




INTER-OFFICE MEMORANDUM

TO: Anthony Nicks, County Auditor

FROM: Hakeem K. Oshikoya, Finance Director 

DATE: October 23, 2015

SUBJECT: Travel Training Expense Audit Report Response

Thank you for the opportunity to review and respond to the Travel Training Expense Audit Report. The Finance Department has reviewed the findings and recommendations. We have provided a response to each finding with specific action(s) that management plans to take to correct the finding.

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

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.

Finance Department Response:

Per the policy, Departmental Travel Coordinator updates are reported to the County Manager and the Finance department. In practice, the Purchasing department has also been notified of changes, specifically in reference to the cancellation/reissuance of departmental travel cards.

Finance Department Action:

- When communication is received from a department head identifying a new Departmental Travel Coordinator, the Finance department will communicate this information to the Travel Card Coordinator in the Purchasing department within 3 business days.
- On a quarterly basis, the Finance department will share the Departmental Travel Coordinator roster, on file, with the Purchasing department for reconciliation and additional updates as needed.

Finding 2 – Earned Travel Incentive Rewards

In referencing Section 6.4, Travel Incentive Programs, the policy states the following:

"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. "

Recommendation:

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.

Finance Department Response:

Currently, if the Departmental Travel Coordinator and/or employee submit documentation noting a travel training expense policy violation, including the receipt of travel incentives, the violation is noted and tracked within the Finance Department, and communication of the violation is sent to the Departmental Travel Coordinator. If the violation relates to travel card usage, the Travel Card Coordinator and/or Chief Financial Officer may be notified.

After discussion with various airline carriers and hotel chains, it is not possible to prevent a traveler from earning miles, if the traveler gives the vendor the personal identifying information. As the earned miles/rewards points are based on individual travel, there isn't a mechanism available for the County to receive forfeited points (i.e. establishing a Fulton County frequent flier mileage account, etc.).

Currently, if the Departmental Travel Coordinator and/or employee submit documentation noting a travel training expense policy violation, including the receipt of travel incentives, the violation is noted and tracked within the Finance Department, and communication of the violation is sent to the Departmental Travel Coordinator. If the violation relates to travel card usage, the Travel Card Coordinator and/or Chief Financial Officer may be notified.

Finance Department Action:

- The Finance department recommends removal of the following language in policy 200-10, Section 6.4: *"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."*
- The Finance department will adjust both the Travel and Training Certification form and the Training and Training Advance Agreement form to include the following statements:
 - a) Employee is aware that they are prohibited from participating in any travel incentive programs while on official county business (airline frequent flier mileage, hotel points, travel rewards, cash back incentives, etc.)

- b) Employee has read and fully understands the County's Travel and Training policy and agrees to abide by it for accountability purposes.
- On a quarterly basis, the Finance department will inform the Department Heads, Departmental Travel Coordinators, Finance Director and Purchasing Director of employees and Departmental Travel Coordinators that violate Policy 200-10.
 - The Finance department will work with the Purchasing department to enforce specific disciplinary procedures as outlined in the following sections of the policy:
 - Section 1.5 – Fraudulent Use of Travel Advance which states:

“O.C.G.A. § 45-7-32(a) provides that it is unlawful for any person to use any travel advance received from public funds for nongovernmental purposes or to submit or approve, knowingly or through willful and wanton neglect, a fraudulent request for reimbursement of expenses. Any person in violation of this code section shall be subject to criminal and civil penalties.

Travelers, including supervisors, who knowingly misrepresent the facts concerning travel for official business, or who file or sign any travel form which contains deliberate false statements given with the intent to defraud the County, may be subject both to administrative and/or disciplinary action pursuant to Personnel Regulation 1800-2, Article 7(c) fraud, perjury and malfeasance, which includes the possibility of termination and/or criminal action.”

- Section 2.1.B.1 and 2 – Departmental Travel Cards (T-Card) – Financial Stewardship and Infractions which states:

“1. Financial Stewardship

It is the responsibility of the Department Head and the Department Travel Coordinator to monitor all travel expenses purchased using the T-card and to ensure any expenses for travel are within the department's budget appropriations. Any spending in excess of line item appropriation will be at the expense of the traveler and/or Department Head. Finance, Purchasing, and the DTC are tasked with ensuring costs are paid to the card provider timely and accurately. Personal use of the T-card is strictly prohibited. Any violation of this policy will result in financial restitution by the guilty party to the County of all misappropriated funds.

2. Infractions

Unauthorized use of the T-card is subject to review, suspension and/or revocation of all privileges associated with its use. If improper use of any card is substantiated, the Purchasing Department, Finance Department and County Manager may agree to immediately revoke a department's T-card, thereby placing a moratorium on further travel within the department. The County Manager reserves the right to make any expenses that are incurred as result of a violation, the sole personal responsibility of the guilty party and/or the Department head.”

Finding 3 – Late Submission of T-Card Reconciliation Reports

While Finding 3 is related to the Purchasing Department, it is important to note in the finding that “reconciliation files that were not submitted timely, could have potentially delayed timely payment to the financial institution”

Finance Department Response:

The Purchasing department is incorporating changes with the processing of the travel card, which will allow for deactivation of delinquent departments’ travel cards. The Finance department currently tracks all travel reconciliation packages received and communicates with the Purchasing department on the status of delinquent packages.

Finance Department Action:


The Finance department will work closely with the Purchasing department in the delivery, review and processing of travel card reconciliation packages noting any challenges that will prevent timely payment to the financial institution.

cc: Dick Anderson, County Manager
Sharon Whitmore, Chief Financial Officer
Brigitte Bailey, Audit Coordinator



INTEROFFICE MEMORANDUM
DEPARTMENT OF PURCHASING

TO: Anthony Nicks, County Auditor
Office of the County Auditor

FROM: Felicia Strong-Whitaker, Director 
Department of Purchasing

DATE: November 6, 2015

RE: Travel Training Expense Audit Report

The Department of Purchasing has reviewed the Travel Training Expense Audit Report and attached is our response to Finding 3. The Department of Purchasing concurs with the finding and recommendation of the Audit.

Finding 3 - Late Submission of Travel Card Reconciliation Documents

Purchasing Response:

- The Department of Purchasing and the Department of Finance is currently working with Bank of America (BOA) to fully implement WORKS® which will allow the Department Travel Card Coordinator (DTC) to complete the reconciliation process entirely in WORKS®. Currently, the Department Travel Coordinator (DTC) must reconcile in two systems which is a duplication of efforts and results in additional processing time and errors.
- WORKS® will be in place beginning January 2016 before the Travel Cards (T-Cards) are reactivated for FY2016.
- Training for Travel (T-Card) Cardholders and Department Travel Coordinators will be conducted in December 2015 by Bank of America.
- Effective as of September 10, 2015, the Purchasing Cards Program Administrator will document and report as a non-compliance violation.
- A monthly report will be generated for review by the Director of Purchasing and will be used to notify the respective User Department Head of violations and non-compliance issues for corrective action(s).