



**FULTON
COUNTY**

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

December 31, 2022

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INTRODUCTION

In accordance with the 2022 approved Audit Plan, the Office of the County Auditor has conducted an audit of Fulton County's Travel and Training Program.

BACKGROUND

Pursuant to the Official Code of Georgia Annotated ("O.C.G.A.") TITLE 45 Chapter 7 Sections 20 through 34, the Travel, Training, Parking and Automobile Allowance/ Mileage Reimbursement 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 policies and 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, review and approval of Fulton County Department's travel costs.

OBJECTIVE

The objectives of this audit were to determine the adequacy of internal controls set forth by the Travel and Training Policy. Additionally, to assess departmental compliance with policies and procedures.

SCOPE

The scope of the audit was from January 1, 2021 – December 31, 2021.

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.

We performed the following procedures:

- Reviewed the County's Travel and Training Policy, as well as any applicable federal and state regulations;
- Obtained an understanding of the internal controls implemented for the Travel and Training Program;
- Sampled a total of fifty (50) travel and training related transactions for review, totaling \$99,001.31;
- Ensured proper approval was obtained for travel and training transactions;
- Reviewed supporting documentation to verify amounts reimbursed in the reconciliation packages;
- Ensured expenses charged to the travel credit card agreed to travel credit card reconciliation reports and billing statements; and
- Conducted interviews with key personnel within the Purchasing and Finance Department.

We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. Our findings and recommendations are detailed below:

FINDINGS AND RECOMMENDATIONS

Finding 1 – Failure to Provide Proof of Attendance

Pursuant to the Travel and Training policy, “The traveler is responsible for submitting supporting documentation to the DTC, such as proof of attendance, to substantiate travel and any related expenses.” Proof of attendance may include a conference badge, conference agenda, conference photo or any other materials provided at the conference. During our review, we identified nineteen (19) transactions lacking the proof of attendance. Of these transactions, we noted twelve (12) as virtual trainings. We were informed that travelers may have difficulty obtaining proof of attendance for virtual trainings. Failure to exercise due diligence in requesting proof of attendance for trainings may result in unauthorized expenses, inability to validate costs and lack of County oversight.

Recommendation

We recommend both the Finance Department and the Purchasing and Contract Compliance Department ensure all travel is supported by proof of attendance, as required by the policy.

Finding 2 - Lack of Support for Per Diem Expense

Per the policy, "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 provided during travel/training, if any. During our review, we found two (2) instances where the agenda was not submitted. As such, we were unable to determine the accuracy of the per diem reimbursement. We also noted one (1) instance where a reception dinner was provided as part of the conference and the per diem expense for that meal was reimbursed to the traveler. These instances occurred as an oversight by the department. Failure to ensure the proper support is obtained for per diem reimbursement may result in overpayment, noncompliance of policies and procedures and inaccurate financial reporting.

Recommendation

We recommend the Purchasing and Contract Compliance Department, along with the Finance Department, conduct a thorough review of all travel related documents, prior to any reimbursements to ensure all expenses have been validated.

Finding 3 – Failure to Request Itemized Receipts

As mandated by the Travel and Training Policy, "All travelers must submit itemized lodging receipts upon returning from travel." During our review, we noted one (1) transaction lacking an itemized hotel receipt. This instance occurred as an oversight by the traveler. Failure to request itemized receipts, inclusive of all charges billed to the traveler, may result in the County issuing payments for unauthorized charges.

Recommendation

We recommend each department ensure all travelers request itemized lodging receipts from their respective hotel, upon checking out. These itemized receipts should include all charges billed to the traveler during travel for County related purposes.

Finding 4 – Failure to Adhere to Mileage Calculation Policies

The Travel and Training Policy states, "Reimbursement for transportation costs and/or mileage between an employee's residence and primary work location for the employee's normal commute is NOT allowed." Additionally, "Travelers utilizing their personal vehicles for official County business travel will be reimbursed mileage according to the allowable mileage rate set by the IRS and published on its website as 'Standard Mileage Rates' (<http://www.irs.gov>)." For the scope of the audit, the mileage rate was \$.56/mile. During our review, we noted one (1) transaction lacking support for the commute mileage. We further found one (1) instance where

the mileage was calculated at \$.575/mile. These instances occurred as an oversight by the department and a lack of review to ensure the policy was followed. Failure to provide proof of the traveler’s commute mileage could result in a violation of policy. Also, the inaccurate calculation of mileage may result in overpayment of expenses.

