



Agenda Date: 5/17/2005  
Agenda Placement: 6N

## NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

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**TO:** Board of Supervisors  
**FROM:** Pamela Kindig - Auditor-Controller  
Auditor - Controller  
**REPORT BY:** Karen Querin, Audit Manager, 253-4588  
**SUBJECT:** County of Napa, County-Wide Transportation and Travel Expenditures Audit for the Fiscal Year ended June 30, 2003

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### **RECOMMENDATION**

Auditor-Controller requests the Board accept and instruct the Clerk of the Board to file the Audit Report of the County of Napa, Countywide Transportation and Travel Expenditures Accounts Audit for Fiscal Year ended June 30, 2003.

### **EXECUTIVE SUMMARY**

The Internal Audit Section of the Napa County Auditor-Controller's Office has audited the Transportation and Travel Expenditure Accounts for the fiscal year ended June 30, 2003. Acceptance of this audit report is requested.

### **FISCAL IMPACT**

Is there a Fiscal Impact?                      No

### **ENVIRONMENTAL IMPACT**

There is no Environmental Impact for this item.

### **BACKGROUND AND DISCUSSION**

**Purpose**

The purpose of the County-Wide transportation and travel expenditure accounts audit was to determine if the expenditures incurred for the Fiscal Year ending June 30, 2003 were in accordance with the County Travel Policy then in existence. The County Board of Supervisors adopted the Travel Policy on September 23, 1986 and subsequently amended the Policy on March 24, 1987, May 14, 1991, September 10, 1991, December 17, 1996 and December 17, 2002. The County's budget unit staff, supervisors, managers and department heads process these transportation and travel expenditure for work related training, continuing education, business meetings, conferences and conventions.

**Scope and Methodology**

The audit covered the transportation and travel expenditures incurred and/or reimbursed for the period of July 1, 2002 through June 30, 2003.

Using Microsoft Excel's random number generator, a random sample of 559 transportation and travel expenditure claims totaling \$293,346 was pulled from a population that consisted of 3,665 accounts payable (A/P) journal entry reference numbers (A/P journal entry reference numbers could contain more than one voucher) and general journal entry numbers (account line items) totaling \$1,563,025 from the following accounts contained in the County's General Ledger:

52250000 – TRANSPORTATION & TRAV  
52250400 – T/T: MILEAGE  
52250800 – T/T: TRAINING  
52251200 – T/T: PRIVATE VEH MILE

The sample audited represents 15.3% of the line item population and 18.8% of the total costs for the fiscal year ended June 30, 2003. When appropriate, judgmental sampling was used to improve the overall efficiency of the audit.

**Conclusion**

Of the 559 transportation and travel expenditure claims audited, 348 contained exceptions. This represents 62.3% of the claims audited. Of \$293,346 in claims audited, \$11,125 (3.8% of the claims examined) was determined to have been reimbursed even though the claim was not in compliance with the Transportation and Travel policy in place at the time of the expenditure. Out of the 49 budget units examined 78% had errors in 26% or more of their claims. Twenty-nine percent of the budget units examined had errors in 76% or more of their claims. A summary schedule of the number and type of exceptions by budget unit is included in the report. The following is a list of the exception types discovered during the audit:

- | Time of Departure and Return Not Noted - 258 instances
- | Mileage Reimbursement Rate Incorrect - 16 instances
- | Authorization Missing for Traveling Outside a 75-mile Radius of the Work Location and/or Overnight Stay - 85 instances. Of the 85 instances, three (3) pertained to "Out of State" travel. These three had not been approved by the Board of Supervisors as the Policy then required.
- | Authorization Missing or Invalid - 39 instances
- | Missing Support Documentation - 47 instances
- | Other - There were 132 instances of other exceptions noted. Details are on file with the Auditor-Controller's (A-C) Office. The types of exceptions noted, among others, included: the voucher number was not indicated on the claim to denote that the claim was paid; the Auditor-Controller's prescribed form was not completed; the correct account and/or budget unit was not charged; and the city traveled to/from was not indicated.

**Overall Recommendations**

Recommendations based on the results of the audit follow:

1. Update the Transportation and Travel Policy and Forms. (**NOTE:** On April 26, 2005, the Board approved the amended Travel Policy, effective May 1, 2005. The amended Policy incorporated recommendations generated by discussions held on the audit findings.)
2. Submission of all transportation and travel claims to the Auditor-Controller's Office for processing. (**NOTE:** Implementation of this procedure was instituted as of May 2, 2005.)
3. Train budget unit staff on the updated Transportation and Travel Policy and Forms prior to allowing processing of claims by budget unit staff on an ongoing basis. (**NOTE:** E-form instructions and a training manual is currently being developed and is expected to be issued by the first of June 2005)

The implementation of the foregoing recommendations will provide consistency in the application of the Transportation and Travel Policy as well as consistency in processing claims pursuant to the Transportation and Travel Policy.

**Other Information**

This report is being presented to the Board of Supervisors for acceptance into public record to demonstrate compliance with the request for audits by the Grand Jury and the County Executive Office. To understand the context of the above findings, it is important to refer to the signed copy of the report on file with the Clerk of the Board.

**SUPPORTING DOCUMENTS**

None

CEO Recommendation: Approve

Reviewed By: Lorenzo Zíalcita