



John A. Carey
Inspector General

OFFICE OF INSPECTOR GENERAL
PALM BEACH COUNTY



Inspector General
Accredited

“Enhancing Public Trust in Government”

Audit Report
2021-A-0001
City of Belle Glade
Travel
October 26, 2020

Insight – Oversight – Foresight



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AUDIT REPORT 2021-A-0001

DATE ISSUED: October 26, 2020



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CITY OF BELLE GLADE TRAVEL

SUMMARY

WHAT WE DID

We conducted an audit of the City of Belle Glade's (City) travel process. This audit was performed as a result of an anonymous complaint we received February 8, 2019. Based on the complainant's allegations, we initiated a limited scope audit of the City's travel process. This audit was performed as part of the Office of Inspector General, Palm Beach County (OIG) 2019 Annual Audit Plan.

Our audit focused on travel activities that occurred during Fiscal Year (FY) 2017 through mid-FY 2019 (October 1, 2016 – April 30, 2019).

We reviewed the complainant's allegations as follows:

Allegation (1): The Mayor and Commissioners used City funds to pay the unauthorized travel expenses of their family, friends, and certain City employees that accompanied them on City-related business trips (hotel, airfare, and food).

Allegation (2): The Mayor and Commissioners do not provide the City

with receipts for their travel expensed to the City.

Allegation (3): The Commissioners owe money to the City for their travel expenses or delay reimbursement to the City.

Our audit focused on (1) addressing the complainant's allegations, (2) determining whether internal controls were adequate for travel programs and activities, (3) determining whether the control procedures were adequate to ensure that expenditures were for appropriate activities, submissions were properly reviewed, and had proper approval, (4) determining whether travel expenditures were properly documented and approved to prevent and detect fraud, waste, and abuse, and (5) determining whether travel expenses were submitted and paid in compliance with applicable laws, policies, and procedures.

WHAT WE FOUND

In relation to the concerns expressed, we found:

Allegation (1) is supported: Our audit disclosed 18 instances, totaling \$410.35, of an unauthorized traveler's meal paid on the Mayor and three (3) Commissioners'

City credit cards in violation of Resolution No. 2016-3242 (Credit Card Resolution) and the City's Authorized User Credit Card Agreements (Credit Card Agreement). Three (3) of the 18 meals, totaling \$54.51,¹ were not repaid to the City in violation of the Credit Card Agreement. Fifteen (15) of the 18 meals, totaling \$355.84,² were repaid to the City and included three (3) meals, totaling \$57.12,³ that were for members of Mayor's family. See Finding #1 for further details.

Allegation (2) is supported: The Mayor and three (3) City Commissioners did not provide a receipt to the City for their travel expenses. We found that 24 of the Mayor and Commissioners' overnight travel transactions, totaling **\$1,664.40**,⁴ were not supported by a receipt. As a result, these travel expenses were considered questioned costs⁵ due to a lack of adequate documentation. See Finding #2 for further details.

Allegation (3) is supported: We found the Mayor and two (2) Commissioners owed money for three (3) unauthorized travelers' meal expenses, totaling **\$54.51**,¹ that were

not repaid to the City in violation of the Credit Card Agreement. This amount is considered an identified cost⁶ because the City can potentially recoup this amount. Additionally, the Mayor and one (1) Commissioner reimbursed the City with delay for unauthorized travelers' meal expenses purchased on City credit cards. The unauthorized meals totaled \$210.44⁷ and were reimbursed to the City between 11 and 35 business days after returning from travel. This was in violation of the City's Credit Card Agreement which required repayment within 3 days. See Finding #3 for further details.

Non-Compliance with Written Guidance

We found travel expenditures did not always comply with the requirements of section 166.021, Florida Statutes, the City's Ordinance No. 07-15 (Travel Ordinance) and Credit Card Resolution with respect to allowed travel expenses and proper documentation, or were unnecessary expenses. This resulted in

¹ Mayor Wilson for \$11.28 + Vice Mayor Wilkerson for \$28.07 + Commissioner Burroughs for \$15.16 = \$54.51.

² Mayor Wilson 13 transactions totaling \$278.00 + Commissioner Martin two (2) transactions totaling \$77.84 = 15 transactions totaling \$355.84.

³ \$27.22 meals for A. Wilson + \$29.90 meal for Lisa Wilson = \$57.12 meals for Mayor Wilson's family members.

