

GENERAL SERVICES ADMINISTRATION OFFICE OF INSPECTOR GENERAL

**IMPLEMENTATION REVIEW OF THE
REVIEW OF FEDERAL SUPPLY SERVICE
TRAVEL AND TRANSPORTATION
MANAGEMENT DIVISION'S
FREIGHT MANAGEMENT PROGRAM
REPORT NUMBER A060153/F/7/V07004
DATED MAY 21, 2007
REPORT NUMBER A100101
MARCH 17, 2010**





U.S. General Services Administration
Office of Inspector General

Date: March 17, 2010

Reply to
Attn of: Regional Inspector General for Auditing
Greater Southwest Region (JA-7)

Subject: Implementation Review of the
Review of Federal Supply Service
Travel and Transportation
Management Division's
Freight Management Program
Report Number A060153/F/7/V07004
Dated May 21, 2007
Report Number A100101

To: James A. Williams
Commissioner
Federal Acquisition Service (Q)

Timothy Burke
Director
Office of Travel & Transportation Services (QMC)

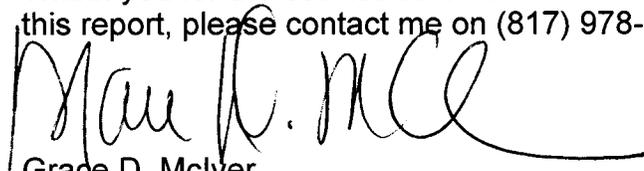
The Office of Audits has completed an implementation review of management's actions taken in response to the recommendations in our audit report of the Review of Federal Supply Service Travel and Transportation Management Division's Freight Management Program, Report Number A060153/F/7/V07004 dated May 21, 2007.

We found appropriate corrective actions have been taken as stated in management's proposed action plan. However, due to program changes, we found some of the bases for our findings, recommendations, and subsequent corrective actions taken are no longer applicable.

The scope of the review was limited to a review of management's actions taken in response to the recommendations and included appropriate testing to ensure reported conditions were corrected. This implementation review was performed as a desk review during February and March 2010.

Report Number A100101

Thank you for the courtesies extended to my staff. If you have any questions regarding this report, please contact me on (817) 978-7318.

A handwritten signature in black ink, appearing to read "Mark D. McIver". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Grade D. McIver
Audit Manager
Greater Southwest Region (JA-7)

APPENDIX A

Recommendations

- 1a. Develop and implement a system to capture and monitor freight sales;
- 1b. Develop and implement a process to independently verify reported sales;
- 1c. Establish policies and procedures to ensure the accuracy and completeness of the National Account Manager Program (NAMP) report;
- 1d. Establish policies and procedures to ensure quarterly reports are submitted in a timely manner;
- 1e. Develop and implement necessary safeguards to maintain credit card information once obtained from the customer agency;
- 1f. Establish policies and procedures to routinely reconcile the NAMP report to the Financial Management Information System (FMIS) and adjust accruals accordingly;
- 1g. Conduct a reconciliation of prior years' NAMP reports to FMIS and seek recovery of funds due;
- 2a. Develop and implement a process to ensure data used in the performance measure calculations is accurate and verifiable;
- 2b. Establish policies and procedures to ensure information disclosed to customers in the Transportation Management Services Solution (TMSS) is accurate and supportable; and
- 3a. Determine the status and need of the incomplete TMSS modules, prepare a timetable for completing those still desired, and assign the necessary resources to complete the development and implementation of TMSS in a timely manner.

APPENDIX B

Management's Action Plan

ACTION PLAN

CONTACT PERSON: Raymond F. Price, Jr (FBL)
 TELEPHONE: (703) 605-2890
 DATE: 07/10/2007

REPORT NUMBER	NUMBER	COMPLETION DATE
A 0 6 0 1 5 3	1 a	0 5 3 1 0 0 7

RECOMMENDATION (QUOTE IN FULL, IF SHORT, OR GIVE SUBSTANCE, IF LONG)

1a. Develop and implement a system to capture and monitor freight sales.

ACTION TO BE TAKEN STEP-BY-STEP	SUPPORTING DOCUMENTATION TO BE SENT TO BECA	DOCUMENTATION WILL BE SENT BY
1. The Transportation Management Services Solution (TMSS) fully implemented its Pre Payment Audit and Payment Modules on May 21, 2007, for General Supplies and Services (GSS) transportation transactions. This will allow us to capture and monitor shipment volumes and sales for GSS.	Email from QMCC to an Attorney at National Motor Freight Classification (NMFC) announcing the new TMSS modules.	Completed May 30, 2007 (attached)

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A 0 6 0 1 5 3	1 b	

RECOMMENDATION (QUOTE IN FULL, IF SHORT, OR GIVE SUBSTANCE, IF LONG)

1b. Develop and implement a process to independently verify reported sales.

