



INTEROFFICE MEMORANDUM

TO: Anthony Nicks, County Auditor

FROM: Hakeem Oshikoya, Finance Director *Hakeem Oshikoya*

DATE: October 18, 2020

SUBJECT: Response to 2019 Travel and Training Audit Report

Thank you for the opportunity to review and respond. The Finance Department has reviewed the findings and recommendations and our responses are provided below:

Finding 1 – Untimely Review and Processing

Finance Response:

Per your review of the Travel and Training Procedures, we disagree with two of the three instances.

Two of the three instances were travel credit card reconciliations that are not part of the 20 business day requirement. Travel credit cards are subject to the bank cycle statement and due dates, and are not subject to employee payroll deduction. In addition, delays in processing due to incorrect/incorrect documentation were clearly noted within the credit card reconciliation packages.

For the remaining instance, we agree that sample #27 was not processed in a timely manner and had no additional documentation to substantiate the delay. During this time, because of the increase in volume of travel/training reconciliations submitted for review, the Finance department added an additional employee to address any delay in timely processing. Once we added a second full-time person, there were no additional delays noted in 2019 and we have remained current for all correct and complete reconciliations received.

Concern 1 – Unable to Determine Accuracy of Per Diem Reimbursements

Finance Response:

Finance agrees with concern #1. Finance will further direct all involved in the travel process to submit a training agenda. And, in the instance where no agenda is available, to request, in writing, when a conference/training does not provide meals.

Concern 2 – Lack of Support for Client Visit

Finance Response:

Finance does not agree with concern #2. In sample #30, you note that the reconciliation form did not include proper supporting documentation to substantiate travel expenses. Per training and resources provided, attendance is required for registration/training instances only. Allowable proof of attendance as provided on the “Travel/Training Documents for Submission” is defined by “conference badge, sign-in-sheets, email from conference organizers, any item received at conference during on-site registration or conference activity, CLE/CPE attendance records”. There are several instances where attendance documentation is not required. Examples include transportation (i.e. airplane boarding passes), per diem and mileage. Sample # 30 included costs associated with per diem and hotel. Per diem documentation was not required and the hotel folio/receipt was provided. Proof that the employee actually completed the client visit is not required in the procedures. The Appointing Authority approved both the employee to attend the trip, and the reimbursement after the trip.

We will treat this concern as a proposed change in procedures, and all required parties will take under advisement.

Concern 3 – Unable to Verify Adequate Processing Time

Finance Response:

Finance does not agree with concern #3. The report notes that eight travel card reconciliation packages did not include a date stamp of receipt by the Finance department. It is noted that during the pandemic, original documentation was not reviewed by your office. A scanned copy of the reconciliation packages were provided and upon further review, it was discovered that the back page of the front sheets were not scanned, which led to concern #3. Finance affirms and supports the need for transparency and accountability and will ensure that going forward all pages (front and back) will be scanned for your review. Attached are the eight front and back pages of the eight documents, which show that the documents were actually stamped into the Finance department.

01.2019-110– stamped date into Finance 1/25/19 – processed 2/22/19 (delay emails were included)

02.2019-220– stamped date into Finance 2/28/19 – processed 3/29/19

03.2019-450– stamped date into Finance 3/28/19 – processed 4/09/19

04.2019-333– stamped date into Finance 4/26/19 – processed 05/31/19 (delay emails were included)

06.2019-405– stamped date into Finance 8/01/19 – processed 09/03/19 (delay emails were included)

07.2019-405– stamped date into Finance 7/25/19 – processed 07/26/19

08.2019-270– stamped date into Finance 8/28/19 – processed 09/10/19

09.2019-183– stamped date into Finance 09/27-28/19 – processed 10/17/19

10.2019-470 – stamped date into Finance 10/30/19 – processed 12/5/19

11.2019-240 – stamped date into Finance 11/27/19 – processed 12/10/19

12.2019-760 – stamped date into Finance 12/20/19 – processed 12/23/19

Thank you for the opportunity to provide a response. To note, in 4Q 2020, the county has implemented SAP Concur, a Travel and Training management system. The system will require a complete change in procedures including all travel/training requests and reconciliations will be initiated, reviewed, approved and processed within the system. The system has been built with time stamps and audit rules surrounding internal controls, approval times, attaching documentation, routing for signatures, workflow escalation and reporting to address and ensure further accountability and transparency surrounding the effective and efficient use of county funds.

cc: Sharon Whitmore, CFO

Attachments