



**FULTON
COUNTY**

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

September 8, 2023

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INTRODUCTION

In accordance with the 2023 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, reviewing and approval of Fulton County Departments' travel costs.

OBJECTIVE

The objectives of the 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, 2022 – December 31, 2022.

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 sixty (60) travel and training related transactions for review, totaling \$126,711.94;
- 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 Request Supporting Documentation

According to the Travel and Training 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 receipts and other supporting documentation for differing amounts. We noted two (2) transactions lacking supporting documentation that were not requested from the traveler. These documents include cash receipts for overpayment of unauthorized charges and receipts for parking expenses. Additionally, the department was unable to provide supporting documentation for one (1) sample selection. Per the department, the incorrect name was reported on the Travel and Training Financial Report; as a result, the supporting documentation could not be provided. The inability to obtain supporting documentation may lead to inaccurate and 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 documentation to ensure accurate record keeping in compliance with County policy.

Finding 2 - Lack of Support for Per Diem Expense

Pursuant to 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 further note the Finance requested the agenda from one of the traveling departments, however, the department responded that not all conferences provide an agenda. Failure to obtain the required documentation 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, to ensure all expenses have been validated. We also recommend these departments collaborate on alternative solutions, given an agenda is not provided.

Finding 3 – Documentation Submitted Without Proper Signatures

Pursuant to the Travel and Training 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 for payment. During our review, we noted twenty-five (25) or 41% of transactions lacking proper signatures.

Title	Total Signatures Missing
Travel Card Program Administrator	15 signatures
Finance Department	7 signatures
Department Travel Coordinator	3 signatures

Additionally, we were unable to determine processing times within each department due to missing dates and signatures. According to the Finance Department, the seven (7) documents lacking signatures were signed during the time of processing the payment. Additionally, the signed documents were also submitted after our initial review. Failure to obtain proper

signatures may result in payment of unauthorized transactions and the inability to determine whether documents have been reviewed and approved prior to payment.

Recommendation

We recommend each County department perform a thorough review of travel and training documents to confirm the completion of all documents prior to submission for payment and to ensure compliance with County policy. We further recommend the Purchasing and Contract Compliance and Finance Department perform a detailed review of submitted documents to ensure all required documents and signatures are present prior to processing for payment

Finding 4 – 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 sixteen (16) transactions lacking the required quotes. One department advised that seven (7) of the cost comparisons were erroneously omitted. Failure to obtain relative cost comparisons or quotes may increase the risk of overpayment for expenses, and the inability to determine whether costs are fair and reasonable.

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 County policy.

Finding 5 – Failure to Provide Proof of Attendance

According 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 sixteen (16) transactions lacking proof of attendance. 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 providing proof of attendance, as required by the policy.

Concern 1 – Procedures Lacking Oversight

Pursuant to Policy 209-16-4, Elected Officials are authorized to approve their respective travel. During our review, we noted five (5) Commissioners, Judges, Constitutional Officers, and County Executives 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 accuracy of transactions and compliance with County policy. Transactions lacking higher-level approval may cause excessive or unauthorized spending, and result in public scrutiny.

Recommendation

We recommend the Purchasing and Contract Compliance and Finance Department, review current processes to ensure oversight at all levels within the County and work with executive management to ensure best practices are in place.

Concern 2 – Transactions Lacking Receipts for Travel Insurance

The Travel, Training and Automobile Allowance/Mileage Reimbursement Policy states, “The traveler’s responsibility is to work with the DTC to coordinate and facilitate all matters related to travel and training and complete required forms and provide other supporting documents (forms, original receipts, proof of attendance, and etc.) to substantiate travel and training requests and expenses.” During our review, we requested receipts from the Finance Department for the purchase of travel insurance. We confirmed there were three (3) transactions lacking these receipts. In one instance, the Finance Department requested the receipt from the department. As a result, it was determined that the vendor does not provide receipts. However, the charge will be displayed on the bank or credit card statement. The inability to obtain the supporting documentation may lead to payment of unauthorized charges, overpayment of expenses, and lack of County oversight.

Recommendation

We recommend the Purchasing and Contract Compliance Department and the Finance Department ensure all County employees are informed of the required documents to comply with the Travel Policy. Additionally, perform a thorough review of all submitted documentation, to ensure all documentation is sufficient.

Concern 3 – Incorrect Per Diem Calculation

Pursuant to 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.” As such, the submission of

the conference agenda is imperative in determining the meals provided during travel/training, if any. During our review, we found one (1) instance where per diem expense was incorrectly calculated. Per review of the conference agenda, there was no indication that breakfast was included as part of the registration fee paid by the County. However, per diem for breakfast was omitted from the calculation. Upon further discussion with the Finance Department, we noted that the Concur system allows the traveler to select which meals are included for the specific travel, which subsequently initiates the calculation for per diem. The agenda is used for verification, although the traveler's selections were used in the absence of an agenda. Failure to ensure that all meals and incidentals have been properly accounted for may result in untimely, inaccurate reimbursements and incorrect 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

CONCLUSION

Based on the audit performed, we identified the following five (5) findings that require the attention of management:

- Failure to Request Supporting Documentation
- Lack of Support for Per Diem Expense
- Documentation Submitted Without Proper Signatures
- Failure to Provide Proper Support for Air Fare Purchase
- Failure to Provide Proof of Attendance

Additionally, we noted three (3) concerns related to procedures lacking oversight, transactions lacking receipts for travel insurance and incorrect per diem calculation.

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 to Shauna Herbert, Audit Manager, in the Office of the County Auditor at shauna.herbert@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.