



CITYWIDE TRAVEL

AUDIT REPORT #0224

June 2002



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MEMORANDUM

To: Mayor and Members of the City Commission

From: Sam M. McCall, City Auditor

Date: June 27, 2002

Subject: Audit Report on Citywide Travel (#0224)

We have completed an audit of Citywide Travel (#0224). We submit this report that contains our audit issues and recommended actions and the responses from the City Manager, the City Attorney, and the City Treasurer-Clerk. We will periodically review the implementation of these recommended actions.

We thank applicable City staff for their cooperation and assistance during this audit. If you have any questions or need a more detailed briefing on this audit, please contact me.

Respectfully submitted,

Sam M. McCall
City Auditor

SMM/mbd
attachment

Copy: Members of the Audit Committee
Leadership Team
Paula G. Cook, Records Administrator

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Citywide Travel



Sam M. McCall, CPA, CIA, CGFM
City Auditor

Report #0224

June 27, 2002

Executive Summary

This audit included a review of travel expenses incurred by City employees, other authorized individuals, and Appointed Officials. Overall, we found that travel was conducted for authorized City business, was properly accounted for, and was efficient and economical. However, we noted instances of noncompliance with the City's recently implemented travel procedures, some of which resulted in costs that could have been avoided. Some of our findings resulted in specific recommended clarifications and modifications to the travel procedures. We also recommend additional training for employees and supervisors to communicate the requirement to consistently comply with City travel procedures.

The City issued revised travel procedures effective February 2001.

Overall, travel was for authorized business, properly accounted for, efficient, and economical. However, additional efforts should be made to communicate the need to consistently comply with the City travel procedures and to avoid unnecessary costs whenever reasonable and possible.

The City implemented revised travel procedures effective February 15, 2001. The Department of Management and Administration provided City departments and officials training on these procedures prior to that date. We selected a random sample of travel charges from the period March 1, 2001, through November 15, 2001, and tested the travel relating to the trips to which those charges pertained. We also reviewed travel during that period made by the City Manager, City Attorney, and City Treasurer-Clerk. Furthermore, we conducted certain analytical and data mining procedures of travel expenses to identify any unusual activities or transactions. All travel except that by elected officials (Mayor and City Commissioners) and their staffs and the Office of the City Auditor was included. Travel by the elected officials, their staffs, and all employees of the City Auditor's Office is separately audited on an annual basis by the City's external audit firm pursuant to contract.

We noted that, overall, travel expenses were proper and travel was economical and efficient. Costs that could have been saved or avoided as identified by this audit represented approximately 3 percent of total costs reviewed. We believe that the 3 percent rate

reflects that, overall, the City has an adequate system of internal control in regard to travel. We recommend that management review the reported instances of noncompliance and initiate corrective actions where the costs of additional controls will result in increased economy and efficiency. Specific actions that should be considered to improve compliance with the City's travel procedures and to ensure economical and efficient travel include, for example:

- Car pooling by employees to reduce the number of vehicles driven on trips.
- Reduction of car rental costs through rental of compact class vehicles and use of taxis and shuttles when reasonable and less expensive under the circumstances.
- Completion and retention of documented cost and efficiency analyses of trip alternatives.
- More care in the completion of travel forms to ensure that only eligible meals are claimed for reimbursements and that correct rates are used in calculating meal reimbursements.
- The accurate preparation and timely submission of travel forms.
- Reminders to travelers of the City's exemption from state sales taxes on lodging and car rentals and the appropriate steps to follow to ensure that such taxes are not charged and paid by the City.
- Reminders to travelers and administrative/supervisory staff of the importance of following up to ensure that travel costs due from third parties are recovered by the City.

In our testing, we noted no instances of fraud or evidence of intent by City employees to defraud the City.

Some of our findings resulted in recommended clarifications and modifications to the City travel procedures. We recommend that the Department of Management and Administration reinforce and communicate the requirements of those travel procedures, as revised and modified, to all City departments and offices.

The purpose of this audit was to determine compliance with the revised travel procedures. Accordingly, we have included detailed findings for management review, consideration, and disposition. We would like to acknowledge the full and complete cooperation and support of all applicable Appointed Officials and City staff during this audit.

Recommendations are made to clarify and modify the City's travel procedures.

Citywide Travel



Sam M. McCall, CPA, CIA, CGFM
City Auditor

Report #0224

June 27, 2002

Objectives

This audit focused on the purpose, economics, and efficiencies of travel and on compliance with the City's revised travel procedures subsequent to their implementation.

The objectives of this audit were to determine whether: (1) travel expenses were incurred only for travel that related to the conduct of City business, (2) travel was conducted and related expenses were incurred/reported in accordance with the City's recently implemented travel procedures, (3) travel was efficient and economical, and (4) travel expenses were accurately and properly accounted for in the City's records. An ancillary objective of this audit was to identify areas where improvements should be made to the City's travel procedures.

Scope

Travel was reviewed for the period March 1 through November 15, 2001.

The scope of this audit included a review of disbursements to or on behalf of City employees and officials and other authorized individuals for expenses incurred while traveling during the period March 1, 2001, through November 15, 2001. All travel except that by elected officials (Mayor and City Commissioners) and their staffs and the Office of the City Auditor was included. Travel by the elected officials, their staffs, and all employees of the City Auditor's Office is separately audited on an annual basis by the City's external audit firm pursuant to contract.

Methodology

To address the stated audit objectives, we reviewed the City's travel procedures, selected samples of travel expenditures and reviewed the circumstances and costs associated with the related travel trips, and interviewed applicable City staff. The specific audit approaches are described below.

A random sample of 60 trips was selected from travel expenses recorded in the City's applicable financial systems.

For the period covered by this audit, individual travel related expenses were accounted for in three City systems. These systems included the following:

Table 1 – Accounting Systems	
System	Dates
Financial Management System (1)	3/1/01 to 7/3/01
PeopleSoft Financials (1)	7/3/01 to 11/15/01
Infospan (City purchase cards)	3/1/01 to 11/15/01
Note (1): Peoplesoft Financials replaced the Financial Management System on 7/3/01	

We selected a random sample of charges to the travel and training category within these systems and determined which of those sampled charges involved travel. For those charges pertaining to travel, we obtained the applicable travel request and expense forms and identified all costs associated with the trips. Documentation supporting those expenses was obtained from the Treasurer-Clerk's records and from applicable City departments. As needed, we interviewed individual travelers and other City staff. A total of 60 separate trips were selected and tested. Travel costs shown for these 60 trips on the related final expense forms totaled \$77,330 and were comprised of the following:

Table 2 – Costs of 60 Randomly Selected Trips	
Cost Category	Amount
Conference/Registration Fees	\$20,378
Lodging	\$23,185
Meals	\$12,777
Airfare	\$13,203
Car Rental	\$3,117
Mileage Reimbursement – Personal Vehicle Use	\$2,690
Taxi/Shuttle Fares	\$551
Parking	\$426
Tolls	\$36
Gratuities	\$151
Telephone/Communication	\$41
Miscellaneous (e.g., gasoline)	\$775
TOTAL	\$77,330

Travel conducted by the City Manager, City Attorney, and City Treasurer-Clerk was separately identified and reviewed.

