



PAT FRANK  
Clerk of the Circuit Court  
13th Judicial Circuit

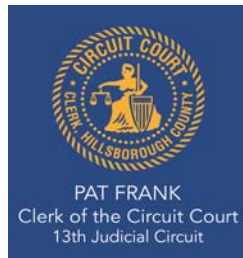
COUNTY AUDIT

HILLSBOROUGH COUNTY, FLORIDA

EMPLOYEE TRAVEL ADVANCES

REPORT # 289

JUNE 30, 2015



June 30, 2015

The Honorable Sandra L. Murman, Chairman  
The Honorable Kevin Beckner  
The Honorable Victor D. Crist  
The Honorable Ken Hagan  
The Honorable Al Higginbotham  
The Honorable Lesley "Les" Miller  
The Honorable Stacy R. White

Dear Chairman Murman and Commissioners:

The Audit Team performed an audit of employee travel advances (Audit Report # 289, dated June 30, 2015). Responses to the Audit Team's recommendations were received from the Chief Financial Administrator and have been included in the Report after each audit comment and recommendation.

The purpose of this Report is to furnish management independent, objective analysis, recommendations, counsel, and information concerning the activities reviewed. It is not an appraisal or rating of management.

Although the Audit Team exercised due professional care in the performance of this audit, this should not be construed to mean that unreported noncompliance or irregularities do not exist. The deterrence of fraud and/or employee abuse is the responsibility of management. Audit procedures alone, even when carried out with professional care, do not guarantee that fraud or abuse will be detected.

The Audit Team appreciates the cooperation and professional courtesies extended to the auditors by the Chief Financial Administrator, Human Resource Department personnel, County Finance personnel and other personnel during this audit.

Sincerely,

Peggy Caskey, CIA, CISA, CFE  
Director of County Audit

CC: Mike Merrill, County Administrator  
Bonnie Wise, Chief Financial Administrator  
Dan Klein, Chief of Staff  
Lori Kriek, Director of Human Resources  
Kevin Brickey, Economist, Management and Budget  
Rick VanArsdall, Chief Deputy – Finance

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## EXECUTIVE SUMMARY

### BACKGROUND INFORMATION

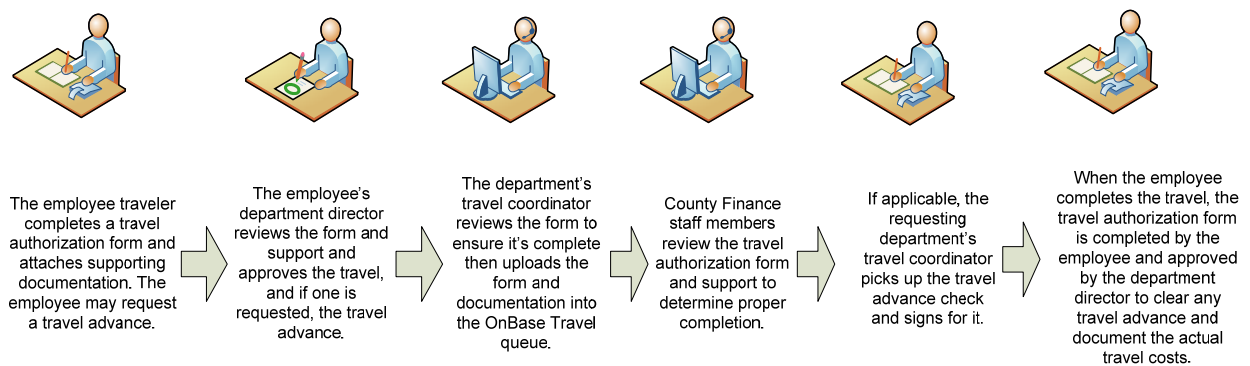
Administrative Directive #AD-09 *Travel on Hillsborough County Business* establishes guidelines and procedures for the authorization for travel on County business. The Directive states the authority and definitions for public officers, employees, and other authorized persons to travel on official business.

The *Human Resource Management, HR 4.04 Travel Policy*, defines types of business travel, travel reporting documents, and travel authorization requirements including procedures for travel advances.

The travel authorization, travel advance, and travel reimbursement are documented on the Hillsborough County Pre-Trip Authorization and Reimbursement Request Form (travel authorization form).

