



COUNTY OF SANTA CRUZ

AUDITOR-CONTROLLER'S OFFICE

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April 28, 1998

Agenda: May 19, 1998

BOARD OF SUPERVISORS

County of Santa Cruz

701 Ocean Street

Santa Cruz, CA 95060

SUBJECT: REPORT ON REVIEW OF TRAINING AND CONFERENCE EXPENSES

Dear Members of the Board,

During budget hearings for the past two years, the Auditor-Controller's Office has provided your Board with special reports on travel and memberships and has filed copies of conference registrations with the Clerk of the Board. In addition, your Board has wanted to know more about expenditures for conference and training expenses and has requested feedback on these expenditures from the Auditor-Controller and County Administrative Office. With this in mind, we began our review with one County department, but later expanded our review to other departments. Our intent was to provide information and recommendations from a county-wide perspective, rather than department by department.

Review Objectives

Our goal was to improve upon current practices, if possible, and to enhance Board and public confidence that the County has been and still is spending its training, conference and membership funds in a responsible manner. During this process we also wanted to identify "best practices" and share those with the Board and other departments. Our objectives were to:

- Obtain reasonable assurance that mileage claimed for conference and training-related travel is appropriate and in accordance with County policies,
- Determine whether current practices and procedures for pre-approving and reviewing claims are adequate,
- Determine whether controls over sending multiple staff to the same conference or training are adequate, and

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- Consider recommendations that improve the rules and procedures over travel related to conferences and training.

Survey Results

We selected the questionnaire survey approach for use with all the County departments to minimize the amount of resources being allotted to this project and still be able to provide useful information. In doing so, we prepared a survey which covered controls over pre-approval and expenses incurred, timely submission of claims, related travel, and mandates for training. This survey was reviewed, prior to issuance, with the County Administrative Office to obtain their input. We then accumulated and reviewed each of twenty department's responses and followed-up for additional information as deemed necessary. Finally, we analyzed and summarized responses with emphasis on identifying "best practices" worth sharing and control weaknesses requiring corrective action.

Our review yielded the following positive results:

- All departments indicated they have a pre-approval method in place. In addition, six (30%) departments utilize a form to document the pre-approval process for training and out-of-County travel
- All departments indicated they review the mileage expense claims related to training and conference expenses as separate expenditures. In addition, all departments responded that they use some method to encourage employees to use the most efficient, effective and economic modes of transportation.
- Fourteen (70%) departments indicated they track related travel expenses either through a separate spreadsheet or through the budget process
- Thirteen (65%) of the departments indicated they have statutory training mandates or requirements. Eleven (55%) responded they were subject to other requirements such as those of Federal and State grants. Four (20%) of the departments receive outside funding for training.
- All departments responded that they have methods to share information obtained at training and conferences. The typical methods are distribution of training materials and staff meetings.
- All departments responded that in some cases multiple employees are sent to training and conferences after pre-approval and review to determine the necessity and advantage of doing so.

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During our review, we determined that some employees misunderstood the County procedures regarding the point of origin of a trip. Out- staff has discussed this with applicable management, who agreed with our clarification that mileage claimed must be the lesser of the distance from home or office to the destination. Management also stated they would communicate this clarification of procedure to staff immediately.

Best Practices

We also identified two "best practices" worth sharing. The Human Resources Agency includes a survey on the back of their pre-approval form for employees to document the information obtained from a training session or conference. The Sheriff's department utilizes a similar, separate training critique form to document the information obtained (See **Exhibits A & B**). We recommend that all departments incorporate some variation of these two ideas as a means to plan future training, document and share information obtained and document justification for expenses incurred.

Reducing Mileage Expense

Our review identified a way to possibly reduce mileage expenses for one department. We determined through a review of available data that an employee averaged approximately 15,000 miles per year during 1995-96 and 1996-97. The employee has also generated approximately 15,000 miles during the first nine months of 1997-98. With this in mind, we project the employee will generate approximately \$6,400 of mileage expense and drive approximately 20,000 miles by fiscal year-end. (See **Exhibit C**)

County policy provides that an employee who drives at least 10,000 miles per year may be assigned a County vehicle. Based on available data, the employee is exceeding the minimum annual miles prescribed by County policy. We also project that the cost to provide an assigned County vehicle to this employee will be approximately \$2,600 per year which is significantly lower than the cost of the employee utilizing a personnel vehicle for business. (See **Exhibit C**)

This department's management that is researching the feasibility of assigning the employee a County vehicle for regular business use.

