

SEMINOLE COUNTY

**SPECIAL REVIEW OF
BCC EXECUTIVE TRAVEL**

February 2008

Prepared by:
Internal Audit Division
Clerk of the Circuit Court



MARYANNE MORSE
Clerk of the Circuit Court
Seminole County

February 29, 2008

The Honorable Brenda Carey
Chairman
The Board of County Commissioners
Seminole County, Florida
1101 East First Street
Sanford, FL 32771

Dear Madam Chairman:

Enclosed herewith, please find the Special Review of BCC Executive Travel conducted by the Internal Audit Division of the Clerk's office.

The content of the audit revealed conditions that warrant the immediate attention of both management and the Board of County Commissioners.

With warmest personal regards, I am

Most cordially,

Maryanne Morse
Clerk of the Circuit Court

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Seminole County Special Review of BCC Executive Travel

The Internal Audit Division of the Office of the Clerk of the Circuit Court has completed a special review for reimbursing county commissioners travel within Central Florida.

PURPOSE

This special review was conducted to determine if the administrative controls over travel reimbursement for county commissioners are consistent with applicable laws, regulations and other Seminole County policies and procedures. Also, the review was performed to determine if travel was actually for official county business, was properly supported, and properly approved and paid for in accordance with policy.

BACKGROUND

Seminole County is a home rule charter county. It has an elected county commission and a commission appointed county manager.

The commission is comprised of 5 members. Each represents a district for a four year term which is established by general law. As a commission, they have the overall responsibility to adopt an Administrative Code to administer county government and also to set forth the responsibilities of county officials, department heads, and agencies. They are also charged with appointing a county manager to act as the Chief Executive Officer and the county attorney whose office provides legal services to the Board of County Commissioners and to county staff.

There are basically four types of travel the commissioners are requesting reimbursement for:

1. *Official Committee Appointments* – Each commissioner is appointed to certain councils and/or boards by the Board of County Commissioners at a public meeting. These meetings may be held at various locations throughout Central Florida.
2. *Official Seminole County Business*- includes any travel associated with managing the affairs of the county including promoting Seminole County through tourist development.

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3. *Charitable Events*- includes any charitable events that a commissioner may be sponsoring or attending.
4. *Political Events*- includes any type of political event. An example would be attending a political meeting or a political gathering such as a "Hobnob".

This audit focused on how each member of the commission submitted expense reports for reimbursement for various travel. The audit found that each commissioner had a varied personal assessment as to the expenses that should be reimbursed by the taxpayer. Some commissioners were very conservative with their submittals; while others were more aggressive and requested reimbursement of most, if not all travel.

In the report that follows, a more in-depth analysis and assessment of the differences are presented.

SCOPE OF WORK

The scope of the audit was limited to travel expense reports for the period January 2007 to January 2008, the procedures and controls associated with these expenditures and the process for ensuring compliance with county policy.

The audit included:

- Review of applicable policies, procedures, statutes and county ordinances;
- Review of internal administrative controls;
- Review of travel expense reports; and,
- Review of other related materials as considered necessary in the circumstances.

The audit was conducted by the Internal Audit Division, Clerk of the Circuit Court.

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OVERALL EVALUATION

The county does not have a policy that addresses how commissioners should be reimbursed for local travel.

Local Travel is defined as traveling within Seminole County or within Central Florida to various boards and/or committees upon whom they serve as a member.

A review of each commissioner's expense reports for the calendar year 2007 was conducted. Among the commissioners, there are major interpretational differences as to what constitutes official county business. In the report that follows, we provide illustrations regarding the differences in expense report submittals.

FINDING NO. 1

No BCC approved policy, resolution, ordinance or other formal agreement relating to mileage reimbursement.

Although Seminole County has an established Administrative Code for travel for its employees, it does not go into sufficient detail to address the unique duties and responsibilities of the county commissioners. In particular, the administrative code does not address how to reimburse each commissioner in an appropriate, fair, and consistent manner for attending various functions.

As a result of not having a well defined policy, each commissioner submits expense reports for travel based upon his or her discretion or interpretation as to the cost that should be borne by the taxpayer.

One commissioner appears to take a very conservative viewpoint and thus, very seldom asks the taxpayers for reimbursement. Another appears to submit all travel mileage; while, another appears to put in for reimbursement mostly for traveling outside of Seminole County.

This raises two disturbing issues: first, there are huge differences in spending patterns by the commissioners and second, the composition of the cost(s) incurred.

