



FULTON COUNTY

FULTON COUNTY, GEORGIA
OFFICE OF THE COUNTY AUDITOR
Travel and Training Audit Report
October 31, 2018

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INTRODUCTION

The Office of the County Auditor conducted an audit of the Fulton County's Travel and Training Program to ensure compliance with *Fulton County's Travel and Training Policy* adopted by the Fulton County Board of Commissioners. The Office of the County Auditor is required to conduct the audit of the County's Travel and Training Policy on an annual basis.

BACKGROUND

The *Fulton County Travel and Training Policy*, Number 200-10, allows Fulton County to reimburse and/or advance travel expenses to eligible County personnel incurred while conducting official County business. The Travel and Training Policy provides guidance on cost-effective management of travel expenses that aid in conserving the use of County funds, defining the responsibility and accountability of the traveler and the authorizer of County business travel and defining the consequences of not adhering to the guidelines. The policy also outlines consistent standards that apply to all travelers, classification of eligible personnel, and general provisions. To minimize the financial burden of a traveler while traveling on behalf of the County, departmental travel cards (T-cards) are issued to the designated Travel Coordinator in each department. The T-cards are used to charge travel expenses consisting of hotel accommodations, transportation and conference/seminar registration costs in advance of travel. Other travel expenses are paid via check to the traveler. Only travel that is eligible for overnight stay entitles travelers to receive a per diem amount for meals and incidentals at a rate consistent with IRS regulations. The per diem allowances are paid to the traveler no earlier than a week in advance of the dates of travel. In addition, travelers are reimbursed for all reasonable and necessary expenses incurred while conducting official County business. 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. The policy also provides a system of internal controls for the reporting, review and approval of travel costs.

OBJECTIVE

The objectives of the audit were to determine whether County personnel either traveling or authorizing travel are in compliance with the Travel and Training Policy. We also assessed the effectiveness of internal controls implemented that are intended to mitigate the risk of fraud, misuse and abuse.

SCOPE

The scope of this audit was from January 1, 2017 through December 31, 2017. During this period there were 2,428 T-Card transactions that resulted in \$1,010,780.09 of annual expenditures.

METHODOLOGY

We conducted this audit in accordance with *Generally Accepted Government Auditing Standards* (GAGAS). GAGAS requires that we plan and perform the audit by obtaining sufficient and appropriate audit evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives.

To accomplish our objectives, we performed the following:

- Reviewed the County's Travel and Training Policy, as well as, any applicable federal and state regulations;
- Obtained an understanding of the internal controls that were implemented for the Travel and Training Program;
- Assessed the major risks associated with the Travel and Training Program and ensured adequate internal controls exist to mitigate all risks; and
- Conducted interviews with key personnel including officials in the Finance Department, the T-Card Administrator, and several Departmental Travel Coordinators.

We selected a sample of twenty-five (25) T-Card reconciliations totaling \$164,200.17 from eleven (11) departments. T-Card statements, travel vouchers and other documentation were evaluated to substantiate the validity and appropriateness of travel expenses. We also determined whether appropriate travel documentation was submitted in a timely manner and that the Travel Coordinators properly authorized the travel documents. We believe that the evidence obtained provides a reasonable basis for our findings and recommendations detailed in the section below.

FINDINGS AND RECOMMENDATIONS

Finding 1 – Untimely Submission of Reconciliations

According to the *Fulton County's Travel and Training Policy*, travelers are required to reconcile his/her travel receipts and provide complete packages to the Travel Coordinator within three (3) working days from the date of returning from travel. In addition, Travel Coordinators are required to submit T-Card reconciliations to the T-Card Administrator by the deadline based on the time of travel. We sampled a total of twenty-five (25) monthly T-Card reconciliation packages. Based on our review, we found that seven (7) out of the twenty-five (25) monthly Travel and Training T-Card reconciliation packages were not submitted to the T-Card Administrator by the deadline. The seven (7) reconciliation packages represented a total of \$54,063.87 or 33% of the T-Card sample expenditures. Delays in the submission of the T-Card reconciliations were attributed to incomplete or late submissions of travel reconciliations by

the travelers and delayed vendor registrations with the County. Failure to adhere to the established deadlines designated for T-Card reconciliations could postpone payment to the financial institution. Consequently, late payments to the financial institution could lead to suspension of charging privileges for the entire County.

Recommendation

We recommend that departmental managers strongly encourage their travelers to adhere to the policy and ensure travel reconciliations and supporting documentations are submitted as required in accordance with mandated deadlines. In addition, Travel Coordinators must promptly obtain pertinent information including the traveler's reconciliation and collaborate with vendors to ensure they are registered in the County's vendor registration system in a timely manner.

Finding 2 – Failure to Submit Itemized Receipts for Travel-Related Expenses

As mandated by the *Fulton County's Travel and Training Policy*, all travelers must submit itemized receipts for all expenses to ensure compliance with allowable charges. During our review, we noted two (2) instances where travelers failed to submit itemized receipts; however, the Travel Coordinator acknowledged missing itemized receipts by completing the *Purchasing Card Missing Receipt Form*. Missing receipt forms are submitted when travelers do not obtain receipts or receipts are misplaced. Failure to submit itemized receipts places the County at risk of paying unauthorized charges and overpayments.

Recommendation

We recommend that the Travel Coordinators urge travelers to submit copies of itemized, original receipts to ensure that all purchases made with the T-Card are allowable and in compliance with the travel card policy.

CONCLUSION

Based on the audit performed of the Travel and Training Program, two (2) findings were identified related to untimely monthly travel reconciliations and failure to submit itemized receipts for travel-related expenses. These items should be immediately addressed and adequate corrective action should be taken to prevent future occurrences. We would like to thank management and staff for their timely cooperation and assistance during this audit.

Please provide a written response to this audit within ten (10) business days. Be sure to address the written response to Anthony Nicks, County Auditor. The written response should be submitted through the County Manager's Office and to Robbie Bishop-Monroe in the Office of the County Auditor at Robbie.Bishop-Monroe@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.