

**MEMORANDUM**

**To:** Honorable County Council  
**From:** Brent Statler, County Auditor   
**Subject:** Training, Travel, and Entertainment Expenditure Review  
**Date:** March 13, 2017

The Auditor's Office has completed a review of County training, travel, and entertainment expenditures for January 1, 2016, through September 30, 2016, and the attached report details the results of our analysis.

The analysis was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing*, and consisted of examining sufficient evidence to afford a reasonable basis for our findings.

We appreciate the assistance provided by the Finance Department in providing the information necessary to conduct our review.

If you have any questions or concerns pertaining to the observations included in this report, please feel free to call me.

Attachment

**Copy to:** Joann Leykam, Director of Administration  
Bob Schnur, Director of Finance

## Objectives

The objectives of the review were to determine whether the County's internal controls for training, travel and entertainment expenditures are adequate and effective; operations and records are in compliance with established standards, regulations, policies and procedures; and resources used economically and efficiently.

## Scope and Methodology

The review was a limited-scope audit with a focus on compliance. The review covered all training, travel and entertainment expenditures from January 1, 2016, through September 30, 2016. Note: When a selected item had related expenditures, all corresponding items were added to the testing for reconciliation purposes. It also included a review for compliance with St. Charles County Charter and Ordinances, and internal policies and procedures.

We reviewed a random sample of training and travel expenditures from the review period to determine that expenditures were in compliance with the County's Training and Travel policy. The following attributes were tested during the review:

- Training Related- If not required for CPE's of State Licenses or accreditation bodies or out of state, then Director of Administration and Appointing Authority authorized trip.
- Per-Diem was correctly calculated based on seminar information. (Seminar agenda should be provided to determine if meals are or are not provided w/ registration.)
- Lodging expense was traced to hotel's final check-out statement of expenses and any non-qualified expenditures were paid by the employee (i.e., room service, in-room movies, etc.)
- Tolls, parking, taxis, etc. are supported by receipts for charges in excess of \$5.00.
- Total training/travel costs materially agree to all payments, advances, and reimbursements and charges approved by the Director of Administration.
- Miscellaneous expenses trace to receipts.
- Expenditures trace to the expense statement form.
- Expense statement approved by appointing authority or elected official.
- If the reimbursement was over \$50, the request was made by PO or check request. If under \$50, it may be done through Petty Cash.
- The expenditure was charged to the correct G/L account.
- The expenditure appears to be business related.

If the tested item was or included entertainment expenditures, then the following additional attributes were tested during the review:

- Amount is reasonable and purpose must be well defined and in County's interest.
- Amount traces to establishment's original receipt.
- Date of entertainment documented.
- Names of individuals present listed with their titles.
- Location of entertainment provided.
- If not made by the County Executive or County Council, the expenditure has prior approval of Director of Administration. If by Director of Administration, then County Executive approval documented.

**Result:** There were no reportable observations during this review.