Each Board of County Commissioner (BOCC) department has a responsible party who is designated as the department’s travel coordinator. The travel coordinator ensures that the travel authorization form is properly filled out and supported.

#### Typical Employee Travel Authorization and Payment Process Life Cycle Diagram



If a travel authorization form is not completed to clear the travel advance after travel, any future reimbursement due to the employee traveler will be automatically applied by the system to repay the amount owed. This provides assurance that the travel advance is paid back.

## OBJECTIVE

The objective of the audit was to determine whether or not the County's control environment over employee travel advances provides a reasonable level of assurance that travel authorization forms are properly completed and accounted for, and the documents are processed in accordance with County policies, procedures, and guidelines.

## SCOPE

The audit was conducted in accordance with the *Generally Accepted Government Auditing Standards* and the *International Standards for the Professional Practice of Internal Auditing*. These Standards require that County Audit plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for the audit comments and conclusions based on the audit objectives. County Audit believes that the evidence obtained provides this reasonable basis.

The Audit Team identified the process life cycle for employee travel advances and the related control environment. For the six month period ending September 30, 2014, sixty four (64) employee travel advances were processed, totaling \$9,321. The Audit Team traced a sample of these travel advances through the process life cycle.

## OVERALL EVALUATION

The County Finance Department and the Human Resources Department were responsive to the Audit Team's inquiries and provided thorough information when requested. Data and other information were provided in a prompt and courteous manner. The Audit Team encountered knowledgeable and dedicated employees during the course of the audit.

AUDIT COMMENT	CONCLUSION OF OBJECTIVE	PAGE
1	An opportunity exists to enhance the controls over employee travel advances.	4

## OPINION

The County's control process over employee travel advances is at the formal (defined) maturity level. The controls are well defined and documented. There

appears to be consistency even in times of change. Performance monitoring is informal, placing a great deal of reliance on the diligence of people and independent audits.

Taking corrective action to alleviate the concern identified in this Report will improve the control environment over employee travel advances.

The exit conference was held on April 29, 2015.

Other minor concerns not included in this Report were communicated to management and/or corrected during fieldwork.

**AUDITED BY**

Peggy Caskey, CIA, CISA, CFE, Director of County Audit  
Mark Kolman, CIA, CISA, CPA, CFE, Audit Manager

**AUDIT COMMENT & RECOMMENDATION****AUDIT COMMENT****An opportunity exists to enhance the controls over employee travel advances.**

The Audit Team determined whether or not the County's control environment over employee travel advances provides a reasonable level of assurance that travel authorization forms are properly completed and accounted for, and the documents are processed in accordance with County policies, procedures, and guidelines.

Audit Test

The Audit Team:

- documented information from the County's Administrative Directive AD-09, *Travel on Hillsborough County Business*, and Human Resources Policy HR-4.04 *Travel Policy* and documented the travel advance and related travel expense report process;
- identified the population of 64 employee travel advances for the period April 1, 2014, through September 30, 2014;
- tested a judgmental sample of 12 (19%) of the 64 travel authorization forms; and
- determined whether or not the forms were properly processed in accordance with AD-09, HR 4.04, and County Finance requirements.

The 12 sampled authorization forms totaled \$1,932 in travel expenses, which is 22% of the \$9,321 total travel expenses for the scope period.

Test Results

Travel authorization forms had been processed for 11 of the 12 travel advances sampled. All 11 of these travel authorization forms were properly completed, approved, supported and mathematically correct.

One employee/traveler did not file a travel authorization request form to complete a \$164 travel advance reimbursement.



None of the 11 travel authorization forms were filed within 5 days of the travel return date, as required by AD-09. This requirement is also on the travel authorization form.

#### Control Environment Analysis

The County has a reliable, well controlled process that provides a reasonable level of assurance that travel authorization forms are properly completed and accounted for, and the documents are processed in accordance with applicable County policies, procedures, and guidelines.

#### **RECOMMENDATION**

The County has an opportunity to improve its controls over employee travel advances. Consideration should be given to either changing the AD-09 travel policy requirements or enforcing the five day requirement for filing the travel authorization form.

#### ***CLIENT RESPONSE***

*Concur*

#### ***CORRECTIVE ACTION PLAN***

*Change AD-09 Policy to reflect 10 days vs. 5 days for travelers to file for reimbursement after travel is completed*

#### ***TARGET COMPLETION DATE***

*Approximately 30 to 60 days depending on approval process.*