

February 2, 2016

## Travel and Training Audit

### Background

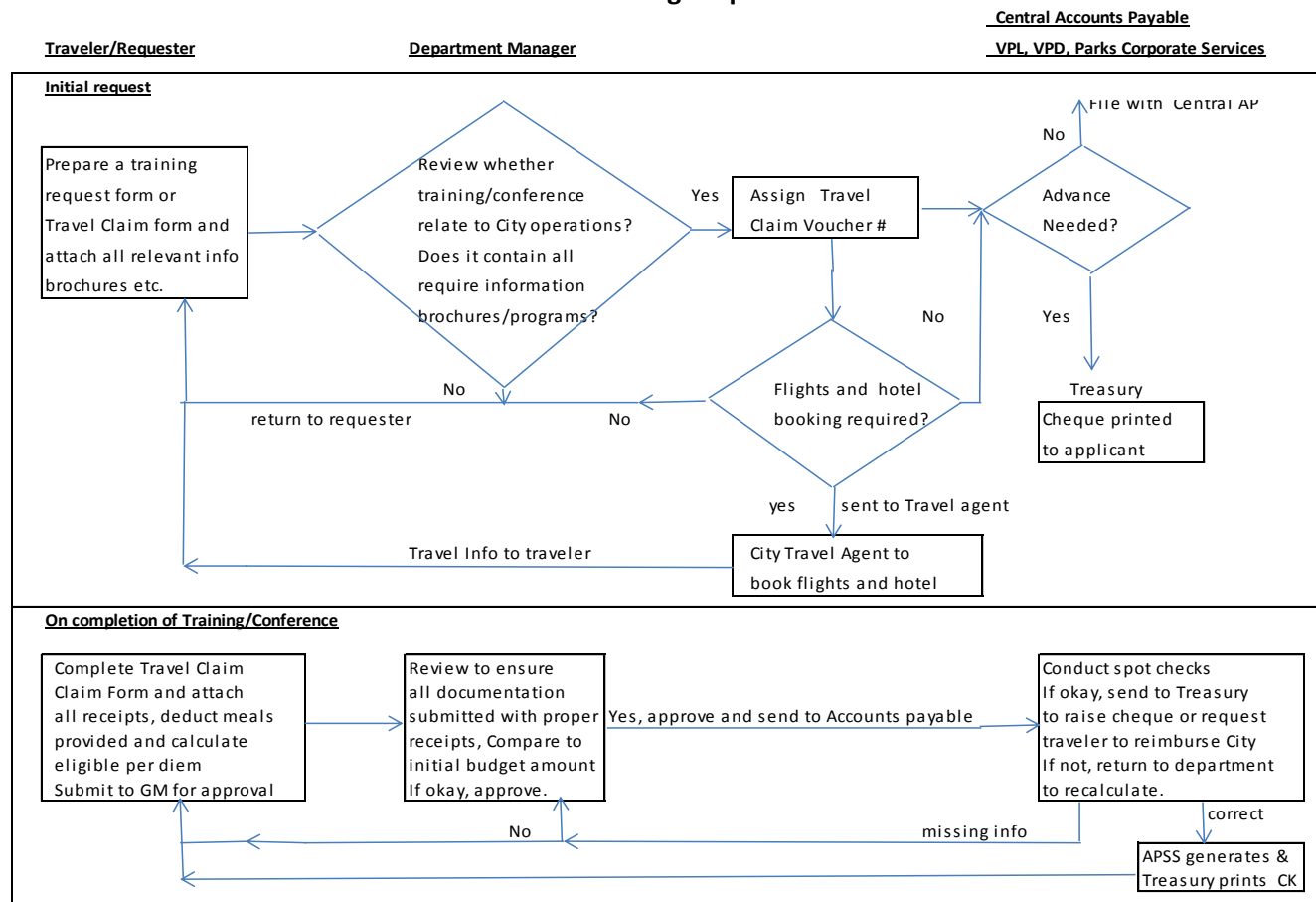
Travel and training conferences provide the opportunity for staff to learn and network with colleagues who work in the same industry. Travel is sometimes required as some training courses may only be available outside of the local area. Effective reviews of Travel and Training costs assure management that these expenses are beneficial to the City, appropriate for staff development and result in enhanced service to the citizens.