In addition to our testing of randomly selected trips, we identified trips made by the City Manager, City Attorney, and City Treasurer-Clerk during our audit period. Similar to the randomly selected trips, we obtained and reviewed available documentation supporting the expenses incurred for those trips, and interviewed those Appointed Officials and/or, as appropriate, staff assistants that report directly to and arrange travel for those Appointed Officials. A total of 24 trips were scheduled and/or made by those three Appointed Officials during the audit period. Travel costs based on the final expense forms for those trips totaled \$17,311.

Certain analytical and data mining procedures of City travel expenses were performed.

Furthermore, we performed certain “data mining” and analytical procedures of City travel expenses. Data mining involves the analyses of entire transaction populations for the purpose of identifying unusual activity or transactions likely to have been executed in error or representing violations of City policy or good business practices. Data mining and other analyses performed as part of our audit consisted of: (1) reviewing the population of travel costs charged on City purchase cards for abnormal payments (e.g., payment to a restaurant exceeding certain dollar amounts or payments to an office supply store) and (2) reviewing travel advances for the purpose of ascertaining if the final expense forms were timely completed and advances settled after the related trips were completed.

The first part of this report summarizes the results of our audit in regard to our tests of randomly selected trips and various data mining and data analysis procedures. Issues relating to travel by the City Manager, City Attorney, and City Treasurer-Clerk are addressed in a subsequent and separate part of this report.

This audit was conducted in accordance with Generally Accepted Government Auditing Standards and Standards for the Professional Practice of Internal Auditing, as applicable.

Background

City Administrative Procedures Manual (APM) No. 602 established procedures for all travelers of the City of Tallahassee. APM No. 602 was effective February 15, 2001, and applies to all out-of-town and in-town travel for any purpose and for which officials and employees of the City and other authorized travelers will claim reimbursement. Other authorized travelers include, for example, eligible individuals who incur travel expenses when interviewing for City employment.

The City implemented revised travel procedures in February 2001.

APM No. 602 addresses the roles and responsibilities of the Department of Management and Administration (DMA), department directors, and the individual travelers. It also establishes expense requirements and guidelines as well as documentation and form requirements. Examples of travel related expenses that are addressed by those procedures include transportation (e.g., airfare, car rentals, personal vehicles, taxis, shuttles, and road and bridge tolls), meals, lodging, telephone, conference registration fees, and miscellaneous costs such as gratuities.

During the 8½-month audit period the City incurred travel expenses of approximately \$1 million.

Travel expenses are paid in several ways. They may be paid to the applicable traveler or vendor in advance or by reimbursement after the services (e.g., lodging, car rental, meals) have been received. Where possible and reasonable, payments through City purchase cards are encouraged. Travel expenses are charged to a “travel and training” category within the City’s financial records. As this category also captures those training costs that do not involve travel, there are no centralized records documenting the total cost of just travel. However, based on our testing, the vast majority of the charges to the travel and training category represented travel costs. Costs recorded in the training and travel category for the period covered by our audit totaled \$1,174,645. Based on our analysis, we estimate that approximately \$1 million of that amount related to travel.

APM No. 602 provides that travel costs must be documented on standard travel request and expense forms. The request forms are

used by travelers to obtain approval for the related trips, expected costs, and the mode and means of transportation (e.g., flying or driving a personal vehicle). The request forms are also used by travelers to request advances when needed to pay anticipated out-of-pocket expenses, such as meal costs. The final expense forms are used to document the dates and times of travel, the trip destination, the travel expenses incurred during the trip, and any funds owed to the traveler or owed back to the City upon completion of the trip. The final expense forms also document approval of the final expenses by management and the travelers' attestations as to the propriety/accuracy of the expenses incurred and claimed for reimbursement.

Travel Mode and Method

Except as otherwise noted, travel was adequately coordinated and the modes/methods of travel were reasonable and appropriate under the circumstances.

In general, we found that travel was adequately coordinated and the modes and methods of travel were reasonable and appropriate under the circumstances. For example:

- When more appropriate and economical to drive rather than fly, travelers drove. Similarly, travelers flew to their destinations when that mode was more reasonable and economical under the circumstances.
- Car rentals were generally of the compact or similar class.
- Costs incurred for the personal benefit of travelers were generally not claimed for reimbursement.
- Car pooling was often used to reduce costs to the City for trips involving multiple travelers.

However, instances were noted where efforts should be made to improve the efficiency and economics of travel. Specifically, in three of the randomly selected trips that involved multiple employees traveling to the same destination, had car pooling (or

Car pooling should be further encouraged.

additional car pooling) been considered or encouraged, the City would have saved additional funds, potentially as much as \$1,200.

These 3 trips included the following:

- Travel by six Gas Utilities employees to a 4-day conference in Ft. Myers where five vehicles were driven, when it may have been more reasonable for only 2 or 3 vehicles to be driven.
- Travel by three Electric Utilities employees to a 4-day conference in Tampa where each employee drove a separate vehicle, when it may have been reasonable for only one vehicle to be driven.
- Travel by three Fire Department employees to a 4-day conference in Clearwater, for which two employees car pooled and the third employee drove a separate vehicle. It was not apparent why all three employees could not have rented and ridden in a single vehicle.

Car pooling is not reasonable under all circumstances. For example, some travelers may need to be at a conference or destination at earlier and/or later times than other travelers due to other responsibilities (i.e., responsibilities in addition to a conference or special conference assignments). However, Section 602.09H3 of the procedures provides that if there are multiple travelers going to the same destination, car pooling should be considered. Accordingly, City travelers should be encouraged to car pool whenever reasonable and practical.

Efforts should also be made to improve compliance with car rental requirements established in the City travel procedures. Section 602.09H2b of the City travel procedures provides that vehicles may be rented whenever appropriate and that such rentals shall be of the compact class of vehicles, except when the number of passengers or the volume of materials to be transported makes the use of a

Travelers and their supervisors should be encouraged to reduce car rental costs whenever reasonable and possible.

compact class vehicle impracticable. Notwithstanding that the difference in class rates is not always significant (e.g., for one vendor an intermediate class vehicle costs only an additional \$1.83 per day), the procedures states that higher classes of vehicle rentals (e.g., intermediate or full-size) shall be supported by an explanation for incurring the more expensive rates.

For four of the 60 randomly selected trips, we noted the following instances that are indicative of the need for City travelers and/or their supervisors to have a better working knowledge of City travel procedures:

- Two Water Utilities employees attending the same 5-day conference in Arizona could have saved the City approximately \$238 had they shared a compact class rental vehicle as opposed to each renting an intermediate class vehicle. Furthermore, since taxi fares and shuttle fees between the airport and the hotel (at which the conference was held and the employees lodged) were cheaper than a car rental, consideration should have been given to using those alternative modes as opposed to car rentals.
- For two trips (one by two Neighborhood and Community Services [NCS] employees and another by a DMA employee), intermediate class cars were rented without adequate justification for the higher-class vehicles. Had compact cars been rented, savings of approximately \$38 may have been realized.
- For one trip by Communications Department employees, a vehicle was rented for the return to Tallahassee from Miami during the events of September 11, 2001, and the related closing of the Miami airport. Contrary to Section 602.09H2b of the City travel procedures, the travelers purchased collision-damage waivers and personal accident insurance. The employees also rented a higher-class

vehicle than necessary under the circumstances. In addition, the employees did not rent the vehicle through an existing state contract. (The City can “piggyback” these contracts.) We do not question the need for these employees to rent a car for return to Tallahassee given the uncertainty of events at that time. However, if the employees had been aware of the state contract and other requirements in the City travel procedures, cost savings of approximately \$41 may have been realized on that trip.

