



# Angelina “Angel” Colonnese

CLERK OF THE CIRCUIT COURT AND COMPTROLLER OF MANATEE COUNTY

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## Internal Audit Department

### Audit Report

### Manatee County Travel Expenditure Audit

As of August 15, 2017

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January 23, 2019

Audit No. 21610400

MANATEE COUNTY CLERK OF THE CIRCUIT COURT  
INTERNAL AUDIT DEPARTMENT

MANATEE COUNTY TRAVEL EXPENDITURE AUDIT

**A U D I T   R E P O R T**

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MANATEE COUNTY CLERK OF THE CIRCUIT COURT  
INTERNAL AUDIT DEPARTMENT

MANATEE COUNTY TRAVEL EXPENDITURE AUDIT

**A U D I T   R E P O R T**

The Internal Audit Department conducted an audit of County travel expenditures for the period November 20, 2014, through August 15, 2017. The audit was performed in accordance with generally accepted government auditing standards (GAGAS), issued by the Comptroller General of the United States, and the *International Standards for the Professional Practice of Internal Auditing*, issued by the Institute of Internal Auditors.

**BACKGROUND**

County employees travel for training, conferences, meetings, and other official business. The travel expenses incurred are processed by the Finance Department of the Clerk of the Circuit Court's Office. Common travel expenditures may include: airfare, hotel, taxi fare, car rental, mileage, meals, and per diem. The expenditures are typically either reimbursed to the traveler or paid directly with a County purchasing card (PCard). Manatee County Procedure #203.001 (Per Diem and Travel Reimbursement) provides guidance and rules for travel including the related approval, reporting, and reimbursement.

**PURPOSE/OBJECTIVES**

The objective of the audit was to determine whether County travel expenditures were appropriate, properly supported with adequate documentation, properly approved, and in compliance with applicable laws, regulations, and related travel policies and procedures.

**SCOPE**

The scope of the audit included travel expenditures paid during the two year period April 1, 2015, through March 31, 2017. Other travel expenditures related to the same trips selected in the sample were also included in testing. This expanded the testing scope to include the period November 20, 2014, through August 15, 2017.

**METHODOLOGY**

To meet the objectives of the audit, we obtained an understanding of the travel expenditure process by reviewing the travel policies and procedures and interviewing the Clerk's Office Accounts Payable (A/P) personnel. Various sampling techniques were used to perform the substantive testing on the out-of-county and in-county travel expenditures. Supporting documentation was obtained and reviewed for the travel expenditures tested. If other related expenditures were identified for the same trip they were incorporated in the testing, including registration fees. Interviews with County employees and Clerk's Office A/P personnel were conducted, as necessary.

**IRREGULARITIES, ABUSE, OR ILLEGAL ACTS:**

No indications of irregularities, abuse, or illegal acts were discovered during the County Travel Expenditure Audit for the period ending August 15, 2017.

**TEST OF COMPLIANCE:**

Internal Audit tested compliance with Manatee County's travel policies and procedures. Tests performed were limited to the specific areas included in the Purpose/Objectives section of this report and appeared to provide sufficient evidence to support an opinion on compliance and internal controls for the areas tested. The results of these tests are included in this audit report.

**STATEMENT ON INTERNAL CONTROL STRUCTURE**

In planning and performing the County Travel Expenditure Audit for the period ending August 15, 2017, the internal control structure was considered in order to determine the auditing procedures for the purpose of this report. Internal control weaknesses involve matters relating to deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the organization's ability to record, process, summarize, and report on data consistent with management's intentions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions. In addition, because of the inherent limitations in any internal control structure, deficiencies in the design or operation of the internal control structure may exist and not be detected. In this report, we did not note any matters involving significant internal control weaknesses.

