



New York State Office of the State Comptroller
Thomas P. DiNapoli

Division of State Government Accountability

Selected Employee Travel Expenses

State University of New York: College at Plattsburgh



Report 2012-S-141

April 2013

Executive Summary

Purpose

To determine whether the use of travel monies by selected government employees complied with rules and regulations and is free from fraud, waste, and abuse.

Background

New York State's executive agencies spend between \$100 million and \$150 million each year on travel expenses. These expenses, which are discretionary and under the control of agency management, include car rentals, meals, lodging, transportation, fuel, and incidental costs such as airline baggage and travel agency fees.

The mission of the College at Plattsburgh (College) is to prepare a diverse population of undergraduate and graduate students for a wide range of professional pursuits, responsible citizenship, and ethical life based on a strong foundation in the liberal arts. The College spent \$2,867,155 on travel expenses from April 1, 2008 through March 31, 2011. Of that amount, \$1,311,659, or about 46 percent, was for reimbursements to employees for travel expenses and direct payments to vendors, and the remaining \$1,555,496 related to charges on State-issued travel cards. Auditors focused their audit efforts on the highest cost travelers in the State, each of whom incurred over \$100,000 in travel expenses during the three-year period, as well as on other outliers. As a result of this analysis, we examined the travel costs of two College employees with outliers in the areas of lodging and fuel. In total, we examined \$194,805 in travel costs associated with these two employees.

Key Findings

- Most of the expenses we examined were appropriate. However, one faculty member charged the College for \$708 in expenses that were not related to official business and used his travel card for \$177 of other inappropriate expenses.

Key Recommendation

- Follow established travel guidelines to ensure appropriate use of the State travel card and reimbursement of travel expenses.

Other Related Audits/Reports of Interest

[SUNY College at Cobleskill: Selected Employee Travel Expenses \(2012-S-143\)](#)

[SUNY College at Oneonta: Selected Employee Travel Expenses \(2012-S-145\)](#)

**State of New York
Office of the State Comptroller**

Division of State Government Accountability

April 25, 2013

John Ettling, Ph.D.
President
SUNY College at Plattsburgh
159 Hawkins Hall
101 Broad Street
Plattsburgh, NY 12901

Dear President Ettling:

The Office of the State Comptroller is committed to helping State agencies, public authorities and local government agencies manage government resources efficiently and effectively and, by so doing, providing accountability for tax dollars spent to support government operations. The Comptroller oversees the fiscal affairs of State agencies, public authorities and local government agencies, as well as their compliance with relevant statutes and their observance of good business practices. This fiscal oversight is accomplished, in part, through our audits, which identify opportunities for improving operations. Audits can also identify strategies for reducing costs and strengthening controls that are intended to safeguard assets.

Following is a report of our audit of SUNY College at Plattsburgh entitled *Selected Employee Travel Expenses*. The audit was performed pursuant to the State Comptroller's authority as set forth in Article V, Section 1 of the State Constitution and Article II, Section 8, of the State Finance Law.

This audit's results and recommendations are resources for you to use in effectively managing your operations and in meeting the expectations of taxpayers. If you have any questions about this report, please feel free to contact us.

Respectfully submitted,

*Office of the State Comptroller
Division of State Government Accountability*

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Background

New York State's executive agencies spend between \$100 million and \$150 million each year on travel expenses incurred by State employees in the course of performing their duties. These expenses which are discretionary and under the control of agency management, include car rentals, meals, lodging, transportation, fuel, and incidental costs such as airline baggage and travel agency fees.

The State University College at Plattsburgh's (College) mission is to prepare a diverse population of undergraduate and graduate students for a wide range of professional pursuits, responsible citizenship, and ethical life based on a strong foundation in the liberal arts. The College spent \$2,867,155 on travel expenses from April 1, 2008 through March 31, 2011. Of that amount, \$1,311,659, or about 46 percent, was for reimbursements to employees for travel expenses and direct payments to vendors, and the remaining \$1,555,496 related to charges on State-issued travel cards.

This audit at the College is part of a statewide initiative to determine whether the use of travel monies by selected government employees complies with rules and regulations and is free from fraud, waste, and abuse. Auditors focused their audit efforts on the highest cost travelers in the State, each of whom incurred over \$100,000 in travel expenses during the three-year period ended March 31, 2011, as well as on other outliers. As a result of this analysis, we examined the travel costs of two College employees with outliers in the areas of lodging and fuel. In total, we examined \$194,805 in travel costs associated with these two employees.