For two additional trips, we noted that vehicles above the compact class were rented. For both of these trips there were multiple travelers (at least 3 employees). While the circumstances for these trips appear to justify the renting cars above the compact class, explanations as required by City travel procedures were not attached to the travel documentation noting the need for the higher-class vehicles. (These trips were by NCS employees.)

City departments and offices should retain required analyses of the costs and efficiencies of available travel modes/methods.

Documentation should be retained to show analyses of the costs and efficiencies of available travel modes/methods for trips by employees. Section 602.09C of the City travel procedures states that the method, class, routing, and other arrangements associated with the travel shall be the most economically available and result in the shortest “time away” or lowest overall cost consistent with distance to be traveled and trip purposes. Appendix B of the travel procedures provides that documentation should be maintained by the applicable departments showing the prices obtained and analyses of various methods to get to the destination. In our testing of the 60 randomly selected trips, we noted 8 trips where the trip circumstances would appear to require the applicable departments to document their analyses for the costs and efficiencies of the different travel alternatives and to justify the mode/method chosen.

In each of these 8 trips, we noted (1) that the chosen method and incurred costs appeared reasonable, (2) that the prices for transportation were below City-established thresholds requiring

competitive acquisition procedures (i.e., quotes from at least 3 vendors), and/or (3) that, when applicable, transportation arrangements (e.g., airfare) were often made through travel agents that searched for the best prices and most advantageous flights/deals on behalf of the City. However, for each of these trips documentation was not available showing that the departments had compared the costs of different flights and/or the cost of flying to the cost of driving, or otherwise justified and documented the selected travel mode due to non-monetary circumstances such as time away from work. In response to our inquiries, the departments generally stated that proper analyses had been done but supporting documentation not prepared or retained. (Applicable departments included Water, Gas, Electric, UCBS, DMA, and the Treasurer-Clerk's Office.)

As required by the travel policy, efforts should be made to retain documentation showing that available alternatives were identified and properly considered based on economics and circumstances pertaining to the trip.

Except as otherwise noted, transportation costs relating to travel were incurred solely for the benefit of the City and not the traveler.

Other than one noted instance, all other travel transportation costs were incurred solely for the benefit of the City and not the traveler.

In the one instance, a \$71 fee was paid to an airline for the revision of a DMA employee's original flight schedule to allow the employee to depart from another location. That was done for the employee's benefit. Pursuant to Section 602.09C of the City travel procedures, it was not apparent from the circumstances why the additional cost should have been paid by the City.

Meals

Due to a lack of clarification in the City travel procedures, some employees traveling on day trips (no overnight stay) claimed and were reimbursed for lunches. Section 602.09O2 of the City travel procedures provides that if a day trip results in the individual traveling during designated breakfast or dinner periods, the

DMA should obtain further input to determine if travel procedures should be revised to allow reimbursement for lunches during day trips.

department director may authorize reimbursement for those meals. This policy provision does not expressly address whether the traveler on such a day trip may be reimbursed for lunch. However, the implied intent is that travelers on authorized day trips that occur during the established lunch hours will not be reimbursed for the costs associated with lunch. This understanding was confirmed by DMA. In our tests of 60 trips, we noted 25 instances where travelers on day trips claimed and were reimbursed for lunch. These 25 instances pertained to 6 trips involving multiple travelers. The reimbursements for those lunches totaled \$250. (These 6 trips pertained to the Police Department – 2 trips, NCS – 1 trip, and Fire Department – 3 trips.)

In view of the number of instances where travelers claimed and were reimbursed for lunches during day trips and the nature of the travelers' responses to our inquiries on this matter, we recommend that DMA review this issue and obtain further input from within the City as appropriate to determine if changes to the procedures are needed. If, after such review, DMA elects not to revise this policy, clarification should be made within the procedures that reimbursement for day trip lunches is not allowed.

In general, travelers were not reimbursed for meals provided by the applicable conference or hotel as part of the registration/lodging fees.

Travelers generally did not claim reimbursement for meals that were provided by the applicable conference or hotel as part of the registration or lodging fees. Pursuant to Section 602.09J2 of the City travel procedures, travelers are not entitled to reimbursement for those meals. In our tests of 60 trips, we noted exceptions to this requirement in 3 trips. The overpayments totaled \$169.55 and involved travelers of Water Utilities and the Fire Department.

Rates used in meal reimbursement calculations generally resulted in correct payments.

Rates used to determine reimbursements for meal costs generally resulted in correct payments. Section 602.09J of the City travel policy provides that travelers will be reimbursed for the costs of meals using the Runzheimer Meal Lodging Cost Index (Runzheimer Index). This index provides the average meal costs for breakfast, lunch, and dinner for many major cities within the United States of

America. In addition, the index provides state averages to be used in those instances when the traveler's destination is to a location not specifically listed in the index. This Runzheimer Index is periodically updated. We noted that the Runzheimer Index rates used in calculating meal reimbursements were generally correct.

However, in 10 of the 60 trips tested, the rates used were either for the wrong time period (e.g., the rates were updated but the outdated rates used) or were for a location (e.g., city) other than the trip destination. These errors in application of the Runzheimer Index rates did not result in payments that were materially incorrect. The individual errors ranged from an underpayment of \$11.55 to an overpayment of 70 cents to applicable travelers. The aggregate effect of these errors was a net underpayment of \$49.67. (The departments at which these exceptions occurred were Public Works – 3 trips, NCS – 2 trips, Planning – 1 trip, Parks and Recreation – 1 trip, Energy Services – 1 trip, and DMA – 2 trips.) Applicable departments should emphasize the use of appropriate rates to their staffs.

Except as otherwise noted, meal reimbursements were properly determined based on traveler departure and arrival times.

Meal reimbursements were generally correct based on traveler departure and arrival times. Section 602.09J1 of the City travel procedures provides that the determination of the meals to which a traveler may be reimbursed depends on the times and dates of departure and return. For example, travelers should only request and receive reimbursement for dinner on the day of departure if they leave on or prior to 6 p.m., and should only request and receive reimbursement for dinner on the day of return if they return on or after 6:01 p.m. We found that most meal reimbursements were correct based on the travelers' arrival and departure times. However, for 3 of the 60 trips tested, travelers claimed and were reimbursed for meals contrary to these regulations.

In accordance with City travel procedures, the employees in these 3 instances were provided advances based on their estimated times and dates of departure/return. However, when their actual times

and dates of departure/return were different, adjustments were not made on the final travel expense forms. As a result, the travelers retained the entire amount of the travel advance applicable to meals instead of reimbursing the City for the portion of the advance associated with those meals not eligible to be claimed. These instances, involving overpayments totaling \$61.94, pertained to trips by employees of the Communications Department, NCS, and Energy Services.

Except for one incident, other meal reimbursements appeared proper and valid.