⁴ Mayor Wilson 10 transactions totaling \$756.85 + Commissioner Burroughs for 10 transactions totaling \$771.04 + Commissioner Underwood one (1) transaction of \$83.64 + Vice Mayor Wilkerson three (3) transactions totaling \$52.87 = 24 transactions totaling \$1,664.40.

⁵ Questioned costs are costs or financial obligations that are questioned by the OIG because of an alleged violation of a provision of a law, regulation, contract, grant, cooperative agreement, other agreement, policies and procedures, or document governing the expenditure of funds; a finding that, at the time of the OIG activity, such cost or financial obligation is not supported by adequate documentation; or, a finding that the expenditure of funds for the intended purpose is unnecessary or unreasonable. As such, not all questioned costs are indicative of potential fraud or waste.

⁶ Identified costs are costs that have been identified as dollars that have the potential of being returned to the entity to offset the taxpayers' burden.

⁷ Mayor Wilson repaid \$205.30 35 days late + Commissioner Martin repaid \$5.14 11 days late = \$210.44.

\$6,751.95⁸ of questioned costs. Travel expenditures that included Florida sales tax and travel expenses incorrectly paid to travelers that the City can potentially recoup resulted in identified costs totaling **\$620.66.⁹** We also identified **\$4,572¹⁰** in avoidable costs¹¹ for costs incurred that could be avoided in the future.

Lack of Written Information Technology (IT) Guidance

We reviewed the data reliability and integrity of computer systems related to the processing of travel expenses. We found that the City does not have written IT policies for computer system user access termination which increases the risk of unauthorized access to computer system records.

Inconsistent Written Guidance

The draft Travel and Training Policy and Procedures¹² (Travel Policy) that was distributed to the City Manager and department heads referenced a repealed City resolution and provided meal reimbursement rates that did not follow the per diem rates referred to in the Travel Ordinance. Inconsistencies within written

guidance increases the risk of errors and conflicting operations.

Corrective Action

The City was proactive and took corrective action during the audit to address weaknesses identified in the travel process and an inconsistency within the written guidance. The City updated the draft Travel Policy that had been incorporated into the travel reimbursement process to include an independent review and reconciliation of travel costs and removed the reference to the repealed Resolution. The revised draft Travel Policy was adopted on October 19, 2020 with the passing of Resolution No. 2020-3633.

WHAT WE RECOMMEND

Our report contains six (6) findings and 19 recommendations. Implementation of the recommendations will 1) assist the City in strengthening internal controls, 2) save approximately **\$4,572** in future avoidable costs, and 3) help ensure compliance with requirements.

We have included the City's management response as Attachment 1.

⁸ To avoid duplication, this amount excludes the questioned costs totaling \$1,664.40 that were reported in Finding #2 for Mayor and Commissioners' travel expenses that were not supported by a receipt. \$4,177.11 Lack of documentation - \$1,664.60 Missing receipts from Finding #2 + \$3,897.48 Disallowed expenses (See Exhibits 1 and 3) + \$341.76 Incorrect mileage reimbursements = \$6,751.95 in questioned costs.

⁹ To avoid duplication, this amount excludes the identified costs totaling \$54.51 that were reported in Finding #3 for meal expenses of unauthorized travelers. \$146.70 Disallowed expenses (See Exhibits 1 and 3) - \$54.51 Meal expenses of unauthorized travelers from Finding #3 + \$528.47 Sales Tax paid = \$620.66 in identified costs.

¹⁰ \$528 Florida sales tax + \$4,044 Disallowed Expenses (See Exhibits 1 and 3) = \$4,572 in avoidable costs.

¹¹ Avoidable costs are costs an entity will not have to incur, lost funds, and/or an anticipated increase in revenue following the issuance of an OIG report. The maximum period for calculating Avoidable Costs shall typically be three years from the issuance of the OIG report, except in instances where it involves a contract with a specified contract period.

¹² The draft Travel Policy was not adopted by the City Commission, which is vested with all powers of the city and the determination of all matters of policy. However, the draft policy was distributed by the Finance Director to the City Manager via internal memorandum on February 22, 2017 and then to City department heads as written guidance and incorporated into the City's actual process for performing and documenting travel activities.

BACKGROUND



The City of Belle Glade was incorporated in 1928 as the Town of Belle Glade. The latest City Charter was adopted on May 14, 1990. The City is located in western Palm Beach County on the southeast corner of Lake Okeechobee. The City's population in 2018 was approximately 17,589.

