



**FULTON
COUNTY**

**FULTON COUNTY, GEORGIA
OFFICE OF THE COUNTY AUDITOR
TRAVEL TRAINING AUDIT REPORT**

October 16, 2020

TABLE OF CONTENTS

TABLE OF CONTENTS 1

INTRODUCTION 1

BACKGROUND 1

OBJECTIVE 1

SCOPE 1

METHODOLOGY 2

AUDIT FINDINGS AND RECOMMENDATIONS 2

 Finding 1 – Untimely Review and Processing..... 2

 Recommendation..... 3

 Concern 1 – Unable to Determine Accuracy of Per Diem Reimbursements 3

 Recommendation..... 3

 Concern 2 – Lack of Support for Client Visit 3

 Recommendation..... 4

 Concern 3 – Unable to Verify Adequate Processing Time 4

 Recommendation..... 4

CONCLUSION..... 4

INTRODUCTION

In accordance with the 2020 approved Audit Plan, the Office of the County Auditor conducted an audit of the Fulton County's *Travel, Training, Parking and Automobile Allowance/Mileage Reimbursement Policy (Travel and Training Policy)*, adopted by the Fulton County Board of Commissioners and all subsequent procedures implemented by the County Manager, in consultation with the Chief Human Resources Officer and the County Attorney. From January 2019 through December 2019 the Travel and Training program expensed \$1,693,486.53.

BACKGROUND

Per the Official Code of Georgia Annotated (“O.C.G.A.”) TITLE 45 Chapter 7 Sections 20 through 34, this policy was developed to reimburse expenses incurred on the County’s behalf for travel, training, parking, and automobile usage for official business. The County shall not reimburse expenses incurred related to any personal use.

The Office of the County Auditor is required to conduct an audit of the County’s *Travel and Training Policy* and any related procedures on an annual basis. In accordance with the *Travel and Training Policy*, Fulton County employees who travel to attend certain seminars, schools, conferences, meetings, and conventions affiliated with work related duties are eligible for travel reimbursements. In addition, the *Travel and Training Procedures* provide guidance to travelers, Department Travel Coordinators (DTC), approvers and auditors on cost effective management of travel expenses that aid in conserving the use of County funds. The procedures also define the responsibility and accountability to all travelers, DTCs, and approvers.

These procedures establish a system of recording and documenting travel expenses for all Fulton County employees and officials. The specific criteria for determining acceptable expenses that may be recognized as employee travel expenses are detailed within the procedures as well. Additionally, these procedures apply standards that are consistent for all County travelers, as well as a system of internal controls for the reporting, reviewing and approval of Fulton County Department’s travel costs.

OBJECTIVE

The objectives of the audit were to determine if the *Travel and Training Policy* and all related procedures are enforced effectively and efficiently and to determine the adequacy of the internal controls set forth by the policy.

SCOPE

The scope for this audit is January 1, 2019 through December 31, 2019.

METHODOLOGY

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

To achieve our audit objectives, we conducted the following:

- Interviewed key personnel within the Finance Department, as well as the T-Card Administrator;
- Reviewed the County's *Travel and Training Policy and all related procedures*, as well as any applicable federal and state regulations related to travel;
- Acquired an understanding of the internal controls implemented for the *Travel and Training Policy*;
- Assessed major risks associated with the *Travel and Training Policies and Procedures* to ensure adequate internal controls exist to mitigate all risks;
- Selected a sample of fifty (50) travel/training expenses, from various departments for review of policy and procedure compliance, totaling \$28,017.51;
- Selected twelve (12) Travel Card Reconciliation packages for review of policy and procedure compliance, totaling \$27,099.44;
- Determined if travel expenses are appropriate and valid for business related purposes; and
- Determined if travel expenses are submitted and processed in a timely manner.

AUDIT FINDINGS AND RECOMMENDATIONS

Finding 1 – Untimely Review and Processing

According to the Fulton County *Travel and Training Procedures*, “The Finance Department completes the final review of the reconciliation packages, to verify actual costs, reimbursement amount and processes a check for any amount due from the County to the Traveler.” This procedure further indicates, the Finance Department has twenty (20) business days to complete

this process and any traveler with unreconciled travel expenses over thirty (30) days past due are submitted for payroll deduction.

