Finding 1. Outdated Travel Policy and Lacking Defined Allowance Limits

- Administration agrees the Travel Policy lacks defined allowance limits and is outdated.

The current travel policy at the organization has not been updated since the late 90's, resulting in outdated guidelines that do not reflect current travel needs or expenses. Employees have often found themselves uncertain about the permissible limits for travel expenses, which has led to inconsistent expenses and potential overspending. There is a pressing need to establish clear and defined allowance limits that are aligned with current market rates and organizational budget amounts. This will alleviate subjective decision-making at the department levels.

Finding 2. Lack of Supporting Documentation for Travel Expenditures.

- Administration agrees there is not a centralized location for all documentation and travel expenditures. However, it is the responsibility of all departments to maintain and retrieve all pertinent records for all travel.

To address this issue, staff will undertake a comprehensive review of the current travel policy. This review will consist of reviewing industry standards and consulting with Finance, HR and the internal auditor to ensure practicality and compliance. Furthermore, the introduction of a standardized travel expense reporting system is imperative. This system should be user-friendly and accessible, allowing employees to easily submit travel expenses and receive prompt reimbursement while ensuring transparency and accountability. Regular training sessions and clear communication regarding the updated policy will be crucial in ensuring all employees are informed and compliant with the new guidelines.

Finding 3. Significant Budget Variance in Travel Expenditures.

- Administration will review how it forecasts travel to better align the budget for the future.

The administration has observed a notable discrepancy between budgeted amounts and actual expenditure, reflecting a significant budget variance in travel costs. This variance stems from a combination of outdated policy guidelines and a lack of stringent oversight of travel approvals and expense submissions. Departments have been operating with varied interpretations of acceptable travel expenses, leading to financial inefficiencies, which led to underspending variances.

Finding 4. Excessive Meal Cost, Premium Car Rental and Valet Parking

- Although administration agrees there were some instances of excessive meal cost, there is a difference of opinion relative to car rentals and valet parking. A thorough review of travel expense voucher forms with the auditor would be necessary to see the negative pattern denoted to communicate issue during trainings.

It has been identified that meal costs, car rentals, and valet parking expenses may frequently exceed reasonable limits in the auditors' opinion but because of the lack of a robust and up to date policy causes for individual interpretation. The lack of specific guidelines for these categories has led to inconsistent and often irregular and/or excessive spending. The administration acknowledges the need for a thorough examination and revision of these expense categories to establish clear and fair limits.

To address this issue, the administration will introduce a detailed breakdown of allowable expenses for meals, car rentals, and parking. This will include a per diem meal rate based on current market standards, restrictions on premium car rentals in favor of standard options, and guidelines for valet parking usage. By implementing these measures, the organization aims to ensure travel-related expenditures remain controlled and justified, promoting financial responsibility and efficiency.

Additionally, employees will be encouraged to utilize cost-saving measures, such as choosing accommodation's that offers complimentary breakfast and using rideshare services when appropriate. Regular audits and feedback mechanisms will be established to monitor compliance with the new guidelines and to adjust as necessary to reflect changing circumstances and market rates.

Finding 5. Lack of Proper Request and Authorization of Travel

- Administratoin does not concur with the assertion travel from employees or senior level administrators have no clear justification for attending a conference. Although there are instances where attached documentation is not available or clear. Department leaders were aware of the purpose of travel.

The administration will continue to require pre-approval of all travel requests. This will involve submitting a detailed travel plan, outlining the purpose, destination, duration, and estimated costs, to be reviewed and authorized by a designated supervisor or manager. This process will ensure all travel is necessary, reasonable, and aligns with the organization's objectives and budget.

Finding 6. Use of Taxpayer Funds for Business Class Travel

Administration reviewed additional documentation and spoke with the current CFO related to this item (previous CFO signed off on this trip) as well as the Deputy CFO the

reasoning/rational behind the Business Select seat. The only reason why the traveler selected Business Select seat was because Southwest Airlines Business Select offers a **full monetary refund** to the city and not just a credit towards future travel that is assigned to the original traveler. The former CFO requested that the ticket be purchased in this manner because she felt a full monetary refund in the event of a cancellation is better than a travel credit applied to the original traveler. Not knowing this fact does make it appear that Business Select seat is a misuse of taxpayers' funds if the requirement was not determined to be for insurance purposes. Although the trip and its expenditures were approved by the former CFO, it is incumbent of the leadership in the Finance Department to be the lead unit for the organization when it comes to documentation, efficiency, transparency, and accuracy. Without better documentation the presumption of misuse is highlighted because the Finance Department's leadership did not document appropriately and/or communicate with the auditor transparently.

