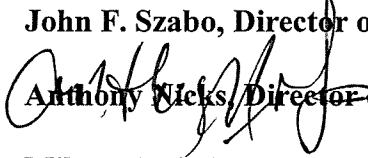




INTER-OFFICE MEMORANDUM

TO: John F. Szabo, Director of Quality Life Services
FROM:  Anthony Nicks, Director of Internal Audit
SUBJECT: Mileage Reimbursements for Arts & Culture
DATE: February 24, 2012

We performed an audit of the mileage reimbursements for fiscal years 2010 and 2011 for the former Director of the Arts & Culture Department at your request. As a result of our initial analysis, we decided to expand the scope to also include November 2008 through December 2009 mileage reimbursements. Our objective was to ensure that the mileage reimbursements complied with the County's Policy and Procedure Number 200-12 and confirm the accuracy of the mileage reported by the employee. To confirm the accuracy of the mileage, we mapped the routes noted on the mileage reimbursement requests and analyzed any differences. Based on our review, listed below are the findings and recommendations:

Finding 1 – Monthly Mileage Exceeded 1,000 Miles

Based on the Fulton County Policy and Procedure Number 200-12, the amount of mileage claimed by an employee should not exceed 1,000 miles in a single month without proper authorization by Department Head and a written request to the Director of Finance. We determined that the months of March 2011 through October of 2011 exceeded 1,000 miles. Failure to comply with the County policies could result in the overpayment of mileage reimbursements and result in the employee not being reimbursed for amounts that exceed the established limits.

Recommendation

All employees requesting reimbursements that exceed 1,000 miles should ensure they obtain the proper authorizations. In addition, the Department should ensure that the trips are adequately planned to reduce mileage and take advantage of the motor pool vehicles.

Finding 2 – Failure to Obtain Proper Approval

Each employee must obtain proper approval for all mileage reimbursement requests. The approval process includes the certification of the mileage by the employee's manager. Based on our review, we noted several instances in which the former Director of Arts and Culture submitted mileage reimbursement requests and also certified that the mileage was correct. Furthermore, the requests along with the payment vouchers were submitted for payment without the approval of the Director of Quality of Life Services, who is responsible for this agency. The instances include:

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Voucher #	Months Requested	Total Amount	Status of Payment
311684	January 2010-August 2010	\$ 2,238.00	Disbursed
251694	September 2010 –November 2010	\$ 990.00	Disbursed
488252	December 2010- February 2011	\$ 1,083.85	Disbursed
488152	March 2011- June 2011	\$ 2,738.70	Disbursed
488168*	July 2011–August 2011	\$ 1,545.68	Disbursed
488201	September 2011-November 2011	\$ 1,578.98	Pending

*This voucher replaced #488159 for \$1,364.25.

The failure to obtain approval from the proper authority violates Fulton County policies and procedures.

Recommendation

All employees requesting mileage reimbursements should obtain proper approval. All mileage vouchers submitted by the Director of Arts and Culture should be approved by the Director of Quality of Life Services. In addition, the Department should implement the necessary internal controls to ensure that all procedures in the approval process are followed.

Finding 3 – Inaccurate Mileage Reimbursement Requests

The mileage reports should accurately reflect the actual County miles driven for each month. During our review, we reassessed 18 out of the 26 mileage reimbursement requests submitted and noted that 17 requests appeared to be inflated. The remaining request, for June 2, 2010, had an unrecognizable location; therefore, no mileage could be calculated for that day. The details of the reimbursements are listed below.

	Requested Mileage	MapQuest Mileage	Difference	Requested Amount	MapQuest Amount	Overpaid Amount
	(In Miles)	(In Miles)	(In Miles)			
2008						
December	94	82.9	11.1	\$ 54.99	\$ 48.49	\$ 6.50
November	<u>257</u>	<u>240.8</u>	<u>16.3</u>	<u>\$ 150.35</u>	<u>\$ 140.84</u>	<u>\$ 9.51</u>
Total	351	323.7	27.4	\$ 205.34	\$ 189.33	\$ 16.01
2009						
February	500	388.1	111.9	\$ 275.00	\$ 213.44	\$ 61.56
April	815	528.4	286.6	\$ 448.25	\$ 290.64	\$ 157.61
June	715	477.2	237.8	\$ 393.25	\$ 262.48	\$ 130.77
August	695	260.0	435.9	\$ 382.25	\$ 142.50	\$ 239.75
October	675	314.8	360.2	\$ 371.25	\$ 173.12	\$ 198.13
November	<u>355</u>	<u>208.9</u>	<u>146.1</u>	<u>\$ 195.25</u>	<u>\$ 114.88</u>	<u>\$ 80.37</u>
Total	3,755	2,177.4	1,578.5	\$2,065.25	\$1,197.06	\$ 868.19
2010						
January	366	222.7	143.3	\$ 183.00	\$ 111.34	\$ 71.66
February	585	241.2	343.8	\$ 292.50	\$ 120.60	\$ 171.91
April	685	339.9	345.1	\$ 342.50	\$ 169.97	\$ 172.53
June	570	300.5	269.5	\$ 285.00	\$ 150.25	\$ 134.76
August	<u>520</u>	<u>151.7</u>	<u>368.3</u>	<u>\$ 260.00</u>	<u>\$ 75.86</u>	<u>\$ 184.14</u>

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Total	2,726	1,256.0	1,470.0	\$1,363.00	\$ 628.02	\$ 735.00
2011						
July	1,490	468.7	1,021.3	\$ 826.95	\$ 260.13	\$ 566.82
August	1,295	331.2	963.8	\$ 718.73	\$ 183.81	\$ 534.92
September	1,125	328.2	796.8	\$ 624.38	\$ 182.13	\$ 442.25
October	1,140	267.0	873.1	\$ 632.70	\$ 148.16	\$ 484.54
November	<u>580</u>	<u>140</u>	<u>440.0</u>	<u>\$ 321.90</u>	<u>\$ 77.68</u>	<u>\$ 244.22</u>
Total	<u>5,630</u>	<u>1,535.1</u>	<u>4,095.0</u>	<u>\$3,124.66</u>	<u>\$ 851.92</u>	<u>\$2,272.74</u>
Grand Total	<u>12,462</u>	<u>5,291.1</u>	<u>7,170.9</u>	<u>\$6,758.25</u>	<u>\$2,866.33</u>	<u>\$3,891.94</u>

In addition, the mileage reimbursement request for June 2009 was mathematically inaccurate. A result of the inaccurate mileage reimbursements caused the County to overpay the actual County mileages driven.

Recommendation

The employee should take care in submitting accurate mileage reimbursement requests. If the employee is uncertain of the actual miles driven, technological mapping programs, such as, MapQuest or Google Maps, should be utilized to calculate the mileage.

Conclusion

Based on our review of the mileage reimbursements for the former Director of the Arts and Culture Department, we have noted some areas of concern. The concerns include the failure to abide by County policies as it relates to monthly mileage exceeding 1,000 miles, obtaining proper approval, and submitting inaccurate mileage reimbursement requests. The Office of Internal Audit recommends that any outstanding requests not be approved for payment until these concerns are resolved.

If you have additional questions, please contact me.

cc: Zachary Williams, County Manager