

County of San Bernardino

Auditor-Controller/Treasurer/Tax Collector
Internal Audits Section

Aging and Adult Services – Public Guardian-Conservator's: Travel Audit



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SUBJECT: Travel Audit

In compliance with Article V, Section 6, of the San Bernardino County Charter and County Policy 05-20 entitled Internal Operational Auditing, we have completed an audit of the Department of Aging and Adult Services-Public Guardian-Conservator's travel procedures for the period of July 1, 2016 through June 30, 2017. The primary objective of the audit was to determine if the Department adheres to County Policies and Memoranda of Understanding regarding employee travel. We conducted our audit in accordance with the International Standards for the Professional Practice of Internal Auditing established by the Institute of Internal Auditors.

We identified several procedures and practices that could be improved. We have listed these areas for improvement in the Audit Findings and Recommendations section of this report.

We sent a draft report to the Department on May 11, 2018 and discussed our observations with management on May 31, 2018. The Department's responses to our recommendations are included in this report.

We would like to express our appreciation to the personnel at the Department of Aging and Adult Services-Public Guardian-Conservator who assisted and cooperated with us during this engagement.

Respectfully submitted,

Oscar Valdez

Auditor-Controller/Treasurer/Tax Collector
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By:



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Aging and Adult Services – Public Guardian - Conservator:

Travel Audit

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Summary of Audit Results

The table below summarizes the audit findings and recommendations for this audit engagement. For further discussion, refer to the *Audit Findings and Recommendations* section of this report.

Finding No.	Findings and Recommendations	Page No.
1	Statement of Expenses Forms were not submitted to Accounts Payable of the Auditor-Controller/Treasurer/Tax Collector.	4
	We recommend that the Department review travel management guidelines established in the County Standard Practice Policies, specifically Section 08-02 SP1. Managers and supervisors should ensure a SEF is completed for all overnight or out of state travel, and signed by the Appointing Authority or designee.	
2	Allowable cost guidelines established by the General Memoranda of Understanding were not consistently followed.	5
	We recommend the Department review MOU guidelines for travel reimbursement, as referenced by County Standard Policy and the Department's policy and manual. We also recommend more thorough reviews of travel claims to ensure only allowable amounts are requested for meals, lodging and transportation reimbursements.	
3	Written documentation for travel authorizations and reimbursable claims should be improved.	6
	We recommend managers and supervisors require and review supporting documentation for all travel claims submitted by employees and authorizations prior to travel be obtained in writing. We also recommend managers and supervisors follow the department's own policies requiring each request for travel is reasonable and prudent before approving.	



Travel Audit

The Department

The Department of Aging and Adult Services (DAAS) provides services to seniors, at-risk individuals, and adults with disabilities to improve or maintain choice, independence and quality of life so they may age in place, in the least restrictive environment. Under the direction of the California Department of Aging (CDA), DAAS serves as the federally designated Area Agency on Aging (AAA) for the County of San Bernardino and is responsible for administering programs under the Older American Act. Under DAAS and by court appointment, the Public Guardian-Conservator acts as conservator of last resort for individuals found to be gravely disabled or who lack the capacity to manage their finances and provide their own care. A conservator is responsible for the conservatee's care, custody, and control. Responsibilities include determining where the conservatee lives and ensures his/her daily needs are met.

Traveling may be required for the Public Guardian – Conservator's employees as part of conservator responsibilities, staff training, or professional organization conferences. The Department should comply with County Policies on travel, the SBPEA Teamsters Local 1932 Memoranda of Understanding (MOU), and the Human Services Department Policy and Standard Practice Manual. The intent of County Policy is to manage travel in the most efficient and cost-effective manner through uniform procedures that provide internal controls and balance the travel requirements of County operations and the County Traveler(s).



Scope and Objective

Our audit examined the Department's travel procedures and claims for the period of July 1, 2016 to June 30, 2017.

The objective of our audit is to determine if the Department adheres to County Policies and Memoranda of Understanding regarding employee travel.

Methodology

In achieving the audit objective, the following audit procedures were performed, including but not limited to:

- Interview of Department's staff
- Perform walk-through of activities
- Review of the Department's policies and procedures
- Sampling and examination of source documents
- Review of pertinent documents



Finding 1: Statement of Expenses Forms were not submitted to the Accounts Payable Section of the Auditor-Controller/Treasurer/Tax Collector.

San Bernardino County Standard Practice 08-02 SP1 states that County Travelers shall complete a Statement of Expenses Form (SEF) for all overnight or out-of-state travel. The SEF is to be completed in addition to the Employee Reimbursement Form (ERF) and Cal-Card Justification packets. The SEF is used to collect and report actual costs incurred for overnight or out-of-state travel. Once completed, the SEF should be signed by the County Traveler, Appointing Authority (or designee) and submitted with the completed ERF and/or Cal-Card Justification packet.

Out of 20 travel claims tested, there were 6 instances where either the Employee Reimbursement Form (ERF) or Cal-Card packet did not include a SEF when overnight travel had taken place by a County employee.

The Department was not aware of the County policy requiring a SEF to be completed and submitted to ATC in addition to the ERF and Cal-Card packets for all overnight travel. When proper documentation is not submitted for travel claims, it can lead to payments of unallowable costs and misappropriation of assets.

Recommendation:

We recommend that the Department review travel management guidelines established in the County Standard Practice Policies, specifically Section 08-02 SP1. Managers and supervisors should ensure a SEF is completed for all overnight or out of state travel, and signed by the Appointing Authority or designee.