Except for one incident, all other reviewed meal reimbursements were proper and valid. In addition to our testing of 60 randomly selected trips, we performed data mining procedures on the population of City purchase card charges to the travel and training category. In connection with those procedures, we identified a payment where a Building Services employee charged \$105 on a City purchase card for food purchased at a restaurant during his trip. For that trip, the employee also claimed and was reimbursed for all meals in accordance with the Runzheimer Index. Under those circumstances, the propriety of the \$105 restaurant charge was not apparent. The employee no longer works for the City.

Travel Forms

The City travel procedures require the completion and submission of standard forms to document approval of travel and the related expenses.

Section 602.10 of the City travel procedures requires the use of standard “Travel Request” and Travel Expense” forms to document the purpose, dates and times, and approval for travel and to capture the related costs. These forms are to be signed by both the traveler and approver (e.g., department director or designee). When signed by the traveling employees, these forms serve as an attestation to the accuracy of the trip circumstances and expenses incurred.

To facilitate processing travel requests, the policy requires that request forms be submitted to Accounts Payable several days prior to the start of the trip. The amount of required lead-time depends on the trip circumstances. Specifically, if checks are required for hotels or conference registrations the request forms are due no later

than 14 days prior to the trip; if the traveler is to receive an advance the forms are due 7 days prior to the trip; otherwise, the requests are due 3 days prior to the trip. These lead times are necessary to ensure Accounts Payable staff has sufficient time to review and process the forms and initiate the requested payments.

The travel procedures also require that travel expense forms be completed and submitted to Accounts Payable staff within 14 days of returning from the trip. This requirement ensures timely approval of trip circumstances and costs. When travel advances are involved, timely submission of the expense forms, in turn, enables Accounts Payable staff to make timely entries necessary to properly reflect travel costs in the City's financial records. When travel advances are in excess of what the traveler is entitled to based on actual trip time and costs, the timely completion/submission of the travel expense form also results in the return of monies to the City in a timely manner.

As described in the following, we noted that travel request and expense forms were generally timely, accurately, and properly completed and submitted to Accounts Payable staff.

Travel request and expense forms were generally prepared and submitted to Accounts Payable.

Travel request or expense forms were generally prepared and submitted to Account Payable. For the vast majority of trips selected and reviewed, the applicable travelers and departments completed and submitted for processing the required travel request and expense forms. However, for two of the 60 randomly selected trips, these forms were not prepared and submitted to Accounts Payable. The first instance was a 3-day trip by two Parks and Recreation employees to attend training in Daytona Beach. Costs identified for that trip totaled \$626. The other was a 3-day trip by an employee of the Emergency Management Division of the Fire Department to the Tampa area. Identified costs attributed to that trip totaled \$343. During other analytical procedures, we identified another two trips by this Emergency Management employee for which travel request and/or expense forms were not completed. The

identified costs of those trips, one to Tampa and the other to Orlando, totaled \$467. Properly completed request and expense forms are necessary to show that prior to the time of the travel trips have been authorized, and that the costs/circumstances have been attested to and reviewed by appropriate supervisory staff.

Efforts should be made to ensure that travel forms are signed by travelers and supervisory staff.

Efforts should be made to ensure that the travelers and designated supervisory staff sign travel forms. As noted above, the travel procedures require the request and expense forms to be signed by the traveler and approver. Section 602.08 of the travel procedures specifies the positions (appointed officials, department managers, etc.) authorized to approve travel. Section 602.06 provides that department directors may delegate the authority to approve travel. A list of those employees who have been delegated such authority is to be provided to Accounts Payable. We noted that for 12 of the 60 selected trips, the request and/or expense forms were not signed by the traveler and/or by the authorized approver. Specifically:

- For 6 trips, the travelers did not sign the expense forms. (Fire, Police, and Electric Utilities)
- For three trips there was no signature to evidence approval of the expense forms by an authorized supervisory employee. (Fire, Police and Electric Utilities) (One of these trips is also represented in the above finding.)
- For four trips, the employees approving the request and/or expense forms were not documented as having been designated to approve travel by the department head. While it may have been reasonable for these employees to approve the travel forms (e.g., initial designee reassigned or terminated), the applicable department heads did not timely notify Accounts Payable. (Energy Services, Water Utilities, and DMA)

It is important for both the traveler and the authorized supervisor to sign the travel expense form. By signing the form, the traveler

certifies that the expenses were actually incurred in the performance of official duties and that the form is true and correct in every material manner. Also, by signing the form, the supervisor certifies that to the best of his/her knowledge, the travel was on official business and for the purpose stated on the form.

Travelers and City departments should timely submit travel forms to Accounts Payable, and to provide appropriate explanations when delays cannot be avoided.

Travel request forms were generally submitted to Accounts Payable in a timely manner. In our tests of 60 trips we noted 3 instances where the travel request forms were not submitted prior to the travel. In these 3 instances the travel request forms were submitted 6 or 7 days subsequent to the completion of the trip. (For an additional 9 instances the forms were submitted from 1 to 7 days after the required submission dates; however, they were still submitted prior to the start of the respective travel.) We acknowledge that in some circumstances the date of the decision/determination that the trip will/can be made does not allow for submission of the travel request form within the time frames established in the policy. Reasonable explanations were provided in response to our inquiries for some of these delays. In future circumstances, applicable travelers and departments should include an explanation on the applicable travel records as required by City travel procedures. (Police – 3 trips, NCS – 3 trips, Water – 2 trips, Public Works – 1 trip, Fire – 1 trip, Energy Services – 1 trip, Electric – 1 trip, and DMA – 1 trip)

Generally, travel expense forms were timely submitted to Accounts Payable for the trips selected for testing. However, for 9 of the 60 trips tested, the expense forms were submitted for periods ranging from 4 to 49 days beyond the 14-day period established by the City's travel procedures. For the remaining trip, there was no evidence that the final expense form was submitted to Accounts Payable. (Water – 3 trips, Police – 2 trips, NCS – 2 trips, DMA – 1 trip, Gas – 1 trip, Electric – 1 trip) Applicable departments should be reminded of the requirements and reasons for timely submission of travel expense forms.

Travel request and expense forms were generally properly completed to accurately reflect trip costs and activity.

Travel request and expense forms were generally properly completed to accurately reflect activity and costs of the trip. We noted a few instances of errors or oversights. These instances did not result in any significant over or underpayments. However, they are indicative of the need for appropriate clarifications and reminders of travel procedure requirements.

- For 3 trips, checks requested and issued in advance for registration fees, hotel lodging, and/or airfare were inappropriately reported on the request and/or expense forms as part of the employee's advance or out-of-pocket expenses. This appears to have occurred due to confusion as to what payments should be reported as "advances." These requests should have been reported on the form under the column labeled "Check Request or Billed" on the request form and under the column labeled "Paid by Check or Billed" on the expense form. (Fire, DMA, Electric)
- For 4 trips, some of the costs incurred by the respective travelers were excluded from or incorrectly reported on the expense forms, resulting in understatements ranging from \$34 to \$3,300. (DMA, Police, and UCBS)
- For 1 trip, the amount of the employee advance was understated on the expense form. As a result, the employee was overpaid \$13 when the trip was settled. (DMA)
- For 1 trip, the dates and times of the traveler's departure and return were not reported on the expense form thereby making it difficult to determine the traveler's entitlement to meal reimbursement. (Public Works)
- For 1 trip, tips paid for taxi services were incorrectly reported as part of the transportation costs on the expense form. Pursuant to the form instructions, those costs should have been reported as tips under the miscellaneous section of the expense form. If

these tips had been included with the other tips that were properly reported for this trip, the total tips would have exceeded the allowed \$10 threshold, thereby requiring an explanation from the traveler. Because the reported tips were below the \$10 threshold, no such explanation was included. (Energy Services)

Other Issues

In addition to the issues noted above that pertain to travel modes/methods, meal reimbursements, and travel forms, we noted other areas where efforts should be made to increase compliance with the City's travel procedures. We also noted where additional clarifications to the City travel procedures are needed. These areas are addressed in the following paragraphs.