The Office of the State Comptroller sets rules and regulations for payment of expenses employees incur while traveling on official State business. The Comptroller's Travel Manual helps agencies and employees understand and apply the State's travel rules and regulations, and provides instructions for reimbursing expenses. In general, when traveling on official State business, only actual, necessary and reasonable business expenses will be reimbursed.

According to the Travel Manual, agencies are responsible for ensuring:

- all authorized travel is in the best interest of the State,
- all charges are actual, reasonable and necessary,
- all expenses comply with travel rules and regulations,
- the most economical method of travel is used in the best interest of the State,
- compliance with Internal Revenue Service (IRS) regulations,
- the official station of each employee is designated in the best interest of the State,
- employees obtain appropriate approvals prior to traveling, and exceptions or waivers are justified and necessary, and
- adequate funds are available for travel.

Audit Findings and Recommendation

Most of the travel expenses we examined were appropriate, including all of the \$149,655 incurred by one of the two College employees we selected. However, the other employee, whose travel costs totaled \$45,151, incurred \$885 of travel expenses that did not adhere to State travel rules and regulations. This faculty member charged the College for \$708 in expenses that were not related to official business and used his travel card for \$177 of other inappropriate expenses.

Expenses Incurred While Not on Official Business

The Comptroller's Travel Manual states that employees have to be on official State business to be eligible for reimbursement of actual, necessary and reasonable business expenses. The manual also states that only appropriate travel expenses may be charged to the State corporate travel card and that improper and unauthorized charges may result in mandated reimbursement to the agency by the employee, suspension or loss of privileges related to the card, or disciplinary action. These rules make it clear that only expenses incurred by the traveler for his business purposes should be charged on the travel card. The College has each cardholder sign an acknowledgement form which states that the cardholder should not use the card for personal charges, but rather only for travel expenses when he or she is on official State business.

Both the employee and his wife both worked in the Expeditionary Studies department at the College, although they were responsible for different programs. As part of his duties, this employee would sometimes teach field study classes in locations outside New York, including mountainous areas in the western parts of the country. Between January 6 and January 14, 2009, the employee taught a course in Utah and booked two flights for this trip. The employee's own flight was provided free of charge through an airline frequent flyer program, while a companion ticket was purchased in the spouse's name for \$487 using the employee's State travel card. According to the Chair of the Expeditionary Studies Program, the employee's wife did not have any business purpose to be traveling those dates. Officials acknowledged that they allowed the employee to put these personal expenses on his travel card.

We also noted that both flights were scheduled to return on January 23, 2009; nine days after the course, and the business purpose of the employee's travel, had ended. During this period after the course was over, the employee also claimed reimbursement for \$69 of meal purchases made on January 17th and 18th.

The employee also had travel expenses associated with two courses taught in California between December 12 and December 20, 2009. According to the Program Chair, the employee was allowed to stay in California for an additional 15 days until his next expeditionary course departed for Africa on January 4, 2010. The Program Chair told us the extended stay was warranted because it was less costly for the employee to remain on the west coast and depart directly to Africa than to return home and depart from New York. Travel department employees told us they had allowed this arrangement because the employee's department told them it would save the College \$300.

However, College officials did not provide any analysis or other evidence to support this cost justification.

Our review showed that the employee used his travel card for \$152 in travel expenses incurred after his class ended on December 20, including rental car charges of \$100 and meals totaling \$52. Since there was no longer a business purpose for the employee to remain in California after the course ended, the College should not have paid for these expenses.

Expenses Unrelated to the Employee's Duties

In August of 2008 and 2009, the employee used his travel card on four separate occasions to purchase a total of \$177 in gas for travel related to a College program that he was not involved in. In fact, the program was coordinated by his wife, who did not have her own travel card. Travel department staff were unaware that the charges were not related to the employee's duties, indicating that they only know which programs costs are attributable to based on the assertions made on the travel voucher. Program officials told us that at the time they were allowing him to put the expenses for his wife's program on his travel card because it was more convenient for them. She now has her own travel card.