The City operates under a Commissioner-Manager form of government. The City Commission is comprised of five (5) members who are elected at large for staggered three-year terms. The City Commission annually appoints one of its members as Mayor and one as Vice-Mayor. The Mayor is head of the City government for all ceremonial purposes. The City Commission is responsible for enacting local legislation, adopting budgets, determining policies, and appointing the officers and officials of the City. The City Manager is appointed by the City Commission and is responsible for executing the laws and administering the government of the City.

The OIG FY 2019 Annual Audit Plan had multiple entities selected for travel audits. The OIG selected the City for audit based on the complainant's allegations.

OBJECTIVES, SCOPE, AND METHODOLOGY

The overall objectives of the audit were to:

- Address the complainant's allegations;
- Determine whether internal controls were adequate for travel programs and activities;
- Determine whether the control procedures were adequate to ensure that expenditures were for appropriate activities, submissions were properly reviewed, and had proper approval;
- Determine whether travel expenditures were properly documented and approved to prevent and detect fraud, waste, and abuse;
- Determine whether rates were submitted in compliance with policies and procedures.

The scope of the audit included, but was not limited to, overnight travel transactions and activities of the City Commission members from October 1, 2016 – April 30, 2019.

The audit methodology included but was not limited to:

- Performing data reliability and integrity assessment of related computer systems;
- Reviewing policies, procedures, and related requirements;
- Reviewing records and reports;
- Performing process walk-throughs and conducting a review of internal controls;
- Interviewing appropriate personnel;

- Performing data analysis of the population of transactions; and
- Performing detailed testing of selected transactions.

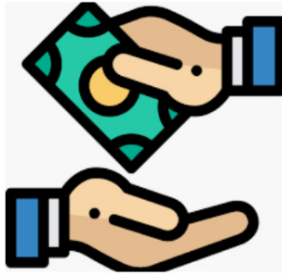
As part of the audit, we completed a data reliability assessment for the computer systems used by the City related to the travel process. We determined that the computer-processed data contained in these computer systems was sufficiently reliable for the purposes of the audit.

This audit was conducted 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.

ALLEGATIONS - FINDINGS AND RECOMMENDATIONS

Allegation (1): The Mayor and Commissioners used City funds to pay unauthorized travel expenses of their family, friends, and certain City employees that accompany them on City-related business trips (hotel, airfare, and food). The allegation is **supported**.

Finding (1): The Mayor and three (3) Commissioners used City funds to pay meal expenses of unauthorized travelers, including family, that accompany them on City-related business trips.



City's Travel Ordinance

The City's Travel Ordinance, passed on second reading on August 6, 2007, provides,

...

WHEREAS, the City Commission of the City of Belle Glade has determined that it is necessary for the travel and training policy of the City of Belle Glade to be established pursuant to the United States Department of Treasury Internal Revenue Services Publication **in lieu of** the rates provided in Florida Statutes 112.061; and [Emphasis added]

...

WHEREAS, this policy established by ordinance is designed to promote the public health, safety and welfare and to continuously comply with the travel times, rates per diem and subsistence allowance, transportation costs and other travel expenses provided by Internal Revenue Department of the United States Treasury as amended from time to time.

...

2. City Commission or other elected official(s) travel shall be approved by the City Commission indicating the purpose, location and **associated costs**. [Emphasis added]

Florida Statutes

Section 166.021, Florida Statutes, provides,

(9)(a) As used in this subsection, the term:

1. "Authorized person" means a person:

a. Other than an officer or employee, as defined in this paragraph, whether elected or commissioned or not, **who is authorized by a municipality or agency thereof to incur travel expenses in the performance of official duties**;

b. Who is called upon by a municipality or agency thereof to contribute time and services as consultant or advisor; [Emphasis added] ...

(b) Notwithstanding s. 112.061, the governing body of a municipality or an agency thereof may provide for a per diem and travel expense policy for its travelers which varies from the provisions of s. 112.061. ... A municipality or agency thereof that provides any per diem and travel expense policy pursuant to this subsection shall be deemed to be exempt from all provisions of s. 112.061. A municipality or agency thereof that does not provide a per diem and travel expense policy pursuant to this subsection remains subject to all provisions of s. 112.061.

Credit Card Resolution

The City's Credit Card Resolution, effective May 16, 2016, states,

...

Section 1. Designated Personnel and Commissioners. Credit cards, in the name of the City, are to be issued to the following designated authorized users...for official City business only...

All authorized users, by accepting the City credit card, agree to adhere to the terms and conditions of this Resolution and any other City policy or procedure established for the use of City credit cards.

