with applicable policies and procedures for reimbursing travel and other expenses of 1 of 17 Regents totaling \$1,257 in fiscal years 2021 and 2022.

According to 20 U.S.C. § 44, each member of the Smithsonian Institution's (Smithsonian) Board of Regents (Board) shall be paid for necessary travel and other actual expenses to attend meetings of the Board. The law also assigns the Board's Executive Committee the responsibility of auditing these expenditures. Since 2008, at the request of the Executive Committee, the Smithsonian's Office of the Inspector General (OIG) has conducted audits of the Regents' travel expenses.¹

The objective of this audit was to determine whether the Regents' travel expense reimbursements for fiscal years 2021 and 2022 complied with the Travel Reimbursement Policy specified by the Office of the Regents. For further information about the audit's scope and methodology, see Attachment I.

Regents generally attend four Board meetings a year in Washington, D.C., as well as numerous committee meetings and occasional special events. The law recognizes that Regents who live outside the Washington, D.C., area may need to travel to attend these meetings and events. For additional background information, see Attachment II.

OIG provided a draft report to the Chief of Staff to the Regents, who concurred with the report results and chose not to provide a written response.

If you have any questions, please call me or Joan Mockeridge, Assistant Inspector General for Audits, at 202.633.7050.

Attachments (2)

¹ The Executive Committee of the Board has powers of the Board when it is not in session, except for those powers specifically reserved for the Board.

Objective, Scope, and Methodology

The objective of this audit was to determine whether the Regents' travel expense reimbursements for fiscal years 2021 and 2022 complied with applicable policies and procedures.

To identify the fiscal year 2021 and 2022 expenses reimbursed under the *Reimbursement of Regents' Expenses* (Travel Reimbursement Policy), the Office of the Inspector General (OIG) reviewed the Smithsonian Institution's (Smithsonian) general ledger and compiled a list of three reimbursements made by the Office of the Regents that pertained to travel expenses for one Regent.² OIG reviewed all of the Regents' travel reimbursement requests and supporting documentation from October 1, 2020, through September 30, 2022.

OIG reviewed the minutes of the meetings of the Board of Regents and its committees to verify that Regents attended the meeting for which they were reimbursed. OIG reviewed the Board of Regents' *Charter and Bylaws*; the Travel Reimbursement Policy; and Smithsonian Directive 312, *Travel Handbook*. OIG also interviewed key personnel from the Office of the Regents and the Office of the General Counsel.

In planning and performing this audit, OIG identified two internal control components (control activities, and information and communication) and four underlying principles as significant to the audit objective, as shown in Table 1. OIG assessed the design, implementation, and operating effectiveness of the internal controls significant to the audit objective and identified no internal control deficiencies.

Table 1. Internal Control Components and Principles Significant to the Audit Objective

Control Activity Principles
Management should design control activities to achieve objectives and respond to risks.
Management should implement control activities through policies.
Information and Communication Principles
Management should use quality information to achieve the entity's objectives.
Management should internally communicate the necessary quality information to achieve the entity's objectives.

Source: OIG analysis.

OIG conducted this performance audit in Washington, D.C., from October 2022 through January 2023 in accordance with generally accepted government auditing standards. Those standards require that OIG plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for its findings and conclusions based on the audit objective. OIG believes that the evidence obtained provides a reasonable basis for its findings and conclusions based on the audit objective.

² *Reimbursement of Regents' Expenses*, effective June 2018.

Background

Congress vests responsibility for the administration of the Smithsonian Institution (Smithsonian) in the 17-member Board of Regents (the Board). The members are the Chief Justice of the Supreme Court, who serves as the Chancellor of the Smithsonian; the Vice President; three U.S. senators; three members of the House of Representatives; and nine private citizens. Two of the nine private-citizen Regents must reside in the District of Columbia; the seven others must live in the United States, but no two can be from the same state.³ The Regents generally attend four Board meetings a year, as well as various committee meetings and special events.

The Regents are reimbursed for their travel expenses in accordance with the *Reimbursement of Regents' Expenses* (Travel Reimbursement Policy). The Regents coordinate their travel through the Office of the Regents, which makes reservations for their lodging. The Regents arrange their own transportation and other aspects of their trips. The Regents submit their travel reimbursement requests and supporting documentation detailing expenses for meetings or events to the Office of the Regents.⁴

The Travel Reimbursement Policy establishes reimbursement limits and sets requirements for the Regents to follow. For example, the policy limits the reimbursements for air or train transportation to the equivalent of coach or actual expenses, whichever is lower. The General Counsel is authorized to approve reimbursement of any reasonable expenses for mission-related activities if expenses are under a limit of \$750 per occasion.

The travel reimbursement process involves review and action by several parties. Regents submitted their reimbursement request to the Special Assistant for the Office of the Regents. For all of fiscal years 2021 and 2022, the Special Assistant performed the initial review of the reimbursement requests for completeness and accuracy and sent the request to the Office of General Counsel. The General Counsel reviewed the request for compliance and authorized payment. The General Counsel returned the request to the Special Assistant, who submitted the completed reimbursement request to the Deputy Chief of Staff to the Regents in the Office of Regents. The Deputy Chief of Staff reviewed the reimbursement request for accuracy, ensured that all documentation was provided, and then submitted the request to the Office of Finance and Accounting for payment. The Accounts Payable staff in the Office of Finance and Accounting processed the request and entered the approved amounts into the Smithsonian's accounting system. The accounting system then generated the payment to the Regent by an electronic funds transfer.

³ 20 U.S.C. § 42(a).

⁴ The Office of the Regents provides support to the Board of Regents.