Travelers should be reminded of the steps to take to preclude payment of state sales taxes.

Travelers should be reminded of the City's exemption from state sales taxes and the steps that should be followed to preclude payment of those taxes. Section 602.09F of the City travel procedures provides that a City purchase card should be used for airline tickets, lodging, car rental, and registration fees whenever possible. To preclude the inappropriate payment of state sales taxes, the City's state sales tax exemption number is printed on the face of the City purchase cards. In addition, Section 602.09K of the travel procedures states that City employees are responsible for ensuring that hotels do not charge state sales tax on lodging when travel is within the State of Florida. For this purpose, the procedures provide that the traveler shall obtain a copy of the City's state tax exemption certificate in the event it is needed while traveling to obtain the exemption.

We noted that for 3 trips where a City purchase card was used to pay for lodging (2 trips) and a car rental (1 trip), the travelers were charged and the City paid state sales taxes. For 2 additional trips, we noted that when paying for lodging with personal credit cards the travelers were charged and paid state sales taxes. Sales taxes paid in these 5 instances totaled \$85. It would be prudent for City

staff to be reminded of the steps that should be taken to preclude payment of those taxes. (DMA, Water, Fire, and Planning)

Required documentation was not always provided justifying that reimbursements for costs relating to phone calls/laptop links were proper.

Required documentation was not always provided justifying that reimbursements made to travelers in connection with phone calls/laptop links were proper. Section 602.09M of the travel procedures provides that costs incurred for business calls are reimbursable. That procedure indicates those calls shall be noted as such on the relevant receipt submitted for reimbursement. In our sample of 60 trips, there were 7 instances where employees claimed and were reimbursed for telephone services (actual calls or hotel fees for linking to external phone lines). In each of these trips the applicable travelers and/or travel records indicated these calls were for City business. However, for 4 of these trips, notations were not made on the applicable receipts (hotel billings) to indicate the charges were for calls/links relating to authorized City business (i.e., as opposed to personal business). The amount of these charges totaled \$18.14. Applicable departments should be reminded of the requirement to prepare and submit the required documentation. (Applicable departments/offices were Energy Services, Legal, and Communications.)

Travelers should be reminded of the City's toll-free long distance telephone service.

All City staff should be reminded of the toll free long distance telephone service available when traveling for City business. The City established a toll free long distance service for the purpose of minimizing telephone charges incurred while City employees are traveling. For one of the 60 sampled trips the traveler did not use this service when making a call back to the City. During our analyses of travel we became aware of another trip (not part of the randomly selected 60 trips) where another traveling employee did not use the toll free service when making 5 long distance calls for City business. The employees for both trips stated that they were not aware of the City's toll free system and applicable provisions of the City travel procedures at the dates of their trips. The long distance costs paid by the City for these phone calls totaled \$189.48.

(Applicable departments were NCS and Equity and Workforce Development.)

Additional clarifications to the travel procedures are needed.

Clarifications/revisions are needed to the City travel procedures regarding (1) reimbursement for personal car use during out-of-town travel by employees receiving vehicle allowances, (2) sources for determining map mileage, and (3) the number of days lead time required for submission of travel request forms. One of the objectives of this audit was to identify areas where improvements should be made to the City travel procedures. During our testing and reviews, we identified the following issues for which we recommend that appropriate clarifications/revisions be made to those procedures.

- The City travel policy does not specifically address whether employees receiving vehicle allowances can be reimbursed for personal vehicle use (mileage) on out-of-town trips. In response to our inquiry, DMA management stated that such reimbursements are allowable because the vehicle allowance (when originally established) was based upon in-town use only. To preclude future concerns/questions, we recommend that the policy be clarified to expressly address this issue.
- Section 602.09H1d of the City travel procedures provides that the “AAA mileage map” should be used by department approvers and Accounts Payable staff to measure the reasonableness of mileage when travelers claim reimbursement for use of personal vehicles during out-of-town travel. Management indicated in our discussions that the AAA source was selected in order to have a single standard against which all claimed mileage could be measured. However, accessing the AAA mileage map requires a membership in the AAA organization. Because there are other acceptable sources for measuring the reasonableness of mileage that do not require a membership (and payment of dues), DMA should consider replacing the AAA mileage map with another valid source.

- Section 602.10C of the City travel procedures establishes lead times for submission of travel request forms by departments to Accounts Payable. The purpose of the lead times is to allow sufficient time for Accounts Payable staff to properly process the vouchers and generate the needed checks. However, the policy does not specify whether the stated lead times are “calendar” or “working” days. In response to our inquiry, DMA indicated that the intent is calendar days. Accordingly, DMA should clarify the policy to state calendar days.

DMA should consider budgeting and accounting for travel and training separately.

DMA should consider budgeting and accounting for travel and training separately. As addressed in the “Background” section of this report, the City’s accounting records do not distinguish costs associated with travel from costs pertaining to training. All costs pertaining to travel and training are charged to the same category (Training and Travel). As a result, costs of training for which there is no related travel (e.g., purchase of training materials or conferences held in Tallahassee) are included and reported with travel costs. This accounting precludes a determination of the total costs incurred by City travelers for managerial and monitoring purposes.

An accessible list of contracts for travel services could be beneficial to City travelers.

DMA should consider compiling and making available to all City offices and departments a list of contracts and vendors for travel services. During our review we noted instances where City employees were not aware of existing state contracts with car rental vendors that could be used (“piggybacked”) when renting vehicles for travel purposes. Had the employees been aware of those contracts, cost savings may have been realized during their travel. (See comments above pertaining to a car rental by employees of the Communications Department.) To assist City employees in ensuring that the most economical and advantageous travel is planned/performed, DMA should make available (e.g., through the CityNet) a listing of available state or governmental contracts for travel services that can be used by City employees.

Our review and analysis of the sampled travel disclosed a few additional instances where over/underpayments were made or reimbursements due the City were not obtained.