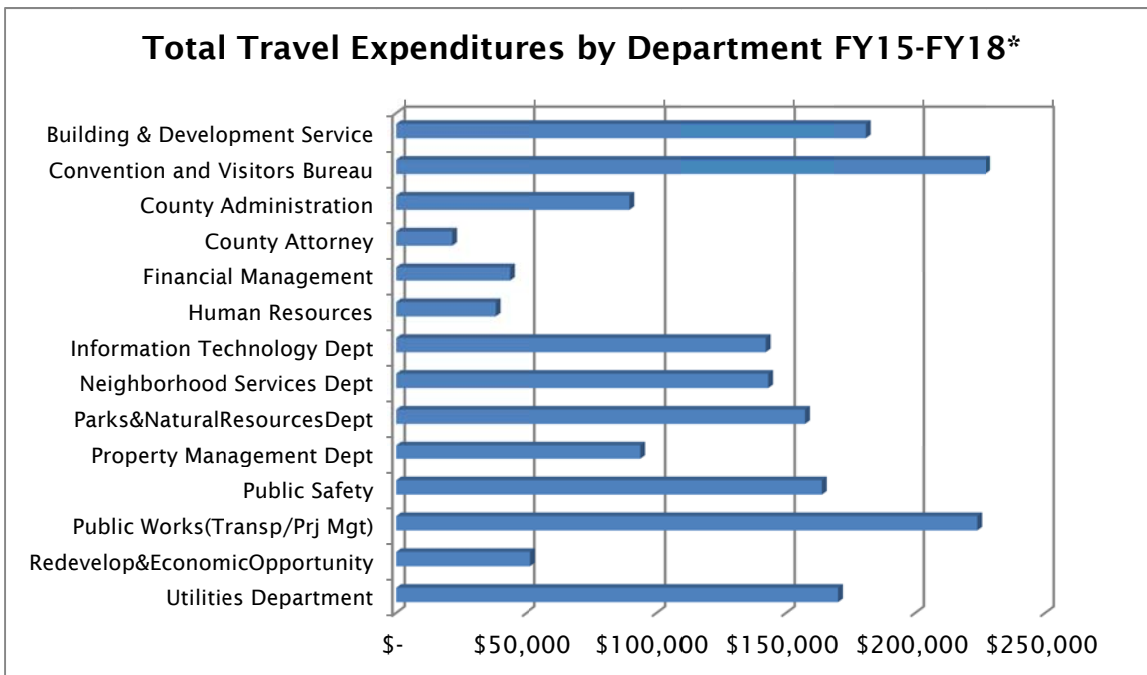
**MANAGEMENT ACTION PLAN**

A Management Action Plan has been provided for each Area of Improvement identified. Management Action Plans are corrective actions developed in cooperation with appropriate County personnel. Areas for Improvement were discussed with the Clerk's Finance Department, County Administration, and appropriate staff and management from each County Department.

**MANAGEMENT SUMMARY**

The following tables summarize all out-of-county travel expenditures as recorded in object code 540000 (Travel and per diem), by department for the last four fiscal years:

<u>County Department</u>	<u>FY 15</u>	<u>FY 16</u>	<u>FY 17</u>	<u>FY 18</u>
Building & Development Service	\$ 26,117	\$ 56,689	\$ 35,687	\$ 62,612
Convention and Visitors Bureau	59,154	38,408	61,939	67,952
County Administration	21,074	26,293	21,643	20,576
County Attorney	7,104	4,883	4,897	4,556
Financial Management	7,452	8,187	9,303	18,665
Human Resources	9,036	11,411	6,163	11,510
Information Technology Dept	18,650	13,997	41,564	68,036
Neighborhood Services Dept	21,557	41,348	37,170	43,118
Parks&NaturalResourcesDept	31,865	39,293	47,638	38,386
Property Management Dept	13,487	18,317	24,464	37,486
Public Safety	29,456	37,341	39,345	57,444
Public Works(Transp/Prj Mgt)	49,758	56,965	54,427	62,543
Redevelop&EconomicOpportunity	9,920	8,126	13,788	19,797
Utilities Department	32,637	39,531	33,337	65,014
	<u>\$ 337,267</u>	<u>\$ 400,787</u>	<u>\$ 431,367</u>	<u>\$ 577,696</u>



\*-Note: Testing included part of FY 15, all of FY 16, and part of FY 17.

