



FULTON COUNTY

**FULTON COUNTY, GEORGIA
OFFICE OF INTERNAL AUDIT**

TRAVEL AND TRAINING EXPENSE AUDIT REPORT

September 21, 2015

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INTRODUCTION

The Office of Internal Audit conducted an audit of Fulton County's Travel and Training Program to ensure compliance with the Travel and Training Policy. The Fulton County Travel and Training Policy #200-10 was issued on October 13, 2013 and established in accordance with the Official Code of Georgia Annotated (O.C.G.A.) Title 45, Chapter 7, Sections 20 through 34. The policy was developed to help the traveler expedite the process of traveling while following the guidelines adopted by the Fulton County Board of Commissioners.

BACKGROUND

Fulton County authorizes eligible personnel to attend certain seminars, schools, conferences, meetings, and conventions affiliated with their work related duties. In addition, the policy allows Fulton County to reimburse and/or advance travel expenses incurred while conducting official County business. The Fulton County travel expenses are paid by the use of two methods, travel card (T-card) and check disbursements. There are four major areas of recognized travel expenses that include:

- Transportation
- Registration (Conference/Seminar)
- Lodging
- Miscellaneous/Incidental Expenses (M&IE)

The policy establishes a system of recording and documenting travel expenses for all Fulton County employees and officials. The policy details specific criteria for determining the sources and types of acceptable expenses that may be recognized as employee travel expenses. Additionally, the policy applies standards that are consistent for all County travelers including the rates of reimbursement for mileage and meal per diem based on federal government standards via the U.S. General Services Administration (GSA). The policy also provides a system of internal controls for the reporting, review and approval of Fulton County Departments and Agencies' travel costs.

OBJECTIVE

The objective of the audit was to determine if Fulton County Departments have complied with the policies and procedures in Policy #200-10. Our audit included a review of travel expenses to ensure travelers provided the travel expense documentation in a timely, accurate manner and to determine if the supporting documentation was sufficient and relevant.

SCOPE

The audit report period for this audit is June 16, 2014 through June 15, 2015.

METHODOLOGY

We selected five departments for testing based on the substantial sized budget levels for travel expense. For the departments selected, we obtained the travel/training reconciliation and expense reports along with related documents submitted by the Departmental Travel Coordinator. In addition, we traced the department's travel expenses to the AMS Financial System to determine whether expenses were posted accurately and timely. We also verified that the appropriate individuals were listed on the Fulton County's roster of Departmental Travel Coordinators. Also, T-Cards with monthly reconciliation cycles ending May 15, 2015 were reviewed to determine the timely submission by departments. The departments that did not achieve the May 23, 2015 deadline were contacted to determine the source of the delinquent submission of monthly T-Card reconciliation expenses.

FINDINGS AND RECOMMENDATIONS

Finding 1 – Failure to Properly Maintain the Departmental Travel Coordinator Roster

A roster indicating the designated Departmental Travel Coordinators should be maintained and updated as needed to reflect the appropriate individuals. During our audit, we obtained the Departmental Travel Coordinator roster from the Purchasing Department who is responsible for issuing the T-Cards to the appropriate individuals. After a thorough review of the list, we noted the roster had not been updated as needed to reflect the appropriate individuals based on the following instances:

- The individual listed as the Departmental Travel Coordinator no longer worked for Fulton County and the department had a newly appointed Departmental Travel Coordinator;
- An individual listed as the alternate Departmental Travel Coordinator had transferred to another department; and
- One department did not indicate an alternate Departmental Travel Coordinator.

Currently, departments are required to notify the County Manager and the Finance Director of the individual who is designated as the Departmental Travel Coordinator; however, this process lacks a procedure to ensure these changes are properly communicated between the Finance Department and the Purchasing Department. Failure to properly maintain the roster as well as

notify all appropriate departments could result in departments being unaware of the individuals responsible for coordinating and facilitating travel/training in a department.

Recommendation

The roster of Departmental Travel Coordinators should be properly maintained and updated as needed to reflect the appropriate travel coordinators. In addition, Department Heads should ensure that any changes to the designated Departmental Travel Coordinator are properly communicated to the Finance and Purchasing Department. Furthermore, there should be adequate communication between the Finance and Purchasing Department to ensure the designated person is adhering to all aspects of the policy and is authorized to make purchases related to travel expenses.

Finding 2 – Earned Travel Incentive Rewards

All supporting documents submitted as travel expenses should be relevant and sufficient to support the employee's participation in their respective conference or seminar. In addition, Section 6.4, Travel Incentive Programs, states:

“Travelers may not personally earn, receive or retain promotional items or benefits as a result of official County business related travel, including: frequent flyer miles, points, cash back or travel rewards. Any accrued points or rewards shall be deemed owned by the County and will not be awarded to any specific traveler. If otherwise forfeited by non-use, the County may assess departmental accumulation of travel reward points and redistribute earnings back to the department to be used to offset the costs of future County business travel accommodations.”