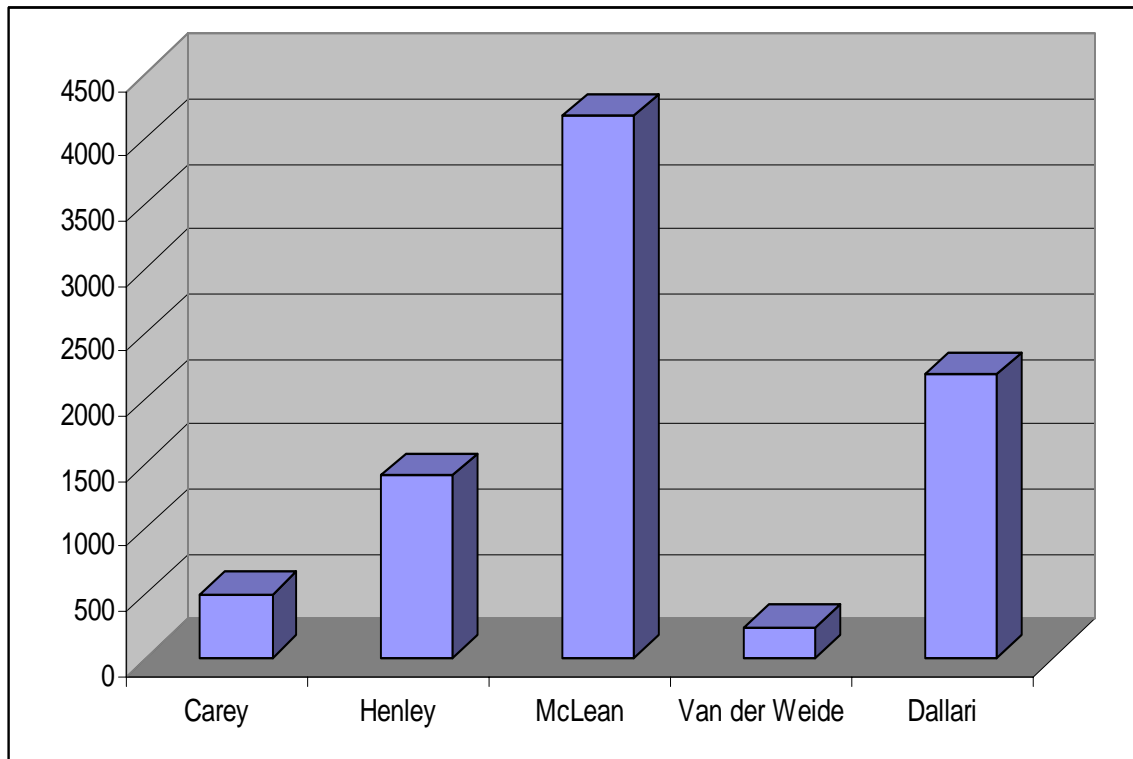
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SPENDING PATTERNS

COMMISSIONER

ANNUAL TRAVEL REIMBURSED

Carey	\$492.69
Henley	\$1,410.33
McLean	\$4,177.15
Van der Weide	\$239.88
Dallari	\$2,187.68



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COST COMPOSITION

<u>Types of Travel</u>	<u>Annual Reimbursed Cost</u>
1. Travel	\$7,256.96
2. Charitable Events	\$572.60
3. Political Events	\$320.04
4. Unsupported Costs	<u>\$358.13</u>
Total travel reimbursed for 2007	\$8,507.73

Charitable events include such items as golf tournaments and softball games; political events include hobnobs and meetings of political parties where the commissioner is not the speaker.

Internal Revenue Service rules require a "purpose" must be indicated for travel reimbursement; Florida statutes require that expenses must serve a public purpose.

By not having a formal policy, it appears the taxpayers are paying for costs that commissioners are incurring as private citizens. Also, not having a policy leaves room for interpretation by commissioners, county manager, and/or County Finance.

We recognize a certain amount of travel outside of Seminole County is necessary for the Commissioners to perform their duties.

Travel to meetings sponsored by the Florida Association of Counties (FAC); National Association of Counties (NACo); regional meetings on which the commissioner serves as a member for the benefit of Seminole County and the region should all be considered in establishing a policy.

In addition, Internal Revenue Service rules and the Florida Statutes need to be taken into consideration when establishing a policy.

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Recommendations

1. The Board of County Commissioners should formally establish a policy regarding the reimbursement of travel incurred by commissioners' travel within Seminole County.
 - .) Should mileage be reimbursed at all?
 - .) Should there be a stipend established based on a set amount of monthly mileage?
 - .) Should commissioners be reimbursed for travel expenses incurred when attending civic, social, political and/or charitable events? And if so, under what circumstances.
2. Establish a policy as to what constitutes reimbursable travel outside of Seminole County but within Central Florida.
3. Clarify the existing policy for travel with regard to state or national meetings.
4. Address the issue of which agency should reimburse the commissioner when the commissioner is appointed to a regional and/or state committee or taskforce if that agency has a travel reimbursement requirement.

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