Recommendation

We recommend the Purchasing and Contract Compliance Department, along with the Finance Department, perform a thorough review of the traveler’s documentation prior to reimbursement. We further recommend all mileage rates be reviewed for accuracy and alignment with IRS guidelines.

Finding 5 – Documentation Submitted Without Proper Signatures

According to the policy, “Finance completes a final review of completed reconciliation packages, to verify actual costs, reimbursement amounts and processes a check for any amount due from the County to the Traveler.” As a best practice, all documents related to travel and training should be reviewed and possess the proper signatures, confirming review and approval to pay. During our review, we noted twenty-six (26) or 52% of transactions lacking proper signatures.

Title	Total Signatures Missing
Travel Card Program Administrator	14 signatures
Finance Department	17 signatures
Department Head	3 signatures
Reconciler	2 signatures
Supervisor	2 signatures

Additionally, we were unable to determine processing times within each department due to missing dates and signatures. Failure to obtain proper signatures may result in payment of unauthorized transactions and the inability to determine if documents have been reviewed and approved prior to payment.

Recommendation

We recommend each department perform a thorough review of travel and training documents to ensure compliance with the policy. We further recommend each department confirm the completion of all documents in their entirety, prior to submission for payment.

Finding 6 – Failure to Provide Proper Support for Air Fare Purchase

“Travelers who require air travel must utilize the DTC to secure the lowest available airfare and must submit proof of quotes in the required format,” as noted in the Travel and Training Policy. During our review, we noted (6) six transactions lacking the required quotes. These quotes were

not requested from the traveler by the Finance Department, nor the Purchasing Department. Failure to obtain proper supporting documentation may increase the risk of overpayment for expenses, and the inability to determine reasonableness of the expense.

Recommendation

We recommend the Department of Purchasing and Contract Compliance and the Finance Department request all required supporting documentation from the traveler to ensure compliance with the policy

Finding 7 – Lack of Supporting Documentation

According to the policy, “The traveler should Work with the DTC to coordinate and facilitate all matters related to travel/training and complete required forms and provide other supporting documents (forms, original receipts, proof of attendance etc.) to substantiate travel/training requests and expenses.” During our review, we requested various documents from the Finance Department, including the Travel/Training Expense form, support for differing amounts, and verification of attendees. We noted five (5) transactions lacking supporting documentation that was never requested from the traveler. The department was still unable to provide the missing information upon our request. The inability to obtain supporting documentation may lead to inaccurate or incomplete records, overpayment of expenses, and lack of County oversight.

Recommendation

We recommend the Purchasing and Contract Compliance Department and the Finance Department perform a thorough review of all submitted documentation to ensure accurate record keeping in compliance with County policy.

Concern – Procedures Lacking Oversight

Travel and training procedures outline the following process: Each Commissioner, Judge, Constitutional Officer, and County Executive are permitted to authorize their respective travel. During our review, we noted 5 instances where the aforementioned parties authorized their own travel related expenses. In these instances, the officials are the highest-level approver within their respective departments. Therefore, no additional signatures or higher-level approval process was conducted. Validation is needed to ensure transactions are in compliance and free from errors. Transactions lacking higher-level approval could cause excessive or unauthorized spending, and result in public scrutiny.

Recommendation

We recommend the Finance Department, as well as the Purchasing and Contract Compliance Department, apply consistency at all levels to ensure reasonable oversight is applied to all travel and training expenses.

CONCLUSION

Based on the audit performed, we identified the following seven (7) findings and one (1) concern that require the attention of management:

- Failure to Provide Proof of Attendance
- Lack of Support for Per Diem Expense
- Failure to Request Itemized Receipts
- Failure to Adhere to Mileage Calculation Policies
- Documentation Submitted Without Proper Signatures
- Failure to Provide Proper Support for Air Fare Purchase
- Lack of Supporting Documentation

Additionally, we noted one (1) concern related to procedures lacking oversight.

Please provide a written response to this audit within ten (10) business days. Please address the written response to Anthony Nicks, County Auditor, in memorandum format. 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.