ACTION TO BE TAKEN STEP-BY-STEP	SUPPORTING DOCUMENTATION TO BE SENT TO BECA	DOCUMENTATION WILL BE SENT BY
1. The Center for Transportation Management will conduct a random sample of customer transportation bills from audit records twice a year to confirm freight sales.	Email from Director, Transportation Audits Division confirming upcoming sampling.	Completed June 26, 2007 (attached)
2. QMCC will begin sampling in August 2007.	Notification	September 15, 2007
3. Completion of sampling.	Copy of sampling results.	November 15, 2007 (dependent upon amount to be sampled)

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REPORT NUMBER	NUMBER	COMPLETION DATE
A 0 6 0 1 5 3	1 c,d,f	0 1 1 5 0 8

RECOMMENDATION (QUOTE IN FULL, IF SHORT, OR GIVE SUBSTANCE, IF LONG)

- 1c. Establish policies and procedures to ensure the accuracy and completeness of the NAMP report.
- 1d. Establish policies and procedures to ensure quarterly reports are submitted in a timely manner.
- 1f. Establish policies and procedures to routinely reconcile the NAMP report to the Financial Management Information System (FMIS) and adjust accruals accordingly.

ACTION TO BE TAKEN STEP-BY-STEP	SUPPORTING DOCUMENTATION TO BE SENT TO BECA	DOCUMENTATION WILL BE SENT BY
1. Gather data from appropriate offices and evaluate information.	Notification	October 15, 2007
2. New National Account Management Program (NAMP) policies and procedures will be developed to ensure the accuracy and completeness of the report, including timely submission of reports (1d) and reconciliation with FMIS (1e).	NAMP Standard Operating Procedures	January 15, 2008

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RECOMMENDATION (QUOTE IN FULL, IF SHORT, OR GIVE SUBSTANCE, IF LONG)

1e. Develop and implement necessary safeguards to maintain credit card information once obtained from the customer agency.

ACTION TO BE TAKEN STEP-BY-STEP	SUPPORTING DOCUMENTATION TO BE SENT TO BECA	DOCUMENTATION WILL BE SENT BY
1. Responsibility for handling credit card information was transferred to the Office of the Chief Financial Officer (OCFO) in Kansas City, MO. QMCC no longer maintains any credit card information.	Credit card procedures	Completed April 24, 2007 (attached)

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RECOMMENDATION (QUOTE IN FULL, IF SHORT, OR GIVE SUBSTANCE, IF LONG)

1g. Conduct a reconciliation of prior years' NAMP reports to FMIS and seek recovery of funds due.

ACTION TO BE TAKEN STEP-BY-STEP	SUPPORTING DOCUMENTATION TO BE SENT TO BECA	DOCUMENTATION WILL BE SENT BY
1. Completed a review and collected the funds owed for FY 2005. Collected 99% of outstanding IFF for FY 2006. Remainder of the uncollected IFF will be recovered by November 30, 2007.	Chart showing NAMP summary IFF due and collected for FY 2005 and FY 2006	July 13, 2007 Completed (attached)
2. Coordinate with QMCB to collect outstanding IFF.	Notification	September 15, 2007
3. Collect remaining IFF due.	Notification	December 15, 2007

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REPORT NUMBER	NUMBER	COMPLETION DATE
A 0 6 0 1 5 3	2 a	

RECOMMENDATION (QUOTE IN FULL, IF SHORT, OR GIVE SUBSTANCE, IF LONG)

2a. Develop and implement a process to ensure data used in the performance measure calculations is accurate and verifiable.

ACTION TO BE TAKEN STEP-BY-STEP	SUPPORTING DOCUMENTATION TO BE SENT TO BECA	DOCUMENTATION WILL BE SENT BY
A draft statement of work is currently being reviewed. This effort is to obtain an annual analysis and cost comparison of FMP and commercial rates. Results will be used to verify savings off commercial rates and represent percentage savings for our customer agencies.		
1. Issue Statement of Work	Statement of Work	September 15, 2007
2. Receive Results	Notification	December 15, 2007
3. Evaluate results and determine process to be implemented.	Notification of determination and amend the action plan to reflect additional steps.	February 15, 2008

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RECOMMENDATION (QUOTE IN FULL, IF SHORT, OR GIVE SUBSTANCE, IF LONG)

2b. Establish policies and procedures to ensure information disclosed to customers in TMSS is accurate and supportable.

ACTION TO BE TAKEN STEP-BY-STEP	SUPPORTING DOCUMENTATION TO BE SENT TO BECA	DOCUMENTATION WILL BE SENT BY
1. Draft policy and procedures	Copy of draft	November 15, 2007
2. Kansas City to survey transportation service providers	Copy of survey	December 15, 2007
3. Evaluate survey results	Notification	January 15, 2008
4. Finalize policies and procedures to include results from 2a.	Policies and Procedures	March 15, 2008

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RECOMMENDATION (QUOTE IN FULL, IF SHORT, OR GIVE SUBSTANCE, IF LONG)

3a. Determine the status and need of the incomplete TMSS module, prepare a timetable for completing those still desired, and assign the necessary resources to complete the development and implementation of TMSS in a timely manner.

ACTION TO BE TAKEN STEP-BY-STEP	SUPPORTING DOCUMENTATION TO BE SENT TO BECA	DOCUMENTATION WILL BE SENT BY
1. Gather data to evaluate TMSS and determine next steps.	Notification	November 15, 2007
2. A decision paper will be developed outlining the pros and cons of continuing TMSS development. If a decision is made to continue TMSS development, a timeline will be developed and the necessary resources to complete development and implementation in a timely manner will be assigned.	Decision Paper	February 15, 2008

APPENDIX C

Report Distribution

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