

Internal Control Assessment Travel Process Separation of Duties

Purpose

To ensure that proper internal controls exist regarding FSA's travel process and determine the extent that FSA adheres to those policies, procedures, regulations and laws.

Background

In accordance with the GAO document *Standards for Internal Controls in the Federal Government*, FSA must ensure that separation of duties exist in authorizing, processing and posting travel voucher procedures. Duties and responsibilities should be assigned systematically to a number of individuals to ensure that effective checks and balances exist. To the extent practical, different individuals should be assigned responsibility for:

- Authorizing/approval of FSA employee travel;
- Approving travel claim reimbursements;
- Recording travel expenses; and
- Reconciling travel financial transactions;

No one individual should control all aspects of a travel transaction or event. This measure is important to reduce the risk of error, waste, or wrongful acts, as well as the possibility of such acts going undetected. Collusion can reduce or destroy the effectiveness of this internal control standard. Managers should also exercise appropriate oversight to ensure that individuals don't exceed or abuse their assigned responsibilities.

Internal Control Standard

FSA must ensure separation of duties for the travel process.

Assessment of FSA's Compliance*

We performed a judgmental sample of travel documents over the period of several months. We interviewed FSA employees in order to answer the following question: Are the duties of travel voucher approval, travel claim reimbursement, travel advance approval, permissible expense determination, and general ledger functions separated? We interviewed several employees in the travel department in order to analyze whether adequate segregation of duties was met. The FSA employees outlined their day-to day duties, and we noted that staffing needs were met, thus the segregation of duties was upheld.

* The actual testing phase including interviews and examination of sampled records has not yet occurred. This write-up is only a sample of what may be discovered during the testing phase of the FMFIA process.