During our review, we noted documentation that was not sufficient to document an employee's travel expenses. In February 2015, an employee submitted a lodging receipt for approved travel/training that reflected the name of a non-county traveler and an address earmarked as the Forsyth County Courthouse although the card used to pay for lodging expenses in advance belonged to the Fulton County Departmental Travel Coordinator, and the reservation was originally made in the name of the employee. Additionally, documentation on the receipt indicated that Hilton Honors Reward incentive points in the amount of 9,157 points had been earned and awarded to the non-county employee for the stay. Presumably, it can be deduced that the name and address on the receipt was changed in an attempt to earn reward points, which is a violation of the County's travel/training policy. During reconciliation, the Departmental Travel Coordinator accepted and approved the lodging receipt.

Also discovered during our audit was documentation which reflected the accrual of frequent flyer miles for this same employee while on travel for County business. In December 2014, the employee traveled on official county business from Atlanta, Georgia to Phoenix, Arizona where he earned a total of 3,174 frequent flyer miles. It was noted that the SkyMiles Number was entered into the reservation at the time of purchase by the Departmental Travel Coordinator, which allowed the employee to earn frequent flyer miles. This is in direct violation of the Travel Training Policy.

Failure to comply with Fulton County's policies and procedures by the Departmental Travel Coordinator and the employee may result in revocation of the T-card and/or disciplinary action.

Recommendation

Departmental Travel Coordinators are required to review and certify reconciliation for accuracy to ensure all expenses adhere to the County Travel and Training Policy. We recommend that Department Heads and Departmental Travel Coordinators ensure proper financial stewardship of the T-Card and carefully review all reconciliation documents prior to submission to the Finance Department.

We recommend the County establish a mechanism to have points transferred to the County or determine a method to assign a value for the points in order for the traveler to reimburse the County for any points earned. In an effort to ensure all employees are aware of Section 6.4 of the travel policy, which addresses travel incentive programs, the Finance Department should incorporate a statement on the certification form that affirms the employee is aware that they cannot participate in any travel incentive programs while on official county business. A statement should also be incorporated on the certification form that states the employee has read and fully understands the County's Travel and Training Policy and agrees to abide by it for accountability purposes. Furthermore, specific disciplinary procedures should be established and enforced for employees and Departmental Travel Coordinators who violate the policy.

Finding 3 – Late Submission of T-Card Reconciliation Reports

All Departments are required to submit their T-Card Reconciliation Reports by the 23rd of the month. As a part of our audit, we reviewed departmental T-Card reconciliation documents for the period ending March 15, 2015. Of the 39 departments reviewed, approximately 8% were unable to meet the deadline. The departments were delinquent due to vendor registration issues pertaining to the necessity of emergency lodging, inadvertent use of the T-Card for a purchasing card transaction, and the absence of the Departmental Travel Coordinator due to medical leave, which left no available staff to handle matters related to reconciliation.

Consequently, reconciliation files that were not submitted timely, could have potentially delayed timely payment to the financial institution.

Recommendation

We recommend the Department Travel Coordinator be prompt in obtaining all required information including vendor registration in the event of emergency lodging to ensure timely submission of reconciliations. These procedures should be approved by the Purchasing and Finance Department as well as the County Manager. To avoid inadvertently using the T-Card for expenses that should be charged to the purchasing card, we recommend the T-Card and Purchasing Card be clearly marked in separate envelopes and secured in different locations. In addition, attempts should be made by the Departmental Travel Coordinator to properly rectify any improper charges. In an effort to ensure staff is available to answer questions pertaining to T-Card reconciliation, we recommend that departments identify a back-up Departmental Travel Coordinator that is thoroughly trained to handle all matters pertaining to travel/training in the absence of the primary Departmental Travel Coordinator.

CONCLUSION

Our review of the Travel and Training Expenses identified some weaknesses that may require immediate attention related to the following:

- Failure to properly maintain the Departmental Travel Coordinator Roster;
- Earned travel incentive rewards; and
- Late submission of T-card reconciliations.

These items should be addressed and corrected to avoid future violations to the Travel and Training Policy.

Please provide a written response to this audit within 30 days. You may email your written response to the County Manager and Brigitte Bailey, Audit Coordinator in the Office of Internal Audit at Brigitte.Bailey@fultoncountyga.gov. We would like to thank management and staff for their timely cooperation and assistance during this audit. The distribution of this report is reserved for the executive management of Fulton County and the Board of Commissioners.