Conclusion

Overall, it is our opinion that current procedures are adequate for pre-approval and review of claims, related travel expenses and multiple staff attendance at training and conferences. This opinion is based solely on information provided in the departmental responses.

We would also like to thank all department heads and their staffs for their assistance in completing our survey

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IT IS THEREFORE RECOMMENDED THAT YOUR BOARD ACCEPT AND FILE THIS REPORT.

Respectfully submitted,



GARY-A. KNUTSON
AUDITOR-CONTROLLER

cc: County Administrative Office
All Department Heads
Auditor-Controller

COUNTY OF SANTA CRUZ
HUMAN RESOURCES AGENCY
INTER-OFFICE CORRESPONDENCE

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EXHIBIT A

DATE : _____
TO : Karen Mueller, Staff Development Trainer
FROM : _____
SUBJECT: REQUEST FOR TRAINING AND ALL OUT-OF-COUNTY TRAVEL REIMBURSEMENT

Please approve travel expenses as described below:

Meeting/Conference Title: _____
(Attach 2 copies of brochure/agenda)

Date and Time: _____ Location: _____

Cost: Breakfast _____ Lunch _____ Dinner _____

Transportation Round Trip Miles _____ Private Mileage @ .30 mile _____ or AFCS Pool Car

Registration _____ Other _____

TOTAL _____

APPROVED FOR:

_____ Time only (no reimbursement for expenses)

Meals _____ (specify) _____
Program related training

_____ Transportation _____ (specify) _____
Professional Development only

_____ Registration _____

_____ Lodging _____

Other _____

Trainer

DENIED _____ REASON _____

Supervisor _____ Date _____

Trainer _____ Date _____

Program Manager _____ Date _____

IF FUNDS ARE AUTHORIZED, SEND ONE COPY TO FK33, WHEN SIGNED.

Note: If request is for "Time Only", the supervisor's signature is all that's needed. All out-of-County
rel, except for client visits, must receive prior authorization. (INCLUDES all CWDA meetings, Bay Area
Supervisor's, Adoption exchanges, etc.) SEE REVERSE

PLEASE DESCRIBE TRAINING ATTENDED

TOPIC: _____

PRESENTER: _____

Key Issues:

How did this training apply to your current job and/or professional development?

What would you like-your co-workers to how about this training/meeting?

Routing: To your supervisor for approval of time off and appropriateness;
To the Trainer for approval of cost and review for appropriateness;
To the Program Manager for final approval.

EXHIBIT C

A. Fiscal Years 1995-96 and 1996-97

	<u>7/1/95-6/30/96</u>	<u>7/1/96-6/30/97</u>	<u>Average</u>
Mileage Expense Incurred	\$4,797.51	\$4,510.63	\$4,654.07
Total Estimated Miles Driven	15,777	14,454	15,115
County Threshold for Car Assignment			<u>(10,000)</u>
Miles Over/(Under) Threshold			<u>5,115</u>

B. Fiscal Year 1997-98

97/98 Mileage Expense Incurred	\$4,818.97
Estimated Monthly Average (Based on 9 months)	\$535.44
12 Month Projection	\$6,425.29
Estimated Miles Driven	15,198
Estimated Monthly Average (Based on 9 months)	1,689
12 Month Projection	20,264

C. Projected Cost of County Vehicle Assignment vs. Projected 97-98 Expenditures

Assuming a Regular Passenger Vehicle

<u>Monthly Charge</u>		<u># Months</u>		<u>Annually</u>		<u>Projected Mileage Exp.</u>		<u>Projected Savings</u>
\$216	X	12	=	\$2,592	-	\$6,425	=	\$3,833

Monthly charge was obtained from the General Services Department and includes costs of maintenance operations, mileage, gasoline, depreciation and replacement reserve.