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The administration will also implement a comprehensive training program for all employees involved in travel planning and approval. This training will cover the new guidelines, emphasizing the importance of adhering to the established policies to avoid discrepancies and ensure responsible use of resources.

Moreover, staff will research to determine if there is a centralized travel management system to streamline the process of booking, approval and tracking travel expenses. This system I hope will allow for monitoring of travel costs, provide alerts for any deviations from the approved budget, and generate detailed reports for management review. By leveraging technology, the organization aims to enhance transparency, accountability, and efficiency in managing travel-related expenditures.

Addressing the issues of excessive meal costs, premium car rentals, and valet parking, along with the lack of proper request and authorization of travel, requires a multifaceted approach. The administration's commitment to revising policies, providing detailed guidelines, encouraging cost-saving measures, and implementing robust oversight mechanisms will ensure that travel expenses are controlled, justified, and aligned with the organization's financial goals and objectives.

Finding 7. Erroneous Milage Calculation and Overstatement of Reimbursements

- Administration was provided documentation of concern of an overstated milage by one city employee. Further review will happen regarding this overstating, and a reimbursement will be requested if necessary. However, some communication was held that this option may have been cheaper than parking a vehicle at the airport.

However, if this is outside of the policy, it is not appropriate. Also, the policy is not definitive on milage from residence or City Hall, which must be updated.

The administration will introduce a revised mileage reimbursement system, incorporating advanced technology to ensure precise calculations and accurate reimbursements. By utilizing GPS tracking and automated mileage logs, the organization aims to eliminate errors and prevent any overstatements in mileage claims.

Furthermore, the administration will establish a clear and transparent process for reporting and auditing mileage expenses. Employees will be required to submit detailed mileage reports, supported by GPS mapping data, for review and approval. Regular audits will be conducted to verify the accuracy of the claims and to identify any discrepancies or patterns of misuse.

To support these changes, comprehensive training will be provided for all employees, focusing on the accurate tracking and reporting of mileage expenses. This training will emphasize the importance of honesty and transparency in expense reporting, and the consequences of any fraudulent claims.

By implementing technological solutions, providing clear guidelines, and fostering a culture of accountability, the administration is committed to ensuring all travel-related expenses, including mileage reimbursements, are managed efficiently and responsibly.

Finding 8. Lack of Itemized Meal Receipts Increases Risk of Unallowable Purchases

- Administration concurs with the need for itemized receipts for all purchases to prevent unallowable expenditures. However, department leaders should ascertain and if necessary, have the traveler contact the business to get an itemized receipt.

The administration acknowledges the significance of detailed documentation for meal expenses to mitigate the risk of unauthorized purchases. To address this, a new policy will be implemented, mandating the submission of itemized receipts for all meal expenses incurred during official travel. This policy aims to ensure only allowable expenses are reimbursed and to provide a clear audit trail for all expenditures if a per diem process is not implemented.

Regular audits will be conducted to review meal expense reports, ensuring compliance with the new policy. Any discrepancies or unallowable expenses identified during these audits will be addressed promptly, with corrective action taken as necessary. This proactive approach will help in maintaining the integrity of the expense reporting system and in safeguarding the organization's financial resources.

To support these changes, the administration will provide comprehensive training for all employees on the importance of itemized receipts and accurate expense reporting. This training will cover the new guidelines, common pitfalls to avoid, and the consequences of non-compliance. By fostering a culture of accountability and transparency, the organization aims to enhance the efficiency and reliability of its expense management processes.

Finding 9. Unnecessary Travel Costs and Lack of Documentation for Training Attendance.

- Administration has a difference of opinion relative to in-person versus virtual option training. Also, numerous training courses and/or conferences are held where there is no certificate of completion or document form stating attendance.

To further ensure transparency and cost-efficiency in travel expenses, the administration will introduce a revamped travel authorization process. Employees will be required to submit comprehensive post-travel reports, detailing the outcomes and benefits of the trip in relation to the stated objectives. These reports will be reviewed to assess the value derived from the trip and to help make future travel decisions. By closely monitoring travel expenses and requiring thorough documentation, the administration aims to minimize unnecessary travel costs and enhance the overall effectiveness of its travel policies.