

Why We Did This Audit

We conducted a review of the transactional data for travel cards along with post transactional record retention and oversight. The audit was requested by the Comptroller.

What We Recommend

ASD made 5 recommendations that, if implemented, will address the issues raised in the audit. Key items include:

- *The Payroll Division work with the DAS CBO on an annual basis to determine if any new allowable categories should be added to the T Card based upon use and request for exemptions within the year.*
- *The Payroll Division work with the DAS CBO to determine if meal expenses at Milwaukee Mitchell Airport en route to travel and local parking are allowable expenses and if so, update the manual to provide clarity to employees.*
- *The Payroll Division meet annually with the Procurement Division to discuss proper card usage for transactions and to maintain consistency between the two card programs.*
- *The Payroll Division design and require a training program for the Card Coordinators, Card Approving Supervisors and the Departments Heads to ensure that proper review of purchases at the departmental level is occurring and purchases are appropriate.*
- *The Payroll Division work to design a review process to periodically verify the completion of the purchasing log and signature on the U.S. Bank statement and add additional training to the current training program to ensure proper record retention of the purchasing log and U.S. Bank statement.*



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Travel Cards: Our Review Found Issues with Record Retention; the New Financial System will Help but not Solve the Issue.

BACKGROUND

In 2000 and 2001, the County instituted a purchasing card program establishing credit cards for the use of employees for County expenses for both general purchases and travel. In 2022, we released an audit reviewing the issuance of purchasing and travel cards. In addition, it reviewed transactions and post transactional administrative compliance for the P card. This report provides the review of the transactions and post transaction administrative compliance for the travel card program from 2018 to May 31, 2021. The County's transition to a new financial system, Infor XM, caused travel card central administration to change from Procurement to the Payroll Division effective May 31, 2021.

OVERALL OBJECTIVE

Our overall objective was to evaluate the adequacy of internal controls, policies, procedures, and processes of the program, determine compliance with travel purchasing guidelines, determine if any improper transactions occurred and evaluate the compliance with post transactional administrative requirements.

WHAT WE FOUND

- The County's travel policies are established in Chapter 56.05 of the Ordinances with a corresponding Administrative Manual of Procedures (AMOP) and a T card manual issued by the then Program Administrator Procurement. Travel expenses include: lodging, meals, transportation, registration fees and incidental expenses while traveling for County business.
- The period of our review concluded with the transition of the T card program to the Payroll Division in June of 2021 but a review of subsequent updates to both the manual and the AMOP was conducted.
- The 2018 Manual was blended for the P and T card programs which caused confusion during our review. An updated AMOP and new separate manuals for the programs should alleviate some of the confusion.
- We created a judgment sample of 135 transactions to review for potential violations of procedures including unallowable expenses, expenses within Milwaukee County, items that should be placed upon a P card and items in excess of the \$2,000 transaction purchase limit.
- We found 58 possible violations in our judgment sample listed in the table below. Registration for events in Milwaukee County or virtual was the largest category with 18 violations.
- Most departments have both a T and a P card and we found 14 instances where departments placed items that should be on a P card upon their T card.

Type of Potential Transactional Violations by Number	
Type	Number
Potentially Unallowable Expense	4
Registration within MC or Virtual	18
Membership Dues	4
Food within Milwaukee County	4
Local Hotel w/o Documentation	7
Lack of itemized receipt	2
Purchasing Card Expense (Non-travel)	14
Over Transaction limit of \$2,000	5

- The 2018 Manual established record retention policies. We reviewed compliance and found 28 were missing receipts, 46 were missing required signed U.S. Bank Statements and 57 were missing required purchasing logs as shown in the table below. Twenty-four of the 135 judgment samples did not complete all three steps.

Administrative Violations By Type	
Type	Count
No Receipts	28
No Signature on Bank Statement	46
No Purchasing Log	57
Missing all three (also included in the categories above)	24

- We conducted interviews with departments and divisions to seek documentation and explanations for missing documents. The lackadaisical attitude toward receipt retention was concerning.
- The transition to the XM system should allow for immediate inquiry into missing receipts while the old system could have a multi-year delay before receipts were requested.

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