



Highlights of [GAO-03-334](#), a report to the Chairman, Subcommittee on Oversight and Investigations, Committee on Energy and Commerce, House of Representatives

## Why GAO Did This Study

By their nature, determining and paying allowable travel costs pose substantial risk, making effective internal control crucial. Because of this and weaknesses in internal control identified in the GAO review of travel card usage at the Department of Defense, GAO was requested to review the Department of Health and Human Services' (HHS) travel program. GAO assessed whether HHS's process for monitoring travel charge cards helps minimize delinquencies, write-offs, and unauthorized use. GAO also assessed whether controls over travel voucher processing help ensure proper reimbursements. GAO tested a statistical sample of travel card transactions at each of five HHS component agencies to determine if they were for authorized purposes. GAO also reviewed related travel vouchers to determine if reimbursement amounts were proper.

## What GAO Recommends

GAO recommends that HHS require component agencies to

- periodically test a sample of travel card transactions to identify unauthorized travel card charges and
- reinforce the requirement that voucher processing staff/reviewers check vouchers for proper per diem amounts and amounts credited on hotel bills and obtain and retain the necessary receipts.

HHS concurred with our recommendations and stated that it is working to implement them.

[www.gao.gov/cgi-bin/getrpt?GAO-03-334](http://www.gao.gov/cgi-bin/getrpt?GAO-03-334).

To view the full report, including the scope and methodology, click on the link above. For more information, contact Linda Calbom at (202) 512-9508 or [calboml@gao.gov](mailto:calboml@gao.gov).

# DEPARTMENT OF HEALTH AND HUMAN SERVICES

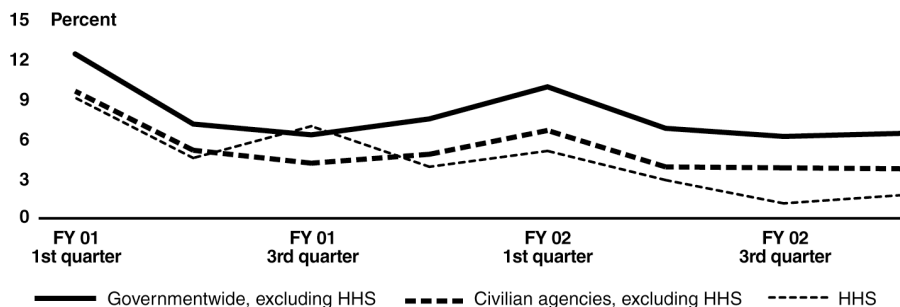
## Controls over Travel Program Are Generally Effective, but Some Improvements Are Needed

### What GAO Found

HHS's process for monitoring its travel card program, which includes reviewing bank reports to identify delinquent cardholders, effectively minimized delinquencies and write-offs. However, some unauthorized use of the travel card still occurred.

As shown below, HHS delinquency rates were lower than governmentwide rates for most of 2001 and declined further in 2002. Also, HHS's .29 percent write-off rate—the amount of unpaid travel card charges written off as a percentage of total travel charges—was slightly lower than the governmentwide rate of .44 percent.

**HHS Delinquency Rates for Fiscal Years 2001 and 2002 Compared to Governmentwide Rates**



Source: General Services Administration data.

HHS has not always identified or prevented unauthorized travel card use because its monitoring of travel card use focuses mainly on delinquencies. GAO estimated that unauthorized travel card transactions for fiscal year 2001 ranged from about 7 percent at one HHS component agency to about 22 percent at another. Examples of unauthorized charges included personal charges for meals and automated teller machine withdrawals. While unauthorized use had minimal negative monetary effect because the majority of cardholders who made these charges paid their travel card bills timely, left unchecked, such use could lead to increased delinquencies and write-offs.

GAO also found weaknesses in voucher processing, inadequate review of vouchers, and poor record retention, resulting in some employees being reimbursed for more than allowable expenses and for amounts not properly supported. The excess reimbursement ranged from about \$2 on one voucher to about \$250 on another. While these amounts alone are insignificant and relate to only a small percentage of travel reimbursements for fiscal year 2001, excess reimbursements reduce the amount of available travel funds. Further, vouchers that are not supported by related receipts make it difficult to determine if the reimbursement amounts are proper.