During our review, we identified three (3) instances where the Finance Department exceeded the allotted days required for reviewing and processing traveler reimbursements. In these instances, there was no documentation submitted to support what may have caused the delay in processing. Untimely processing of traveler reimbursements could cause inaccurate payroll deduction requests for travel over 30 days past due. Such action could potentially cause a financial hardship for the employee.

Recommendation

We recommend the Finance Department review all reconciliation packages and process payments within the allotted twenty (20) days. Additionally, we recommend any delays in processing be notated in the reconciliation package.

Concern 1 – Unable to Determine Accuracy of Per Diem Reimbursements

Per the procedures, “Travelers shall not be provided Per Diem for meals included as part of the conference or convention registration fee, paid by the County.” Therefore, the submission of the conference agenda is imperative in determining the meals that were provided, if any. During our review, we found one (1) instance where the agenda was not submitted; therefore, we were unable to determine if meals were provided by the conference. As a result, we were not able to determine the accuracy of Per Diem, Meals and Incidentals (M&IE) issued to the traveler. In addition, the agenda is referenced as supporting documentation for proof of attendance. This may have occurred as a result of an oversight by the traveler because the completion certificate was submitted as proof of attendance. However, the traveler may be unaware the agenda serves dual purposes. The inability to properly validate Per Diem reimbursements issued to the traveler could result in an overpayment of travel expenses.

Recommendation

We recommend the Finance Department ensure the DTCs receive proper training and understand the importance of the agenda being submitted. Furthermore, we recommend the Finance Department strengthen its internal review process to include verification of meals provided by the conference or training, to ensure Per Diem reimbursements are accurate.

Concern 2 – Lack of Support for Client Visit

The *Travel and Training procedures* states, “The traveler is responsible for submitting supporting documentation to the DTC, such as proof of attendance, to substantiate travel and any related expenses.” During our review, we identified one (1) *Travel Reconciliation Form* that did not include proper supporting documentation to substantiate travel expenses related to an

employee performing a client visit. This particular type of travel is unique, in that, there is no agenda or completion certificate to validate the travel expenses. Therefore, the traveler may not have been informed as to what type of supporting documentation should be submitted to validate this type of travel. Failure to provide all the necessary supporting documentation to verify that client visits are in fact taking place, could potentially lead to misuse of travel funds.

Recommendation

We recommend the Finance Department ensure sufficient documentation is submitted by all DTCs to validate business related travel. We further recommend the Finance Department ensure proper internal controls are in place to address all travel circumstances.

Concern 3 – Unable to Verify Adequate Processing Time

The Finance Department uses a date stamp to confirm receipt of reconciliation packages and any other travel related documents. However, eight (8) Travel Card reconciliation packages did not include a date stamp of receipt by Finance Department, therefore, we were unable to determine when the packages were received. Without a date stamp we are unable to confirm if the documents submitted to the Finance Department were processed timely. This may have occurred as a result of the influx in documentation submitted to the Finance Department, causing an oversight. The lack of transparency and accountability for processing time could result in delayed payments to county employees as well as vendors. Thereby, possibly causing unnecessary fees associated with late payments.

Recommendation

We recommend the Finance department maintain consistency with all documentation submitted to their office by ensuring all documents are date stamped upon receipt.

CONCLUSION

Based on the audit performed, the Travel and Training Policy all related procedures appears to be enforced effectively and efficiently. However, we identified the following one (1) finding and three (3) concerns that require the attention of management:

- Untimely Processing of Traveler Reimbursements;
- Unable to Determine Accuracy of Per Diem Reimbursement;
- Lack of Support for Client Visit; and
- Unable to Verify Adequate Processing Time.

The Office of the County Auditor will continue to monitor the *Travel and Training Policy and Procedures* to determine the adequacy, effectiveness and timeliness of action taken by management on the reported findings and recommendations.

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 Joi Hargis, Audit Coordinator, in the Office of the County Auditor at joi.hargis@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.