



Chesterfield County, Virginia Internal Audit

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GREG L. AKERS
Director

DATE: June 22, 2016

TO: Jay Stegmaier
County Administrator

FROM: Greg L. Akers
Director of Internal Audit

SUBJECT: Travel – County Administrator

The Office of Internal Audit completed an audit of Travel Expenditures by the County Administrator, and the final report is attached.

We would like to thank you and your staff for your cooperation and assistance during this audit.

Attachment

Copy: Lou Lassiter, Assistant County Administrator



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Chesterfield County
Internal Audit
Department

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Travel – County Administrator FY15

June 2016

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June 2016

Highlights

Internal Audit Report to the Board of Supervisors/School Board

Why We Did This Review

Internal Audit conducted this review as part of our FY15 audit plan approved by the County Administrator and School Board Superintendent.

The audit focused on evaluating the County Administrator's travel-related expenditures for compliance to County Administrative Policies and Procedures. In particular, our objectives were to:

- Review expenditures for supporting documentation and proper approval.
- Confirm that reimbursements were accurate and settled timely.
- Ensure all travel and charges were for legitimate County business and that reasonable, competitive and/or government rates were used.
- Report results to the County Administrator.

Commendations

We commend the County Administrator for ensuring all travel-related expenditures were accurate, reasonable, settled timely, and for legitimate County business.



For more information, please contact
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Travel – County Administrator



What We Found

Travel-related expenditures are in compliance.

All 17 travel-related expenditures for the County Administrator were selected for testing for compliance to County travel policies and procedures. The attributes for testing included determining if the expenditure had proper approval from authorized personnel, identifying any supporting documentation, ensuring that all reimbursements were accurate, travel was settled timely, airfare tickets were economy/coach class on a commercial carrier, hotels rates were reasonable, and expenditures were reasonable, for legitimate County business, and properly accounted for. Five attributes had no exceptions noted:

- All transactions have proper supporting documentation.
- All reimbursements were accurate.
- All reimbursements were settled timely.
- All airfare tickets were economy/coach class on a commercial carrier and hotel rates were reasonable.
- All expenditures were reasonable and for legitimate County business.

Three minor exceptions to the County Travel Policy related to account classification and approval levels were noted, and they have been addressed with the appropriate individuals.

We appreciate the cooperation received from management and staff while conducting this audit.

INTRODUCTION

BACKGROUND

This audit was included in the FY15 Audit Plan as a regularly scheduled audit. The County Administrator leads the operations of the County government to meet the needs of the citizens of Chesterfield County. He is routinely required to travel in and out of state for meetings and educational conferences as part of his administrative duties. For FY15, the department expenditures for the six members of the County Administrator’s office for mileage, education & conferences, and miscellaneous travel totaled \$26,257.

As part of this regularly scheduled audit, we also audited the travel-related expenditures of the direct reports to the County Administrator. The results of that audit are published in a separate report titled: Travel – County Administrator’s Direct Reports.

OBJECTIVES

Objectives of the audit were to:

- Review expenditures for supporting documentation and proper approval.
- Ensure all reimbursements were accurate (per diem, mileage, baggage, etc.).
- Ensure all travel and charges were reasonable and for legitimate County business.
- Report results to the County Administrator.

SCOPE

Our scope covered all travel-related expenditures for the County Administrator for FY15. We considered the following County Administrative Policies and Procedures and forms during the course of this audit:

Accounting 1-1: Travel	Accounting: Travel Approving Officials
Accounting: Travel Master Form	Accounting: Transportation Authorization
Accounting: Travel Expense Reimbursement Form	

We conducted this performance audit in accordance with generally accepted government auditing standards (GAGAS), except professional standards require us to disclose Internal Audit reports through the County Administrator. While our reporting to the Administrator technically impairs our independence under GAGAS for this department, we otherwise followed GAGAS standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. Christopher Meade, Senior Auditor performed the audit work. Chesterfield County Internal Audit is a department within the organization of Chesterfield County/Schools.

METHODOLOGY

Detailed information regarding the methodology can be found in the individual findings listed in the report. Our methodology included the following:

- Selecting all travel-related expenditures by the County Administrator for FY15.
- Evaluating all supporting documentation for compliance to County Administrative Policies and Procedures.

INTERNAL CONTROL CONCLUSION

According to Government Auditing Standards, internal controls, in the broadest sense, encompass the agency's plan, policies, procedures, methods, and processes adopted by management to meet its mission, goals, and objectives. Internal controls include the processes for planning, organizing, directing, and controlling program operations. It also includes systems for measuring, reporting, and monitoring program performance. An effective control structure is one that provides reasonable assurance regarding:

- Efficiency and effectiveness of operations;
- Accurate financial reporting; and
- Compliance with laws and regulations.

Based on the results and findings of the audit test work, auditors concluded that internal controls were in place, and there were minimal findings to question their ability to assist management in meeting its mission, goals, and objectives.

CLOSING

We would like to thank the County Administrator and his staff for their cooperation and assistance during the course of this audit.

FINDINGS, RECOMMENDATIONS, RESPONSES

Commendations

(Point Sheet C-1.1a)

CRITERIA:

County Administrative Policy and Procedure 1-1: Accounting – Travel Policy and Procedures defines the procedures for anyone authorized to travel on County business. These policies and procedures cover local travel, overnight travel, transportation, lodging, advances and settlements, and registration.

The Travel Approving Officials List designates the required level of approving official for the County Administrator and his direct reports as well as all other County travelers.

All County employees requesting per diem are required to use the Travel Master Form when requesting a travel advance or travel reimbursement.

The Travel Expense Reimbursement form is used when an employee has used his or her personal vehicle for business travel and is requesting a mileage reimbursement.

The Transportation Authorization form is required to approve travel costs over \$5,000 or the use of a chartered flight.

CONDITION(S):

All 17 travel-related expenditures for the County Administrator were selected for testing for compliance to County travel policies and procedures. The attributes for testing included determining if the expenditure had proper approval from authorized personnel, identifying any supporting documentation, ensuring that all reimbursements were accurate, travel was settled timely, airfare tickets were economy/coach class on a commercial carrier, hotel rates were reasonable, and expenditures were reasonable, for legitimate County business, and properly accounted for.

Out of 17 expenditure transactions tested, there were no exceptions noted for supporting documentation, calculations of reimbursements, timely settlement of advances and reimbursements, hotel rates, and airfare class rules; and all travel and charges were reasonable and for legitimate County business. There were 3 transactions with minor policy exceptions noted:

- 2 quarterly mileage reimbursements (\$646 and \$523) were classified to the miscellaneous travel account rather than to the mileage account (incorrect GL Object Code). 1 reimbursement (\$646) included mileage from the prior fiscal year (FY14).
- 1 transaction for \$150 did not have the proper level of approving official.

FINDINGS, RECOMMENDATIONS, RESPONSES

Commendations

(Point Sheet C-1.1a) continued

CAUSE(S):

The County Administrative Policies and Procedures are well-documented and adhered to.

EFFECT(S):

The County Administrator is in compliance with County Administrative Policies and Procedures.

COMMENDATION(S):

We commend the County Administrator for ensuring all travel-related expenditures were accurate, reasonable, settled timely, and for legitimate county business.