As a result of our audit, College officials have implemented additional controls. Specifically, each department now fills out a travel estimate before each trip and a change form after the travel has occurred. In total, the following documents and document changes are now in place:

- Internal Backup Travel Form: Completed before a trip begins and includes a checklist/reporting document to ensure the traveler has met applicable requirements prior to commencement of the trip.
- Changes To Internal Backup Form: Completed upon trip completion prior to submission of travel documentation to record any changes to the original plan.
- Estimated Expenditures Form: Itemizes by Class and Travel dates all associated expenditures such as food, lodging, airfare, car rentals, etc. Also includes a provision for additional expenses incurred for additional faculty travel dates.
- Master Schedule: Includes a copy of Master Class Schedule, which details the course name and travel dates with travel documentation so that travel dates may be verified.

Recommendation

1. Follow established travel guidelines to ensure appropriate use of the travel card and reimbursement of travel expenses.

Audit Scope and Methodology

We audited selected travel expenses for two College employees for the period April 1, 2008 to March 31, 2011. The objectives of our audit were to determine whether the use of travel monies by selected government employees complied with rules and regulations, and is free from fraud, waste, and abuse.

To accomplish our objectives, we analyzed travel expenses incurred by and on behalf of State employees for the three years ended March 31, 2011. Our analysis identified two College employees whose expenses ranked among the highest in the State and with outliers in the areas of lodging and fuel. We examined these employees' travel expenses, including reimbursements and credit card charges.

As part of our examination, we obtained vouchers, receipts, and credit card statements for all selected transactions. We then verified that documentation supported the charges and showed the expenses incurred were for legitimate business purposes. We reviewed the College's internal policies and procedures and determined that the travel expenses selected for examination were approved and complied with this guidance, as well as with OSC procedures. Finally, we matched timesheet and travel records to ensure the travelers were working on days for which they requested travel reimbursement, and reviewed E-ZPass records, where applicable, to match against travel vouchers.

We conducted our performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

In addition to being the State Auditor, the Comptroller performs certain other constitutionally and statutorily mandated duties as the chief fiscal officer of New York State. These include operating the State's accounting system; preparing the State's financial statements; and approving State contracts, refunds, and other payments. In addition, the Comptroller appoints members to certain boards, commissions and public authorities, some of whom have minority voting rights.

These duties may be considered management functions for purposes of evaluating organizational independence under generally accepted government auditing standards. In our opinion, these functions do not affect our ability to conduct independent audits of program performance.

Authority

The audit was performed pursuant to the State Comptroller's authority under Article V, Section 1 of the State Constitution and Article II, Section 8 of the State Finance Law.

Reporting Requirements

We provided a draft copy of this report to College officials for their review and formal comment. We considered the College's comments in preparing this report and have included them in their entirety at the end. In their response, College officials agreed with our recommendation and indicated that they plan to address the recommendation.

Within 90 days after final release of this report, as required by Section 170 of the Executive Law, the President of the State University of New York College at Plattsburgh shall report to the Governor, the State Comptroller, and the leaders of the Legislature and fiscal committees, advising what steps were taken to implement the recommendation contained herein, and if the recommendation was not implemented, the reasons why.

Contributors to This Report

John Buyce, Audit Director
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Agency Comments

Plattsburgh
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April 5, 2013

Ms. Heather Pratt
Examiner-in-Charge
Division of State Government Accountability
NYS Office of the State Comptroller
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RE: State University of New York, College at Plattsburgh - Review of Selected Employee Travel Expenses

Dear Ms. Pratt:

We are in receipt of the draft findings of "Selected Employee Travel Expenses at the State University of New York: College at Plattsburgh." The scope of this audit was to determine whether the use of travel monies by selected government employees complied with rules and regulations and is free from fraud, waste and abuse.

It is our objective to address the recommendation of this report as a resource to assure continued effective management of our operations:

Follow Established Travel Guidelines:

- (1) Expenses Incurred while not on Official Business:
 - a. Internal Campus Documentation has been revised to require justification for approved travel "outside" designated class time. Due to the nature of a particular academic program, employees may be required to travel before and/or after documented class time for logistical or safety reasons.
 - b. Provide comparative analysis to document approved travel allowed outside scheduled class offerings.
- (2) Expenses Unrelated to the Employees Duties:
 - a. Continue employee training to insure compliance with State travel guidelines and travel card use.

Please note that we appreciate the nature of the review and the expertise of the audit team. On behalf of SUNY Plattsburgh, I would like to thank you for your assistance and feedback.

Respectfully submitted,

John Ettling
President