A few additional instances were noted where over/underpayments occurred or where the City did not recover funds owed by third parties. Instances of over/underpayments as they relate to travel mode/method, meals, travel forms, sales taxes, and long distance phone calls are noted in the preceding sections/paragraphs of this report. During our testing of the 60 randomly selected trips and other sampled charges, we noted the following additional instances where the City incurred costs in connection with travel that should not have been paid/incurred:

- One Fire Department employee was paid for the same travel costs twice. The overpayment totaled \$34 and occurred when Accounts Payable staff incorrectly requested two checks to be generated for the same expense voucher. Because the checks were issued on different dates (10 days apart), the Fire Department did not detect the duplicate when picking up the checks from the Treasurer-Clerk's Office and distributing the checks to the employee. This overpayment occurred prior to the implementation of the new PeopleSoft Financials System, which is designed to preclude such overpayments.
- On one trip where 5 City employees attended a 5-day conference, we noted that one of the employees paid a higher hotel rate than the rate specified in the conference registration material and paid by the other 4 employees. In response to our inquiry, the applicable department (Gas) contacted that hotel and obtained a reimbursement to the City for \$40.
- For one trip an employee was overpaid \$2 for parking costs when the traveler claimed reimbursement for airport short term parking costs. (Reimbursement is only allowable for long-term parking rates.) (DMA)
- One of the sampled items was the trip made by 55 City employees to attend the emergency management training exercise at Mt. Weather in Virginia. Although the City paid the

airfare for these employees, those costs were to be reimbursed by the Federal Emergency Management Agency (FEMA). We noted that the City was properly reimbursed for the airfare (i.e., in excess of \$27,700) of all City travelers except for the employee to which our sampled charge pertained. The airfare costs for this employee totaled \$307. This trip was coordinated by the Emergency Management Division within the Fire Department.

- One charge, dated November 15, 2001, represented a prepayment to a hotel for the lodging of two employees scheduled to attend an out-of-town conference in December 2001. The trip was subsequently canceled and the applicable department (Public Works) did not request and recover those funds from the hotel until after our inquiry in March 2002. The amount of the payment was \$272. (This charge was in addition to the 60 randomly selected trips for which testing was completed.)

Total costs overpaid or not reimbursed the City in these instances totaled \$655. Notwithstanding that these instances are not material in regard to overall travel costs, they are indicative of the need for travelers and City departments to be aware of the need to avoid such costs.

Appointed Officials' Travel

*Travel by Appointed
Officials was separately
identified and reviewed.*

As noted under the Objectives, Scope, and Methodology section of this report, travel by elected officials (the Mayor and City Commissioners), their staffs, and all employees of the City Auditor's Office is separately audited and reported on by the City's external audit firm pursuant to contract. Accordingly, we included within the scope of this audit the remaining Appointed Officials whose travel is within the authority of the City Auditor to audit.

Overall, trips by Appointed Officials were for authorized purposes, economical and efficient, properly accounted for, and in accordance with City travel procedures.

During our audit period we identified 24 trips scheduled by the City Manager, City Attorney, and City Treasurer-Clerk. Of those 24 scheduled trips, 3 were canceled and 21 were completed. Overall, our review showed that those trips were planned/made for authorized purposes, were in accordance with the City's travel procedures, were accurately and properly accounted for in the City's records, and were made in an efficient and economical manner. In addition, when applicable, reimbursements due from third parties (e.g., trip sponsors) were generally obtained. However, issues similar to some of those described in the prior sections of this report were noted. These issues are addressed in the following.

TRAVEL MODE AND METHOD

The selected modes and methods of travel were reasonable, economic, and efficient.

The selected modes/methods of travel were reasonable and appropriate. As previously noted in this report, the City travel procedures state that economics shall be the primary consideration when making travel arrangements. Furthermore, the procedures state that the method, class, routing, and other arrangements associated with travel shall be the most economically available and result in the shortest "time away" or lowest overall cost consistent with distance to be traveled and trip purposes. Implied in these statements is the acknowledgement that there may be circumstances and factors other than costs that will impact the methods and modes of travel selected for a trip. For example, because of their multiple duties and responsibilities, Appointed Officials may sometimes select a mode/means of travel in order to lessen their time away from their work in Tallahassee (e.g., fly instead of driving to a destination when flying costs more but results in less time away from work). Alternatively, because the length of planned meetings may not always be known, Appointed Officials may elect to drive rather than fly to avoid missing scheduled flights. Based on our review of applicable records and discussions with the Appointed Officials and their staffs, we noted that the selected modes/methods of travel were reasonable, economical, and efficient under the circumstances.

Consistent preparation and retention of records substantiating the selection of travel modes/methods is needed.

Efforts should be made to consistently prepare and retain documentation substantiating the selected modes/methods of travel. To demonstrate compliance with the provisions requiring economical and efficient travel as addressed in the previous paragraph, Appendix B of the City travel procedures provides that documentation should be maintained by travelers/departments showing the prices obtained and analyses of various methods to get to the trip destination. Implied within that provision is that such documentation will include explanations for the selected mode/means. In regard to the trips made by the Appointed Officials, we noted that documentation required by Appendix B was not always prepared at the time of travel and/or not retained (i.e., one trip by the City Attorney and five trips by the City Treasurer-Clerk). As noted in the previous paragraph, we were able to determine through inquiry and review of records prepared based on our inquiry that the modes/methods for the applicable trips were appropriate. However, for future trips we recommend that such records be prepared and maintained at the time the travel is planned.

Car rentals and related costs were generally appropriate under the circumstances.

Overall, we noted that car rentals by the three Appointed Officials were appropriate and reasonable under the circumstances. Travel by Appointed Officials often mandates the rental of vehicles when they must fly to their destination. In only one trip by the City Treasurer-Clerk was it determined that a portion of car rental costs could have been avoided. In this instance, the City Treasurer-Clerk indicated that hindsight showed that he could have saved approximately \$140 by taking a taxi or airport shuttle to his conference/hotel instead of renting a car (i.e., the hotel/conference was in relative close proximity of the airport). Yet, since he had not previously traveled in that area, that determination was not readily available at the date the trip was planned. For an additional trip by the City Attorney, we noted that an explanation for rental of an intermediate class car (as opposed to a compact class car) was not attached to the travel records. Such explanations are required by the City travel procedures. Sufficient reasons were provided by

the City Attorney in response to our inquiry that justified the rental of the intermediate class vehicle.

MEALS

Meal reimbursements were generally proper.

Except for one isolated incident, we noted that reimbursements for meal costs were generally proper. The Appointed Officials were entitled to reimbursements for all meals claimed except for one instance. For the applicable trip, the City Manager was provided an advance for anticipated meals based on estimated times and dates of departure and return. However, when the actual departure was delayed by one day, an adjustment to the departure time was not made on the final expense form. As a result, the City Manager was overpaid \$10.23. Upon determination of that overpayment based on our inquiry, the City Manager immediately refunded the \$10.23 to the City.

Rates used to determine meal reimbursements generally resulted in correct payments.

We noted that rates used to determine reimbursements to Appointed Officials for meal costs generally resulted in correct payments. Only minor exceptions were noted. Specifically, for one trip by the City Manager, one trip by the City Attorney, and two trips by the City Treasurer-Clerk, the incorrect Runzheimer Meal Lodging Cost Index was used in calculating the entitlements for meals (e.g., used an index that did not cover the period traveled or used wrong rates for the destination). This resulted in underpayments of 86 cents and \$5.31, and overpayments of \$1.49 and \$1.50.

TRAVEL FORMS

Travel forms were generally accurately prepared and timely submitted for processing.