We identified a total of 3,495 out-of-county travel expenditure transactions recorded in the County's finance system during the audit period. Using various sampling techniques, a sample of 789 expenditures was selected for testing. We obtained supporting documentation for these expenditures and determined they represented 430 different trips. Other expenditures related to these same trips were added to the testing sample, for a total of 2,008 expenditures tested (\$597,101). The sample included the following:

- All (100%) expenditures of County Commissioners, County Administrators, County Attorney, and Department Directors (653);
- Statistical sample of expenditures for all other employees with total travel expenditures over \$500 (1,319); and
- Judgmental sample of the remaining expenditures (36)

In addition, a random sample of 61 (\$2,628) of the 590 (\$29,425) in-county mileage reimbursements paid during the audit period April 1, 2015, through March 31, 2017, was selected and tested.

The travel expenditures were tested for the following attributes: travel was appropriate (legitimate County purpose); supported with adequate documentation; properly approved; and in compliance with applicable laws, regulations, and travel policies and procedures.

***Overall, we found the travel expenditures to be appropriate and properly approved; however, we did find instances where expenditures were not always adequately documented and/or in compliance with laws, regulations, and policies. In some instances the errors resulted in employees being overpaid, while in other instances they were underpaid.***

***All findings identified in the audit were discussed with County Administration, as well as with management and employees from each department who are responsible for processing and/or approving travel expenditures. In all instances where active employees had been overpaid, the County was reimbursed. In total, \$1,303.95 was reimbursed to the County.***

Based on our test work, we identified the following areas where improvements could be made:

- Travel expenditures were not always documented with adequate support. Exceptions included:
  - Travel vouchers, submitted by employees for reimbursement, did not always list all trip-related expenses, including those which had already been paid using a PCard.
  - Travel plans were changed or cancelled, but there was no justification provided. Some of these changes resulted in additional costs. In addition, there is currently no system in place to track airline credits.
  - Travelers who combined personal travel with County travel did not always provide documentation to support that no additional costs were incurred by the County.
  - Instances were noted where travel vouchers were not properly supported with all required backup documentation such as copies of paid receipts, conference agendas, and mileage maps.

**(See Area for Improvement #1, page 6)**


- Travel expenditures were not always in compliance with applicable laws, regulations, policies, and procedures. Exceptions included:
  - Several travelers were incorrectly reimbursed for meals that were also provided to them by a hotel or as part of a registration, or did not fall within the allowable time frames to justify reimbursement.
  - Mileage expenses were not always calculated correctly. Instances were noted where the mileage reported was not the route traveled, did not represent the most direct route, and/or violated workday rules.
  - Taxi tips often exceeded the 15% limitation.
  - Employees traveling out of Tampa International Airport did not always utilize the most economical parking option. Most chose to park in the airport's Long-term Parking Garage, rather than the less expensive Economy Garage.
  - Reimbursement requests were not always submitted within 10 business days of returning, as stipulated in the County's travel procedures. On average, submission time was 26 business days.

**(See Area for Improvement #2, page 8)**

Other minor audit findings, not included in this report, have been communicated to management or corrected during the audit. We would like to thank all County Departments for the cooperation and courtesy afforded to our auditors throughout the audit. We appreciate the efforts and timeliness in addressing the issues raised during the audit and seeking solutions to these matters.