City's Travel Policy: AF-004-01 (dated 2005/01/18) was established to ensure that:

- Travel requests are properly authorized;
- Care has been exercised to minimize costs and adherence to budget;
- City travel agent is being used, per diem rates are appropriately calculated, and claims are promptly filed on return from travel;
- Receipts are submitted to support all travel expenses claimed;
- Travel expenses and reimbursements are properly approved; and
- Process for reimbursement is efficient and easy to administer.

The following flowchart outlines the Travel and Training request and settlement processes:

## Travel and Training Request - Flow Chart



In 2015, Travel and Training expenditures were:

|                     | Account 536035<br>Travel -<br>Operational<br>Activities | Account 536040<br>Travel & Training | Account 536045<br>Travel & Training<br>- Mandatory | Total          |
|---------------------|---------------------------------------------------------|-------------------------------------|----------------------------------------------------|----------------|
| Vancouver<br>Police | \$190,637.83                                            | \$401,839.87                        | \$1,086,617.69                                     | \$1,679,095.39 |
| Fire<br>Department  | 0                                                       | \$99,838.50                         | \$29,163.55                                        | \$129,002.05   |
| Other City<br>Depts | \$33,031.81                                             | \$1,332,864.08                      | \$8,403.95                                         | \$1,374,294.84 |
| Total City          | \$223,669.64                                            | \$1,834,542.45                      | \$1,124,185.19                                     | \$3,182,397.28 |

City staff (excluding elected officials) incurred Travel and Training expenditures in GL account 536040 of \$1.834 million consisted of 589 claims. Most of these claims were found to be submitted in accordance with the established policy and procedures. From these files 41 (8.28 %) required further investigation and 18 (3.6%) of these were found to be non-compliant.

### Scope

The purpose of this audit was to provide reasonable independent assurance to management that adequate internal controls are in place and they are effective in supporting the City's Travel and Training Policy and approval procedures. Our review included verifying that the business process and travel and training expenses incurred by staff are in accordance to City's Policy. VPD Travel and Training claims will be reviewed separately during the 2015 VPD Year-end Financial Review.

Our work included:

- Reviewing 2015 City of Vancouver Training and Travel claims (account 536040) to determine compliance with existing policies and procedures;
- Sample testing details of reimbursement calculations;
- Examining management practices for reviewing, approving, and monitoring these expenses;
- Verifying documentation on training requests in support of the benefits to the employee and the City from approved training and travel applications; and
- Performing further detailed analyses as necessary.

### Conclusion

In our opinion, business processes and internal controls relating to Travel and Training Policies are comprehensive and adequate but can be strengthened through certain measures outlined below.

Findings and recommendations have been discussed with appropriate management and work is underway to address them.

The more significant findings and recommendations are:

#### **Travel Claims are to include all appropriate supporting documentation**

Travel claims with complete set of supporting information including training/conference agenda/brochure would improve verification processes and assist in review of the file. This procedure should be updated and strictly enforced to improve approval and processing effectiveness and efficiency.

### **Third party reimbursement procedures should be rolled out to all departments**

A new travel claim form to handle reimbursements by conference or seminar sponsors to City staff representing the City has been developed and partially implemented for several months. However, it has not been officially rolled out to all departments and the related Travel Claim Form Procedure has not been updated. This process should be formally introduced and implemented.

### **Post-travel claims should be submitted timely**

Some travel claims are not submitted timely in accordance with Travel Policy. Management should ensure that claims are filed within ten business days from return of travel.

### **Delete Personal P-Card Information**

Personal credit card information should be deleted from all filed travel documents to ensure personal privacy is maintained.

### **Develop a user-friendly Travel and Training process**

A user-friendly and easily accessible Travel and Training process will assist all City staff to comply with the Travel Policy.