Travel request and expense forms were generally accurately completed and timely submitted to Accounts Payable. The Appointed Officials are to complete travel request and expense forms in accordance with the City travel procedures. For the trips we reviewed, we noted one minor error in completing a travel expense form. In this instance involving a trip by the City Attorney, total trip costs as reflected on the expense form were understated by

\$26.60. This error did not result in any over or underpayment of travel expenses.

In addition, 3 instances were noted where forms were not timely submitted to Accounts Payable for processing. Specifically, for one trip by the City Manager in which an advance was requested and provided, the travel request form was submitted 2 days prior to the start of the trip, or 5 days after the 7-day period required by the travel procedures. (We acknowledge that the duties and responsibilities of the Appointed Officials often make it difficult, if not impossible, to schedule trips prior to the form submission times prescribed by the travel procedures.) Additionally, for one trip by the City Attorney and one trip by the City Manager, the final expense forms were submitted to Accounts Payable 4 and 16 days, respectively, after the submission dates required by the travel procedures.

OTHER ISSUES

Other minor errors and instances of noncompliance with the City's travel procedures were noted.

Minor additional errors and instances of noncompliance with the City travel procedures were noted. As described below, these instances involved errors resulting in overpayments, lack of documented explanations, and payments of state sales taxes.

For one trip by the City Manager, the trip sponsor was to reimburse the City for all travel costs. When preparing the request for reimbursement from the sponsor, City staff mistakenly believed that a portion of the hotel lodging had been paid by the City Manager with her personal credit card when that payment had been made with a City purchase card. As a result, staff requested that the sponsor reimburse the City Manager and not the City for those costs. Upon determination of that error based on our inquiry, the City Manager immediately refunded the \$341.75 to the City.

For another trip by the City Manager and a trip by the City Treasurer-Clerk, travel costs included a phone call charge incurred

for City business (\$1.10) and gratuities (\$20). Both charges were allowable pursuant to the City travel procedures. However, documentation required by the City travel procedures to substantiate those charges was not attached to the related travel records.

For two in-state trips by the City Attorney and one in-state trip by the City Treasurer-Clerk, state sales taxes and/or car rental surcharges totaling \$18.69 could have been avoided by using a City purchase card (Visa) and/or the City's tax exemption certificate. In regard to the City Treasurer-Clerk, we noted that such sales taxes were generally paid with a City purchase card during his trips but subsequently recovered by the City. However, for the trip in question, his personal credit card was inadvertently used to pay a service charge upon his checkout from the hotel, and the hotel erroneously charged sales tax on the entire lodging transaction.

Questioned costs were not material; all costs that clearly should not have been paid were immediately and voluntarily reimbursed to the City.

In summary, we reviewed Appointed Officials' travel totaling \$17,311. Overall, we determined that their travel was economical and efficient and in accordance with the City travel procedures. Identified over and underpayments netted to an overpayment of \$516.49. Of that amount, \$341.75 pertained to one instance that is discussed above. When we brought the above issues to the attention of the Appointed Officials, reimbursements for costs that clearly should not have been paid by the City were immediately and voluntarily paid.

This audit was performed to determine compliance with the City's revised travel procedures and to provide our findings to management for review, consideration, and modification of the procedures as appropriate. We have not made recommendations for repayment of monies to the City for questioned costs of Appointed Officials or other employees. Notwithstanding, and as noted above, the Appointed Officials have chosen to repay these questioned costs to demonstrate proper stewardship of City resources and their desire to fully comply with the revised travel procedures.

Recommendations

Recommendations to clarify and modify the City travel procedures have been made.

Based on the findings and issues identified during our review, we recommend certain actions be taken to promote economical and efficient travel, proper and accurate accountings, and compliance in the City's travel procedures. Our recommendations to DMA are presented below.

- Re-emphasize to all departments/offices that car pooling should be considered and encouraged when multiple employees travel to the same destination.
- Encourage all departments/offices to reduce car rental costs through rental of the most economical vehicle class necessary for the circumstances, and through consideration of taxis and shuttles when those alternative travel modes are less expensive and reasonable for the circumstances. As part of this, DMA should also emphasize the requirement to include a documented explanation with the travel records submitted to Accounts Payable whenever it is not practicable to rent a compact class vehicle.
- Re-emphasize to all departments/offices the current requirement, in Appendix B of the City travel procedures, to prepare and retain sufficient documentation showing that available transportation alternatives were identified and properly considered. DMA should provide examples of the types and degree of documentation necessary to justify the transportation mode/method selected.
- Further review the issue of reimbursing travelers for lunch costs for day trips (trips involving no overnight stay). Based on the results of that review, DMA should revise the City travel procedures to clarify that reimbursement for day lunches is or is not allowed.
- Modify the City travel procedures to expressly require written explanations on the face of travel request and expense forms

whenever those forms are not submitted to Accounts Payable within the periods specified in the procedures (e.g., explanation for delays in submission).

- Modify the instructions for completion of travel request and expense forms to clarify what types of costs should and should not be reported as advances.
- Clarify the City travel procedures to specifically address whether employees receiving vehicle allowances as part of their salary packages are entitled to mileage reimbursements when they use their personal vehicles for authorized out-of-town travel.
- Modify the City travel procedures to replace the “AAA mileage map” with a different source (that is reliable, free, and easily accessible) for determining and measuring the reasonableness of mileage when travelers claim reimbursement for use of personal vehicles during out-of-town travel.
- Clarify the City travel procedures to specify whether the lead times noted for submission of travel request forms are “calendar” days or “working” days.
- Consider budgeting and accounting for travel and training separately.
- Consider compiling and making available to all City offices and departments a list of available contracts for travel services.
- Reinforce certain City travel procedures and requirements to all departments/offices, specifically:
 - That additional costs incurred solely for the personal benefit of the traveler will not be paid/reimbursed by the City. (Section 602.09C)
 - Those meals provided as part of the hotel/conference registration (e.g., continental breakfasts) are to be excluded

We recommend that DMA reinforce the importance of certain travel procedures and requirements to all City departments and offices.

from the meals that will be paid for under the Runzheimer Meal Cost Index. (Section 602.09J2)

- That the version of the Runzheimer Meals Cost Index that pertains to the dates and times of travel should be used when determining the rates at which meal reimbursements will be reported and claimed. (Section 602.09J1)
- That care should be taken to correctly report/claim meals for reimbursement on the travel expense forms whenever changes occur to the originally planned departure and return dates/times used for obtaining advances per the travel request forms. (Sections 602.09J1 and 602.10B)
- That travel request and expense forms are required for all trips unless specifically exempted pursuant to the travel procedures. (Sections 602.10 and 602.09O)
- That travel request and expense forms must be signed by both the traveler and the department director or his/her designee, unless a documented exemption is granted by DMA. (Sections 602.10C3 and 602.10D2)
- That only those individuals for which the department director has submitted a completed “Travel Authorization Delegation Form” to Accounts Payable are authorized to approve travel on behalf of the department director. (Sections 602.10C3 and 602.10D2 of the procedures and Accounts Payable memorandum dated February 22, 2001)
- That travel request and expense forms are to be timely submitted to Accounts Payable. (Sections 602.10C1 and 602.10D1)
- That travel request and expense forms should be accurately and properly completed pursuant to the form instructions and City travel procedures. (Section 602.10)