#### **AUDIT REPORT AUTHORIZATION**

This audit report has been reviewed and authorized by:



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Lori Stephens, CPA, CFE  
Chief Audit Executive



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Angelina "Angel" Colonnese  
Clerk of the Circuit Court & Comptroller

**AREA FOR IMPROVEMENT #1 .....Insufficient Documentation**

Travelers requesting reimbursement of expenses for travel which is more than 50 miles from headquarters must complete and submit a *State of Florida Voucher for Reimbursement of Travel Expenses* (Travel Voucher) form with supporting documents. This form includes travel dates/times and the final costs of the trip, including any expenses previously paid via travel advance or PCard. The form must be accompanied with applicable authorization forms, agendas, receipts, mileage maps, and US General Services Administration (GSA) meal allowance rates, as well as written justification for any deviation from travel guidelines.

We reviewed documentation supporting the 430 trips selected for testing and identified the following exceptions:

o **Travel Voucher-PCard Transactions**

Travel vouchers were submitted for 381 of the trips tested. Of these, 344 had travel expenses which were paid using PCards. However, in reviewing the travel vouchers we found that 93 of them did not list all of the expenses paid with PCards, as required. In two of these instances, travelers were reimbursed for expenses which had already been paid using PCards.

o **Cancelled Travel/Changes**

According to the travel procedures, it is the responsibility of the traveler to try to recover all registration fees, hotel fees, and airline charges when travel is cancelled. Penalties for the cancellation of airline tickets may be paid from County funds only if the cause for cancellation is in the best interest of the County; justification must be included with the voucher submitted for payment detailing the circumstances. If travelers cancel for their own convenience, they are responsible for all costs that cannot be recovered.

During testing we found several instances where travel plans had been changed or cancelled, but there was no documentation or justification provided. In 4 instances, flights were cancelled/changed resulting in change fees, re-purchased tickets, and/or forfeited airfares; in one instance, a hotel room fee was forfeited.

We did verify that the travelers received airline credits for the unused flights, which could be used for future trips; however, some will require payment of a change fee in order to use the credits. Additionally, it was noted that there is no formal system in place to track the use or expiration of the airline credits.

o **Personal Travel**

Travel procedures stipulate that when personal travel is combined with business travel, any extra costs are to be borne by the traveler. Travelers are required to prove that no additional costs were imposed on the County by either arriving earlier or departing later than what the authorized business travel required. Documentation should include a cost comparison of any flights, as well as an affirmative statement indicating they verified that there was no additional cost to the County.

We identified 24 trips in our testing sample where it appears the traveler combined personal travel with County travel. We found that 15 of the 24 trips did not include documentation supporting that no additional cost to the County was incurred. Copies of airfare comparisons were not found, and the majority did not include the affirmative statement.



o **Missing Documentation/Support**

We identified 31 other instances where a travel expense was not properly supported with backup documentation. Missing documentation included, but was not limited to:

- Copies of paid receipts;
- Conference agendas or itineraries;
- Mileage maps and GSA meal rate printouts;
- Documentation of purpose/benefit to the County; and
- Justification for valet parking

**Management Action Plan**

While County Travel Policies and Procedures appear to be generally adequate, County Administration and department management will review all travel policies and provide additional training to all County travelers, department preparers, and authorized approvers to ensure proper supporting documentation is included with all travel reimbursements. Clerk's Office A/P processors will continue to review travel expenditures for proper documentation.

Travelers, department preparers, and authorized approvers will also ensure that any changes to travel plans or instances where personal travel is combined with a County business trip are properly justified, and that any additional costs due back to the County are paid.

County Administration will consider establishing a method to track airline cancellations and credits earned from unused flights to ensure that the costs have been properly recovered or credits are used, if possible, before they expire.

**AREA FOR IMPROVEMENT #2 ..... Non-compliance with Policies, Procedures, and Rules**

Travel by County employees is governed by various policies, procedures, and rules which include, but are not limited to, the County's *Per Diem and Travel Reimbursement* Policies and Procedures, Florida Statutes, Attorney General Opinions, and Manatee County Board resolutions.

