

# City of Syracuse

## Travel & Training Audit



**Submitted to:**

**Syracuse Common Council**

**Mayor Stephanie A. Miner**

**March 3<sup>rd</sup>, 2014**

*Martin D. Masterpole*

**City of Syracuse Auditor**

## **Introduction**

This report represents the results of our examination of the City of Syracuse Budget & Management Department on Travel Totals for the fiscal year ended June 30<sup>th</sup>, 2013.

We conducted our examination in accordance with the *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Standards for the Professional Practice of Internal Auditing*, as circulated by the Institute of Internal Auditors. Those standards require that we plan and perform the examination to afford a reasonable basis for our conclusions regarding the organization, program, activity or function under examination. An examination includes assessing and analyzing compliance with applicable internal controls, policies and procedures, laws and regulations when necessary to satisfy the examination objectives. The management of the City of Syracuse, New York, is responsible for establishing, maintaining and complying with the internal control structure, policies and procedures, and compliance with applicable laws, regulations and contracts.

This report is intended solely for the information of the Mayor and the Common Council of the City of Syracuse, New York. However, this report is a matter of public record and its distribution is not limited.

We would like to thank all personnel who assisted and cooperated with us during the course of our examination.

## **Audit Objective**

The objectives of the audit were to determine with reasonable assurance that the financial data was accurate and properly recorded and that adequate operational and control procedures exist for the completeness of reporting traveling agreements with varying departments.

## **Scope**

The scope of this audit entailed reviewing all reported financial documentation, policy and procedures from Budget & Management and Bureau of Accounts, respectively, regarding traveling expenses (415 lines) among the various City Hall Departments between the periods of July 1<sup>st</sup>, 2012 through June 30<sup>th</sup>, 2013.

## **Background Information**

During our examination the City Auditor discovered the follow procedures are currently in place for city business traveling. All employees must fill out a "Request for Travel" form. This form is then signed by the employee and the head of their department. Once these two signatures are completed the form is then submitted to the Budget Department. The Department of Management& Budget is responsible for maintaining the accounting matters regarding city travel expense and reimbursements. The main priority when accounting for city travel expenses is to ensure that costs being requested are accurate and has no problems by requesting and obtaining receipts or official documents pertaining to cost and reimbursements. Management is also

responsible for proper storage of data and setting up travel agreements with the corresponding department and distributing vouchers for approved reimbursements. Lastly, after the budget department analyzes the amount submitted, the Mayor must make the final approval and sign off on the document. It is then sent to accounting for storage in a black three ring binder. The reimbursement process happens once your travel is complete, all required receipts and form must be put forward to avoid delay in the process of the refund.

There are currently fourteen City Hall departments that reported travel arrangements. The travel records range from regular activities such as training sessions and registration fees to traveling to hearings and legislative meetings. Our involvement is to facilitate adherence to governmental travel policies and provide quality control consultation if deemed necessary.

### **Auditors Opinion**

The Audit Department uncovered no accounting errors within the financial examination. One issue that was discovered was some incomplete request forms from the Mayor's Office. The missing travel paper work is a direct policy & procedural violation. The incomplete travel paperwork requests totaled to \$5,430.42, however the receipts were present and accounted for. This number is material to the examination during the periods of July 1<sup>st</sup>, 2012 to June 30<sup>th</sup>, 2013.

All other departments travel request were properly accounted and recorded. All receipts were found to be consistent with the filed documentation and policy control procedures. These consistencies allowed the Audit Department to confirm that the reimbursement amounts distributed to the departments, except for the Mayors Office, are consistent to internal operations and were accurate and valid. The Audit Department confirms a qualified opinion on these financial documents.

### **Results Summary**

In the course of performing the Audit on the department travel totals, it came to the attention of the City Auditor that only one of the fourteen departments was lacking proper documentation for reimbursements. These incomplete travel agreements were successfully filtered out and recorded accurately by the current internal control procedures. During the examination it was discovered that all travel requests must be approved by the Mayor, this is a check that is not balanced do to the fact that there is no policy in place that requires other qualified personnel to sign off on the Mayors travel expense, leaving Mayors to sign off themselves. This is a serious issue that should be addressed as soon as possible. There is also no clarity in the traveling policy about approving reasonable methods of travel; such as plane, personal vehicle, business vehicle, etc. This could result in unnecessarily high travel cost over time. Additionally there is no policy in place to allow for or prohibit non City personnel from traveling with a City employee. For example, is it OK for a non-City employee to share transportation to a destination and stay in a hotel as long as it doesn't add to the expense of the City of Syracuse? Should the cost be divided between parties even if additional expense is not incurred?

### Auditors Notes:

In my own words, I would advise there be a revision to the approval method of travel for the Mayor by incorporating a check on the Mayor's travel cost to insure adequate control and completed documentation. In my opinion, this check should come from an elected office, either the Syracuse Common Council or Syracuse City Auditor. Additionally, within the travel policy it should state limitations on the methods of travel, depending on the destination and priority, along with mileage constraints and breakdown. Lastly, the "Travel Policy" of the City of Syracuse should be updated to include rules associated with non-City personnel companions. It is the opinion of the City Auditor that non City personnel should be allowed to travel with City personnel as long as it does not add additional legal liability or cost to the City personnel travel. These measures will ensure proper checks and balances and possible saving in travel expenses over time.

In regards to the attached management response letter, below are our responses.

- Our initial release to the Common Council and Administration stated that there were missing receipts although on the attached spreadsheets the receipts were noted present. The corrected language is that the receipts are present and accounted for. However, the travel paperwork was not on file.
- The management response states "*All employee travel request are approved by the Mayor. As the Chief Executive Officer of the city, she is exempt from approving her own travel request.*" The opinion of the City Auditor is that there is no language in the City travel policy to exempt the Mayor. While it might seem unnecessary for the Mayor to sign off on her own travel, there is pertinent information on that form that should be on file.
- Management correctly notes that per the City travel policy, meal allowance receipts are not required. The City Auditor agrees and it has been corrected in this report.