

**REVENUE AND FINANCE
CITYWIDE TRAVEL
AUDIT 05-30
APRIL 14, 2005**



CITY OF TAMPA

Pam Iorio, Mayor

Internal Audit Department

Wayne Boytim, Acting Internal Audit Director

April 14, 2005

Honorable Pam Iorio
Mayor, City of Tampa
1 City Hall Plaza
Tampa, Florida

RE: Revenue and Finance – Citywide Travel, Audit 05-30

Dear Mayor Iorio:

Attached is the Internal Audit Department's report on Citywide Travel.


We thank the management and staff of the Revenue and Finance – Accounts Payable Division and selected departments for their cooperation and assistance during this audit.

Sincerely,

Wayne Boytim
Acting Internal Audit Director

cc: Bonnie Wise, Revenue and Finance Director
Darrell Smith, Chief of Staff
David Smith, City Attorney
Shirley Foxx-Knowles, City Clerk
Steve Hogue, Police Chief
Dennis Jones, Fire Chief
Santiago Corrada, Neighborhood Services Administrator
Mark Huey, Economic Development Administrator
Steve Daignault, Public Works and Utility Services Administrator

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Auditor



Acting Audit Director

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INTRODUCTION

City Code Section 2-114 – Travel expense forms and regulations, places the responsibility of providing forms for travel requests, expenses, reimbursements and mileage allowances with the Director of Finance. In order to comply with this code section, the City of Tampa – Travel Manual was developed. The most recent version was placed into effect January 22, 2003. The Accounts Payable function of Revenue and Finance is responsible for monitoring employee travel.

During FY04, more than 500 different employees were reimbursed over \$272,000 for travel related expenses.

STATEMENT OF OBJECTIVES

This audit was conducted in accordance with the Internal Audit Department's FY05 Audit Agenda. The objective of this audit was to ensure that travel expenditure reimbursements were in compliance with the City's travel policy.

STATEMENT OF SCOPE

The audit period covered employee travel activity that occurred from October 1, 2003 through September 30, 2004 (FY04). Source documentation was obtained from departmental and Accounts Payable records. Original records as well as copies were used as evidence and verified through physical examination.

STATEMENT OF METHODOLOGY

Government Auditing Standards require auditors to determine if computer processed data are sufficiently reliable to be used in the audit process. This audit used information produced by the City of Tampa's financial system, ADPICS module. A review of the reliability of the data generated by this system was performed during Audit 04-26 – Capital Construction. The conclusion from that review indicated that the "computer-processed data appears to be sufficiently reliable in all material aspects." We relied on the conclusion of that report for this audit after determining that there were no significant changes to the system.

The sample size and selection were statistically generated using a desired confidence level of 90%, expected error rate of 10% and a desired precision of +/- 10%. Statistical sampling was used in order to infer the conclusions of test work performed on a sample to the population from which it was drawn and to obtain estimates of sampling error involved.

STATEMENT OF AUDITING STANDARDS

We conducted our audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to afford a reasonable basis for our judgments and conclusions regarding the organization, program, activity or function under audit. An audit also includes assessments of applicable internal controls and compliance with requirements of laws and regulations when necessary to satisfy the audit objectives. We believe that our audit provides a reasonable basis for our conclusions.

AUDIT CONCLUSIONS

Based upon the test work performed and the audit findings noted below, we conclude that the reimbursement documentation submitted was not in compliance with the procedures in the Travel Manual.

While the finding discussed below may not significantly impair the processing of travel reimbursements, it does present a risk that can be more effectively controlled.

TRAVEL REIMBURSEMENT (Repeat Finding)

A sample of 24 employees was selected to review documentation for their travel-related reimbursements. Four of the reimbursements in the sample were not travel-related. For the remaining 20 employees, a review of documentation disclosed the following:

- 11 purchase orders were processed after the travel dates for the employee;
- 3 travel reimbursement forms were submitted to Accounts Payable more than 45 business days after the last date traveled (dates ranged from 52 to 104); and
- 1 travel reimbursement form was not signed by an authorized individual.

The Travel Manual, Section B. c. - Funding for Travel, states that “funds for approved travel must be encumbered prior to the trip. This includes all anticipated travel expenses. . .” In addition, Section B. d. – Rules and Regulations, states that “All completed Request for Travel and Reimbursement Forms and corresponding receipts will be submitted to Accounts Payable for verification not later than 45 days after travel is completed.” Finally, it requires that it be authorized by the approving authority “of the agency from whose funds the travel expense is being incurred.” The approving authority is defined as the head of the agency or higher.

The prior audit, 02-28 – Citywide Travel, included comments from Revenue and Finance that the requirement of departments providing a letter explaining why funds weren’t encumbered prior to travel would be reinstated. It should be noted that in the sample reviewed there was one expenditure that was not encumbered prior to travel, however, department Management did submit a letter to the Chief Accountant.

RECOMMENDATION

Management should re-evaluate the policy requiring encumbrance of funds prior to travel by an employee. If it is concluded that the policy is necessary, then a determination should be made on whether there is an ADPICS system control that could be implemented to prevent encumbrances after the travel date.

If the system control is not feasible, Management should develop a reporting mechanism that ensures department management provides the reason why funds were encumbered after the fact.

AUDITEE RESPONSE

Revenue and Finance concurs with this comment. Accounts Payable has re-evaluated the travel policy and determined that the requirement of encumbering funds prior to travel is unnecessary. Therefore, the section will be deleted from the City’s travel policy.