We reviewed documentation supporting the 430 trips selected for testing to ensure compliance with these policies and rules. We identified the following exceptions:

o **Meals - Ineligible reimbursements**

Florida Statutes and County policies provide specific timeframes for which individuals must be traveling in order to claim meal expenses. For breakfast, travel must begin before 6 am and extend beyond 8 am; for lunch, it must begin before 12 noon and extend after 2 pm; and for dinner, it must begin before 6 pm and extend after 8 pm. Meals included as part of registration fees, or provided by a hotel or airline, must be deducted from the meal allowance or per diem, even if the traveler decides not to eat the meal.

We identified 357 meal reimbursements in our testing sample. Of those, we found 34 instances where travelers were incorrectly reimbursed for meals that were either provided to them by a hotel or as part of a registration, or did not fall within the allowable time frames to justify reimbursement.

o **Mileage - Incorrectly calculated**

Travelers must report mileage from their official headquarters to the point of destination using map mileage from an internet site such as *MapQuest* or *Google Maps*. All travel must be made by the most direct route available. In addition, mileage on a work day will be reimbursed from the employee's headquarters to the destination, unless the mileage claimed from the home is shorter or the travel begins more than one hour before or one hour after the traveler's regular work hours.

We identified 191 out-of-county trips in our test sample where mileage expenses were paid; 12 of these were calculated incorrectly. Exceptions included instances where the mileage reported was not the actual route traveled, did not represent the most direct route, and/or violated the workday rules.

We also tested a sample of 56 local travel mileage reimbursements and found that 8 of those were incorrect, as the mileage was overstated.

o **Taxi Tips - Exceeded 15% of fare**

The travel procedure limits tips paid to taxi drivers to not exceed 15% of the fare.

We identified 182 instances in our testing sample where taxi tips were paid. We found that 46 of those exceeded the 15% limitation. Travelers interviewed as part of this audit generally agreed that 15% was not always practical when tipping on taxi fares.

- **Airport Parking – Not always using the most economical option**

The County's Travel Policies and Procedures do not specify what type of parking is the County standard; however, the policy does require the traveler to consider "the most economical means of transportation." Based on our review of airport parking costs, it does not appear that travelers were always using the most economical option for parking.

We identified 73 instances from our testing sample where employees used parking facilities at Tampa international Airport, totaling \$4,522 in parking charges. In 19 of those instances, the employees parked in the Economy Garage where parking is currently \$10 per day max, or \$1 per 20 minutes. For the remaining 54 trips, employees parked in the more expensive Long Term Parking Garage, currently \$18 per day max or \$2 per 20 minutes. Had these 54 employees also parked in the Economy Garage, the County would have saved approximately \$1,680 in parking charges.

- **Submission of Travel Documents – Not always submitted timely**

The County's travel policy states that within 10 business days of returning, a travel reimbursement request with all applicable paid receipts must be completed and submitted to the Finance Office (Clerk's Office A/P Division).

Of the 381 travel vouchers tested, 119 appear to have been submitted to the Clerk's Office A/P Division after 10 business days. One reimbursement request took over 300 days to be submitted, while the remaining submissions ranged from 12 to 153 days to submit, with an average submission time of 26 days.

### **Management Action Plan**

County Administration and department management will ensure travelers, department preparers, and authorized approvers comply with all travel policies, rules, and procedures by reviewing policies and providing training, when necessary. Travel reimbursements will be reviewed more thoroughly by department preparers, authorized approvers, and Clerk's Office A/P processors to ensure mileage is calculated correctly and meals claimed are eligible for reimbursement. In addition, travel reimbursement requests will be submitted to the Clerk's Office A/P Division on a more timely basis (within 10 business days).

County Administration will consider revising the 15% maximum tip for taxis to something more practical for travelers. We also recommend the development of a standardized policy for airport parking to ensure the most economical option is used.

In addition, the County is considering the addition of a travel module in ONESolution which would improve the efficiency of the travel reimbursement process.