- That City purchase cards and sales tax exemption certificates should be used to avoid the payment of sales taxes. (Sections 602.09F and 602.09K4)
- That all phone calls/computer links for which costs are paid/reimbursed by the City should be documented as being for authorized City business on the relevant receipt (e.g., hotel bill) submitted with the travel forms. (Section 602.09M1c)
- That the City's toll free long distance service should be used to minimize telephone charges when travelers determine it necessary to make business calls outside of the local calling areas or to access the City's network. (Section 602M1 and Appendix A of the City travel procedures)
- That efforts should be made to ensure that all travel costs reimbursable to the City from third parties are appropriately recovered.
- That appropriate explanations should be provided with travel expense forms whenever travelers claim reimbursement for gratuities in excess of \$10. (Section 602.N2)
- That collision-damage waivers should not be purchased and personal accident insurance will not be reimbursed when renting vehicles. (Section 602.09H2b of the procedures)
- That reimbursement for parking at the airport is limited to rates for long-term parking. (Section 602.09H1d)

Conclusion

Overall, travel was conducted only for authorized City business, was economical and efficient, and was properly accounted for in the City's records. However, based on the results of our testing, we identified costs that could have been avoided. Those costs totaled \$3,583 as shown in the following table.

Travel was generally determined to be proper, economical, and efficient. However, areas were identified in which improvements should be made.

Table 3 – Identified Questioned Costs	
Audit Procedure	Amount
60 Randomly Selected Trips	\$2,523.49
Data Mining and Analyses	\$543.81
Appointed Official Travel	\$516.49
TOTAL	\$3,583.79

The questioned costs of \$2,523.49 identified during our testing of the 60 randomly selected trips represented 3 percent of the total costs of those trips (\$77,330). Similarly, the questioned costs identified during our testing of the Appointed Officials' travel represented 3 percent of the total costs of their trips (\$17,311). We believe that the 3 percent rate reflects that the City's overall internal control system is adequate in regard to travel.

Notwithstanding the above conclusions, a significant number of exceptions to the travel procedures were noted. Some of those instances of noncompliance did not involve questioned travel costs but, nonetheless, increase the potential for inefficiencies in City operations (e.g., late submission of forms and improper completion of forms) or limit the assurance that the travel was properly planned and approved (e.g., travel forms not signed and no documentation showing analyses of travel alternatives). Based on these instances of noncompliance and noted questioned costs, we identified areas where improvements can be made and have provided recommendations accordingly. These recommendations include clarifications and modifications to the City travel procedures and reinforcement of the applicability and importance of the travel procedures to all departments and offices.

In none of the instances resulting in questioned costs and/or noncompliance with the City's travel procedures did our testing disclose any evidence of intent by travelers to defraud the City.

We recommend that management review instances of noncompliance noted in this report and initiate corrective action where the costs of additional controls results in increased economy and efficiency. We would like to acknowledge the full and

complete cooperation and support of applicable Appointed Officials and City staff during this audit.

***Response From
Appointed
Officials***

City Manager:

I have reviewed the Citywide Travel Audit and was pleased to find that overall your audit found travel was conducted for authorized City business, was properly accounted for, and was efficient and economical. I will have DMA review the recommendations you have made and will advise you by the beginning of the new fiscal year as to whether or not we can practically make policy changes that are consistent with the specific recommendations provided. Thanks for your conduct of a very thorough process.

City Attorney:

I have reviewed the Citywide Travel Audit and was very pleased to see confirmed that we enjoy a very high level of compliance with the City Travel Policy. We should continue, through training and proper oversight, to ensure that travel is properly accounted for and consistent with sound business practices.

City Treasurer-Clerk:

I have reviewed the Citywide Travel Audit and was very pleased that overall you found that travel was conducted for authorized City business, was properly accounted for, and was efficient and economical. I have also reviewed with the Treasurer-Clerk's staff the audit recommendations made to enhance travel expenditure controls, the recommendations will be implemented for all future travel and any reimbursements received in error by a traveler will be repaid to the City. I want to thank you and your staff for the professional manner that was used to review this very important area of City Government.

Copies of this audit report #0224 (project #0108) may be obtained from the City Auditor's web site (<http://talgov.com/citytlh/auditing/index/html>), by telephone (850 / 891-8397), by FAX (850 / 891-0912), by mail or in person (City Auditor, 300 S. Adams Street, Mail Box A-22, Tallahassee, FL 32301-1731), or by e-mail (dooleym@talgov.com).

Audit conducted by:
Bert Fletcher, CPA, Audit Manager
Dennis Sutton, CPA, Senior Auditor
Sam M. McCall, CPA, CIA, CGFM, City Auditor

Appendix A – Action Plan

Action Steps	Responsible Employee	Target Date
<i>Department of Management and Administration</i>		
A. Objective: Improve the City travel procedures to assist City departments/offices and travelers in ensuring travel is conducted economically and efficiently.		
1. A review will be conducted on the issue of reimbursing travelers for lunch meals on day trips. Based on the results of that review, the travel procedures will be clarified to specify that the City will or will not reimburse travelers on day trips for lunch costs.	Cathy Kilpatrick	9/30/02
2. The travel procedures will be revised to specifically require brief written explanations on the face of travel request and expense forms whenever those forms are not submitted to Accounts Payable in a timely manner.	Cathy Kilpatrick	9/30/02
3. The instructions for completion of the travel request and expense forms will be modified to clarify which costs should and should not be reported as advances.	Cathy Kilpatrick	9/30/02
4. The travel procedures will be clarified to specifically address whether employees that receive a vehicle allowance as part of their salary package are entitled to reimbursement for mileage when using their personal vehicle for authorized out-of-town travel.	Cathy Kilpatrick	9/30/02
5. The travel procedures will be modified to replace the “AAA mileage map” with another source for determining and measuring the reasonableness of mileage when travelers claim reimbursement for use of personal vehicles. The selected source will be reliable, free, and easily accessible.	Cathy Kilpatrick	9/30/02
6. The travel procedures will be revised to specify that the established lead times for submission of travel request forms are “calendar” days.	Cathy Kilpatrick	9/30/02

Action Steps	Responsible Employee	Target Date
B. Objective: Encourage economical and efficient travel and ensure compliance with City travel procedures.		
1. Car pooling will be encouraged and emphasized for trips involving multiple travelers going to the same destination.	Cathy Kilpatrick	9/30/02
2. All City departments and offices will be encouraged to reduce costs associated with car rentals by renting the most economical class vehicle necessary for the circumstances, and by considering taxis and shuttles as alternative modes whenever less expensive and practicable under the circumstances.	Cathy Kilpatrick	9/30/02
3. All City departments and offices will be reminded of the specific travel procedures and requirements for which noncompliance therewith was noted in the audit report. The specific procedures and requirements that will be addressed in this communication will be those noted under the "Recommendations" section of the audit report.	Cathy Kilpatrick	9/30/02
C. Objective: Improve capability of City management to monitor travel costs.		
1. DMA will determine if object codes should be revised within the PeopleSoft Financials System to segregate budgeting and accounting for travel from training.	David Reid	9/30/02
D. Objective: Improve capability of City departments and offices to select the most economical and efficient travel services.		
1. Procurement Services will compile and maintain a list of available contracts for travel services. That list will be made available to all City departments and offices through the City Net.	Cathy Kilpatrick	9/30/02

