

# OFFICE OF AUDITS & ADVISORY SERVICES



## TRAVEL EXPENSE REIMBURSEMENT CLAIMS AUDIT

*FINAL REPORT*

Chief of Audits: Juan R. Perez  
Audit Manager: Laura R. Flores, CIA, CFE, CGAP  
Auditor II: Erich Hannon, CGAP

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# County of San Diego

**TRACY DRAGER**  
AUDITOR AND CONTROLLER

AUDITOR AND CONTROLLER  
OFFICE OF AUDITS & ADVISORY SERVICES  
5530 OVERLAND AVENUE, SUITE 330, SAN DIEGO, CA 92123-1261  
Phone: (858) 495-5991

**JUAN R. PEREZ**  
CHIEF OF AUDITS

March 6, 2020

TO: Ernest Dronenburg, Assessor/Recorder/County Clerk  
Assessor/Recorder/County Clerk

FROM: Juan R. Perez  
Chief of Audits

**FINAL REPORT: TRAVEL EXPENSE REIMBURSEMENT CLAIMS AUDIT**

Enclosed is our report on the Travel Expense Reimbursement Claims Audit. As there are no findings and recommendations in the report, no audit response is required.

Thank you for the courtesousness and cooperation extended to the Office of Audits & Advisory Services during the course of the audit.

If you have any questions, please contact me at (858) 495-5661.

A handwritten signature in blue ink, appearing to read "Juan R. Perez".

JUAN R. PEREZ  
Chief of Audits

AUD:EH:nb

Enclosure

c: Tracy M. Sandoval, Deputy Chief Administrative Officer/Chief Financial Officer  
Tracy Drager, Auditor and Controller  
Damien Quinn, Group Finance Director, Finance and General Government Group



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**JUAN R. PEREZ**  
CHIEF OF AUDITS

March 6, 2020

**TO:** Jeffrey Grissom, Director  
Department of Child Support Services

**FROM:** Juan R. Perez  
Chief of Audits

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**JUAN R. PEREZ**  
Chief of Audits

AUD:EH:nb

Enclosure

c: Holly Porter, Deputy Chief Administrative Officer, Public Safety Group  
Tracy Drager, Auditor and Controller  
Rosemarie Degracia, Group Finance Director, Public Safety Group



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**JUAN R. PEREZ**  
CHIEF OF AUDITS

March 6, 2020

TO: Amy Harbert, Acting Director  
Department of Environmental Health

FROM: Juan R. Perez  
Chief of Audits

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**JUAN R. PEREZ**  
Chief of Audits

AUD:EH:nb

Enclosure

c: Sarah Aghassi, Deputy Chief Administrative Officer, Land Use & Environment Group  
Tracy Drager, Auditor and Controller  
Renee Loewer, Group Finance Director, Land Use & Environment Group



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**JUAN R. PEREZ**  
CHIEF OF AUDITS

March 6, 2020

TO: Dr. Wilma Wooten, Public Health Officer  
Public Health Services

FROM: Juan R. Perez  
Chief of Audits

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**JUAN R. PEREZ**  
Chief of Audits

AUD:EH:nb

Enclosure

c: Nick Macchione, Director, Health and Human Services Agency  
Dean Arabatzis, Chief Operations Officer, Health and Human Services Agency  
Tracy Drager, Auditor and Controller  
Andrew Pease, Executive Finance Director, Health and Human Services Agency

## INTRODUCTION

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**Audit Objective** The Office of Audits & Advisory Services (OAAS) completed an audit of Travel Expense Reimbursement Claims. The objective of the audit was to assess the adequacy of supporting documentation for travel expense claims and compliance with related County policies and procedures.

**Background** The County of San Diego (County) Administrative Manual, Item No. 0200-01, Out-of-County/In-County Business Expenditures (Admin Manual) establishes guidelines and procedures relative to the expenditure of County funds for Out-of-County/In-County business activities. The policy identifies the approval requirements, expenditure guidelines, and reimbursement claim procedures for meals, lodging, transportation, etc. Department Heads have an obligation to ensure that County employees use good judgment and are prudent in claiming only necessary and reasonable expenses for business travel.

The Admin Manual procedures apply to discretionary travel only. Discretionary travel is business travel authorized and approved by a department that benefits the County directly or indirectly. Examples of discretionary travel includes trainings, seminars, and conferences. The Admin Manual procedures do not apply to operational travel. Operational travel occurs when carrying out the daily functions of a department. Examples of operational travel includes travel by Sheriff's deputies, public defenders, and deputy district attorneys or their investigators in connection with a pending case, or prisoner or witness transportation.

Oracle is the system of record where all travel expenses and reimbursements are reported by County departments.

**Audit Scope & Limitations** The audit focused on travel expense claims processed during Fiscal Year 2018-19, and claims processed from July 2019 through January 2020. We selected a department from each of the four Business Groups for audit detail testing. Refer to Table 1 below:

**Table 1. Departments Selected for Testing**

<b>Business Group</b>	<b>Department</b>
Public Safety Group	Department of Child Support Services (DCSS)
Land Use & Environment Group	Department of Environmental Health (DEH)
Health & Human Services Agency	Public Health Services (PHS)
Finance & General Government Group	Assessor/Recorder/County Clerk (ARCC)

A summary of the total travel expense claims submitted for reimbursement in each of the selected departments is presented in Table 2 on the following page:

**Table 2. Travel Expense Claims for Selected Departments<sup>1</sup>**

Department	Total of Travel Expense Claims
DCSS	\$135,016
DEH	\$90,676
PHS	\$198,445
ARCC	\$82,100

This audit was conducted in conformance with the International Standards for the Professional Practice of Internal Auditing prescribed by the Institute of Internal Auditors as required by California Government Code, Section 1236.

**Methodology** We performed the audit using the following methods:

- Reviewed County codes, policies, and procedures related to out-of-county/in-county business travel expenses and reimbursement claims.
- Interviewed management and staff in each selected department to determine staff awareness of County business travel claim policies and procedures.
- Reviewed travel expense claims and reimbursement data recorded in Oracle to determine the total number and value paid during the audit period.
- At each selected department, obtained an understanding of the internal controls over travel expenditures and travel reimbursement claims.
- Tested a sample of 30 travel expense reimbursements and 10 petty cash travel expense reimbursements from each department to verify the following:
  - Consistency with County policies and procedure
  - Reasonableness of expenses
  - Completeness and accuracy of data reported
  - Proper review and approval

## AUDIT RESULTS

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**Summary** Within the scope of the audit, there is reasonable assurance that DCSS, DEH, PHS, and ARCC have adequate supporting documentation for travel expense claims and are in compliance with related County policies and procedures.

<sup>1</sup> Travel expense claims as reported in Oracle as of November 11, 2019.

## Office of Audits & Advisory Services

Compliance Reliability Effectiveness Accountability Transparency Efficiency

VALUE