Management's Response:

The Office of the Public Guardian (OPG) corrected this condition by providing training during an All-Staff meeting and ensuring staff properly complete a Statement of Expenses Form (SEF) for all overnight or out-of-state travel. Managers and supervisors will continue to review all travel claims to ensure proper documentation.



Auditor's Response:

The Department's actions and planned actions will correct the deficiencies noted in the finding.

Finding 2: Allowable cost guidelines established by the General Memoranda of Understanding were not consistently followed.

San Bernardino County Standard Practice 08-02 SP1 states that County Travelers eligible for reimbursement of actual and necessary expenses for transportation, meals, lodging and incidentals such as parking, telephone calls, tolls, and gratuities that are allowed by the department for authorized travel shall submit an ERF along with any supporting receipts to ATC. All such reimbursements shall be subject to the conditions set forth in County Travel Policies, Standard Practice, and the provisions of the applicable General Memoranda of Understanding (MOU) with employee bargaining units. The MOU Section 7 – Meals and Lodging lists specific allowances for lodging and meals, as well as allowable exceptions based on circumstances. Section 6 - Transportation Modes explicitly prohibits reimbursement for additional costs incurred if any employee purchases additional insurance or signs a Collision Damage Waiver (CDW) when renting a vehicle for County business.

Out of 20 travel claims tested, there were 11 instances where claims included expenses for meals, lodging, and transportation that exceeded the allowable amounts established in the MOU.

- There were 7 claims where lunches and dinners exceeded the allowable amounts established in the MOU.
- There were 2 claims where lodging expenses exceeded the allowable amount established in the MOU. There was no written documentation authorizing the excess charges.
- There was a claim that included additional charges for CDW coverage for 2 days on a vehicle rental.
- There was a claim where an airline ticket was purchased at the higher "Anytime" rate instead of the "Wanna Get Away" rate. There was no written documentation to justify the excess rate.



Although the Appointing Authority designee is reviewing travel claims, the Department is not ensuring that all expenses fall within MOU allowable cost guidelines. When travel claims are approved that exceed allowable costs, travel is not managed in the most efficient and cost-effective manner.

Recommendation:

We recommend the Department review MOU guidelines for travel reimbursement, as referenced by County Standard Policy and the Department's policy and manual. We also recommend more thorough reviews of travel claims to ensure only allowable amounts are requested for meals, lodging and transportation reimbursements.

Management's Response:

OPG implemented improved documentation procedures, including utilizing Education Assistance Proposal (EAP) forms to document all approved out-of-county and over-night travel, and continues to further strengthen travel documentation and internal review practices. OPG staff will continue to follow published applicable MOU and County policies when traveling.

Auditor's Response:

The Department's actions and planned actions will correct the deficiencies noted in the finding.

Finding 3: Written documentation for travel authorizations and reimbursable claims should be improved.

San Bernardino County Standard Practice 08-02 SP1 states that the Appointing Authority should consider the nature of the trip, appropriateness of the individual to represent the organization, length of stay, mode of transportation, cost effectiveness of the request and any other relevant information regarding all travel requests. It also states that travel expenses shall be carefully monitored by each department, division, and agency, using designated accounting strings. San Bernardino County Standard Practice 08-03 SP1 states that claims for mileage reimbursement for authorized use of private vehicles by County Travelers should be recorded and submitted in accordance with applicable MOU, County Code section, or other specified agreement or procedures. Section 3-2



of the Human Services Department Policy and Standard Practice Manual indicates that it is the responsibility of the supervisor to review each request from travel and anticipate expense to determine if the request is reasonable and prudent before approving such requests. The County's Internal Controls and Cash Manual 2-3 also states all transactions and pertinent events should be accurately and properly recorded on documents and records. Sufficient and relevant data should be recorded to provide an audit trail and to document evidence that a transaction took place. An audit trail allows an independent person to validate a specific transaction by tracing it from summary report to original documentation.

The following conditions were noted when testing 20 travel claims:

- There were 12 instances where supporting documentation for mileage reimbursements were not included with ERF packet. The ERF was completed, but there was no supporting documentation to determine accurate mileage traveled by employee, such as addresses, maps, or direction printouts.
- There was one instance where an employee was allowed to check-in to a hotel the day before an event took place because she was an officer of the organization and was required to set up. However, there was no documentation of authorization by the Appointing Authority or designee.

Management followed the County's Employee Reimbursement for Business, Travel, and Education Expenses procedures found on the EMACS website, and believes minimum requirements for supporting documentation was achieved. However, the department is not obtaining written authorizations prior to travel. Without written authorization and sufficient supporting documentation, there is no evidence that a transaction took place. This could lead to unallowed reimbursement and increase the risk of misappropriation.

Recommendation:

We recommend managers and supervisors require and review supporting documentation for all travel claims submitted by employees and authorizations prior to travel be obtained in writing. We also recommend managers and supervisors follow the department's own policies requiring each request for travel is reasonable and prudent before approving.



Management's Response:

OPG implemented improved documentation procedures and continues to further strengthen travel documentation and internal review practices. OPG staff will continue to follow published applicable MOU and County policies when traveling. Additionally, OPG adopted the best practice recommendation of including internet/GPS based maps to confirm destination and claimed mileage from the assigned work location.

Auditor's Response:

The Department's actions will correct the deficiencies noted in the finding.