



## Chesterfield County, Virginia Internal Audit

10021 Iron Bridge Road – P.O. Box 40 – Chesterfield, VA 23832  
Phone: (804) 748-1240 – Fax: (804) 768-9346 – Internet: chesterfield.gov

**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’s Direct Reports

The Office of Internal Audit completed an audit of Travel Expenditures by the County Administrator’s Direct Reports, 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  
Robert Eanes, Assistant to the County Administrator  
Bill Dupler, Deputy County Administrator for Community Development  
Dr. Sheryl Bailey, Deputy County Administrator for Management Services  
Sarah Snead, Deputy County Administrator Human Services  
Allan Carmody, Director of Budget and Management  
Scott Zaremba, Director of HR Programs  
Mary Martin Selby, Director of HR Services  
Loy Senter, Chief of Fire & EMS  
Jeff Mincks, County Attorney  
Thierry Dupuis, Chief of Police



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Greg L. Akers, Director  
Matthew Dini, Audit Manager  
Stephanie Bookheimer, Staff Auditor  
Michelle Heckel, Senior Auditor  
Lora Holland, Senior Auditor  
Christopher Meade, Senior Auditor  
Nikiesha Roney, Staff Auditor  
Steve Sanderson, Senior Auditor  
Richard Slate, Staff Auditor  
Annette Stinson, Administrative Assistant

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# Travel – County Administrator’s Direct Reports FY15

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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 Direct Reports' 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's Direct Reports for ensuring that travel-related expenditures were reasonable and for legitimate County business.



For more information, please contact  
Greg L. Akers, at 804-748-1240 or  
akersg@chesterfield.gov

# Travel – County Administrator's Direct Reports



## What We Found

### Travel-related expenditures are in compliance.

All 102 travel-related expenditures for the County Administrator's Direct Reports 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. Two attributes had no exceptions noted:

- 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.

A few minor exceptions to the County Travel Policy primarily related to supporting documentation, timeliness of settlement, 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's Direct Reports lead the operations of the County government departments to meet the needs of the citizens of Chesterfield County. They are periodically required to travel in and out of state for meetings and educational conferences as part of their duties.

The County Administrator's Direct Reports that were audited are:

- Lou Lassiter, Assistant County Administrator
- Robert Eanes, Assistant to the County Administrator
- Bill Dupler, Deputy County Administrator for Community Development
- Dr. Sheryl Bailey, Deputy County Administrator for Management Services
- Sarah Snead, Deputy County Administrator Human Services
- Allan Carmody, Director of Budget and Management
- Scott Zaremba, Director of HR Programs
- Mary Martin Selby, Director of HR Services
- Loy Senter, Chief of Fire & EMS
- Jeff Mincks, County Attorney
- Thierry Dupuis, Chief of Police

For FY15, expenditures for mileage, education & conferences, and miscellaneous travel totaled \$114,798 for the offices of the County Administrator's direct reports.

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

### **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’s Direct Reports 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. 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’s Direct Reports 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’s Direct Reports and their staff for their cooperation and assistance during the course of this audit.

## FINDINGS, RECOMMENDATIONS, RESPONSES

### Commendations

(Point Sheet C-1.1)

#### **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 102 travel-related expenditures for the County Administrator's direct reports 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 102 expenditure transactions tested across 11 direct reports, 5 direct reports had no exceptions noted. There were no exceptions noted for timely settlement of advances, hotel rates, and airfare class rules; and all travel and charges were reasonable and for legitimate county business. There were 10 minor exceptions to policy noted:

- 3 transactions did not have a conference agenda or documentation explaining the trips' purposes attached. (We subsequently verified the trips' purposes were for legitimate County business.)
- 2 transactions did not have the proper level of approving official.
- 2 reimbursements were not settled within 20 days of return.
- 1 transaction for \$178 correctly charged to a travel account (GL Object Code), was posted under the wrong department's account (GL Key Code).

## FINDINGS, RECOMMENDATIONS, RESPONSES

### Commendations

(Point Sheet C-1.1) continued

- 1 mileage reimbursement (\$321) had charges that were recorded in wrong fiscal year.
- 1 transaction had a per-diem reimbursement that was miscalculated resulting in a \$7.50 underpayment to the employee.

#### **CAUSE(S):**

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

#### **EFFECT(S):**

The County Administrator's Direct Reports are in compliance with County Administrative Policies and Procedures.

#### **COMMENDATION(S):**

We commend the County Administrator's direct reports for ensuring all travel-related expenditures were accurate, reasonable, and for legitimate county business.