



PAT FRANK
Clerk of the Circuit Court
13th Judicial Circuit

COUNTY AUDIT

HILLSBOROUGH COUNTY, FLORIDA

TRAVEL CLAIMS

REPORT # 236 (FOLLOW-UP TO REPORT 217)

AUGUST 30, 2012

August 30, 2012

The Honorable Ken Hagan, Chairman
The Honorable Kevin Beckner
The Honorable Victor Crist
The Honorable Al Higginbotham
The Honorable Lesley "Les" Miller, Jr.
The Honorable Sandra Murman
The Honorable Mark Sharpe

Dear Chairman Hagan and Commissioners:

We have performed a follow-up audit of the Travel Claims, Audit Report #217, dated June 9, 2011. Three original audit concerns were contained in this report (1 Finding and 2 Observations).

Based on our follow-up audit work and discussions with the Directors and Managers of County Finance, Business and Support Services, and Fleet Services, we are closing two of the original audit concerns (1 Finding and 1 Observation). Our follow-up audit indicated that these original concerns have been addressed and corrective changes have been implemented, while one Observation remains open. The report on the follow-up audit is enclosed.

We appreciate the cooperation and professional courtesies extended to our auditors by the Directors and personnel of the County Finance, Business and Support Services, and Fleet Services during this audit.

Sincerely,

Daniel A. Pohto, CPA, CIA
Director, County Audit

cc: Mike Merrill, County Administrator
Bonnie Wise, Chief Financial Administrator
Sharon Subadan, Deputy County Administrator
Bob Stanton, Director, Fleet Services
Tim Simon, Director, County Finance
Bruce Dangremond, Manager, Performance Mgmt, Business and Support Services

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EXECUTIVE SUMMARY

BACKGROUND INFORMATION:

The primary purpose of the original audit was to review and evaluate the adequacy and effectiveness of the Hillsborough County travel claims internal controls, policies, and procedures.

OBJECTIVE:

The audit objectives of this follow-up audit were to review and evaluate the conditions reported in County Audit Report #217 issued on June 9, 2011, to determine if corrective actions have occurred and are effective, and if the corrective actions appear to be continuous and/or correction will be monitored to ensure the control weaknesses will not be repeated.

SCOPE:

The follow up audit was conducted based on the *International Standards for the Professional Practice of Internal Auditing* issued by The Institute of Internal Auditors. The follow-up audit procedures were applied to the records, documents, and controls that were in effect during the period from October 1, 2011 through March 31, 2012.

OVERALL EVALUATION:

We found that the County Finance Department and the County have fully implemented corrective action on two of the three audit concerns noted in the original audit. As a result, we have closed the original audit finding and one observation of the total three concerns.

Fleet Services has initiated corrective action on the remaining open item. However, the corrective action has not been completed.

Please see the Summary of Original Audit Concerns on page 3.

We suggest that management monitor the open concern listed in this report to ensure that appropriate corrective action is taken. In addition, the corrective action for all concerns should be periodically assessed and adjusted, as necessary, so that the control weaknesses will not be repeated in the future.

The final exit conference was held on July 16, 2012.

AUDIT BY:

Dan Pohto, Director, County Audit
Mark Kolman, Audit Manager
Lovonia Scott, Auditor

STATUS CHART OF ORIGINAL AUDIT CONCERNS

This chart provides the status of the original report concerns at the completion of the follow-up audit.

For reference purposes, the entire original audit report #217 (issued Fiscal Year 2011, 06/09/2011) can be viewed on the Clerk's web site at <http://www.hillsclerk.com> under Clerk Services, County Audit – Recent Reports.

FINDINGS	OPEN	CLOSED
1		X
OBSERVATION		
1		X
2	X	

NOTE: An Open finding is defined as a control weakness that needs additional corrective action and a Closed finding is a control weakness for which corrective action has been completed to the auditor's satisfaction.

SUMMARY OF ORIGINAL AUDIT CONCERNS

This chart summarizes the original audit concerns at the completion of the follow-up audit. The original audit concerns that remained open are detailed in the next section – **FOLLOW-UP COMMENTS ON OPEN CONCERNS WITH CLIENT RESPONSES.**

FINDING	DESCRIPTION	STATUS	COMMENTS
1	Various County Departments had clerical errors on their travel claims.	CLOSED	County Finance has conducted training sessions with travel coordinators and the training is available upon the request of the County Departments.
OBSERVATIONS			
1	The travel and vicinity mileage forms do not have a “printed name” section on the form in order to clearly identify an approving authority.	CLOSED	The travel and vicinity mileage forms have been revised to show the approver’s “printed name.”
2	The County does not have an established threshold dollar amount for mileage reimbursement that would trigger consideration of assigning a County vehicle to a County employee. There is no written policy in place to address this issue.	OPEN	The County has not created and implemented a threshold dollar amount for mileage reimbursement. The County has not developed and adopted a policy that addresses this issue.

FOLLOW-UP COMMENTS ON OPEN CONCERN WITH CLIENT RESPONSES

This section details the **open** concern at the completion of the follow-up audit.
Note: Client Responses are included verbatim and are seen in *italics*.

OBSERVATION 2 : FOLLOW-UP COMMENT

The County does not have an established threshold dollar amount for mileage reimbursement that would trigger consideration of assigning a County vehicle to a County employee. There is no written policy in place to address this issue.

In the original audit, we determined that it may be financially beneficial to the County if employees, who use their personal vehicle for business travel on a day-to-day basis, be considered for a County Vehicle. This would lessen the expense of vicinity mileage reimbursements.

Based on the results of the follow-up audit:

1. We determined that Fleet Management will develop a mileage threshold analysis report.
2. We determined that the County will continue to develop and implement policies and procedures that address monitoring vicinity mileage and assigning an individual to administer the policy.

RECOMMENDATION:

We recommend the County:

1. Prepare a mileage analysis report that determines the dollar threshold for considering assigning a county vehicle versus paying mileage reimbursement.
2. Develop and implement a policy that addresses vicinity mileage and assign someone to administer the process.

CLIENT RESPONSE:

1. *Concur*
2. *Concur*

CORRECTIVE ACTION PLAN:

- 1. The review and update of Administrative Directive AD-09, Travel on County Business, will include a periodic analysis of travel claims conducted by Fleet Management personnel. That analysis will review individual amounts paid against variables such as current gasoline prices, county vehicle operating expense, and the availability of other fleet vehicles. Recommendations from those periodic analyses may include suggested alternatives to using personal vehicles such as the accessing pool vehicles or a recommendation to the department to consider assigning a County vehicle. These analyses will require reports from the Clerk of the Circuit Court of reimbursements paid during the period being examined.*
- 2. The update of AD-09 will address the vicinity mileage analysis as discussed above and assign someone to administer that process.*

TARGET COMPLETION DATE:

- 1. March 1, 2013*
- 2. March 1, 2013*

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