Section 2. For Official Business Only. City credit cards shall be used for purchases relating to the performance of official City business only. An authorized user shall not use a City credit card for non-city, **personal purchases or expenditures, even if the authorized user offers to reimburse the City for non-city, personal purchase or expenditure.** [Emphasis added]

...

Section 4. Unauthorized Purchases. The following will be considered an unauthorized purchase with the City credit card:

- a. Cash advances;
- b. Payment of invoices or statements;
- c. Purchases not authorized by an authorized user;
- d. **Personal purchases of any kind;** [Emphasis added] and
- e. Purchases in violation of the City's Purchasing Code.

Credit Card Agreement

The City's Credit Card Agreement states,

...

II. The City and Authorized User agree that the City credit card shall be used for **official city business** only and **not for any non-city, personal purchases or expenditures, even if the Authorized User offers to reimburse the City for that non-city, personal purchase or expenditure.** [Emphasis added]

...

XII. Authorized users who are not City employees but who are **elected officials shall repay** to the City the amount of any unauthorized charges or **purchases within three (3) business days of the charge or purchase taking place.** [Emphasis added]

We reviewed all Mayor and Commissioner overnight travel documentation to determine whether they used their City issued credit cards to pay non-city, personal travel expenses for unauthorized travelers. Our audit disclosed 18 instances, totaling \$410.35, of an unauthorized traveler's meal paid on a Mayor or Commissioner's City credit card (see Chart 1 below). Since the travelers were not authorized to travel as required by section 166.021(9), Florida Statutes, the meals were not considered official City business, but instead were non-city, personal expenses incurred in violation of the Credit Card Resolution and the Credit Card Agreement.

Three (3) of the 18 meals, totaling \$57.12,¹³ were for members of Mayor Wilson's family. The Mayor subsequently reimbursed the City for those meal expenses.

Fifteen (15) of the 18 meals, totaling \$355.84, were repaid to the City because City personnel identified the meals upon review of the travel expenditure documentation. The remaining three (3) meals, totaling \$54.51, were not repaid to the City in violation of the Credit Card Agreement, see Finding #3 for additional information on the amounts repaid and owed to the City.

Chart 1:

Summary of Unauthorized Travel Expenses (Meals) October 1, 2016 – April 30, 2019				
Authorized Cardholder	Unauthorized Traveler	Count	Total Amount	Repaid to the City
Commissioner Burroughs	Unknown	1	\$15.16	No
Commissioner Martin	Unknown	2	\$77.84	Yes
Vice Mayor Wilkerson	Pastor Berry	1	\$28.07	No
Mayor Wilson	Pastor Berry	1	\$11.28	No
Mayor Wilson	A. Wilson (family member of Mayor)	2	\$27.22	Yes
Mayor Wilson	Bishop	2	\$27.22	Yes
Mayor Wilson	Jackson	2	\$27.22	Yes
Mayor Wilson	Lisa Wilson (family member of Mayor)	1	\$29.90	Yes
Mayor Wilson	Moore-Jackson	1	\$29.90	Yes
Mayor Wilson	Pastor Berry	1	\$29.90	Yes
Mayor Wilson	Unknown (guests of Robert Rease ¹⁴)	4	\$106.64	Yes
	Total	18	\$410.35	

¹³ \$27.22 meals for A. Wilson + \$29.90 meal for Lisa Wilson = \$57.12 meals for Mayor Wilson's family members.

¹⁴ Robert Rease, a citizen, was an authorized traveler.

We reviewed travel expenses paid by the Mayor and Commissioners and identified overnight travel expenses, totaling \$29,198.30, for two (2) employees¹⁵ and two (2) citizens¹⁶ that accompanied the Mayor and Commissioners on City-business related travel. We found that each employee and citizen traveler was properly authorized to travel with the Mayor and Commissioners in accordance with Section 166.021(9), Florida Statutes.

Although the City's Travel Ordinance provides that City Commission or other elected official(s) travel shall be approved by the City Commission indicating the purpose, location, and associated costs, **it appears that there was a lack of actual independent review and reconciliation of Commissioners' credit card expenditures for travel, which increases the risk for non-compliance with written guidance, errors, and exposes the City to an increased risk for fraud, waste, and abuse.**

Corrective Action

On October 19, 2020, with the passing of Resolution No. 2020-3633, the City Commission adopted an updated Travel Policy that includes an independent review and reconciliation of the Commissioners' final travel costs and credit card purchases.

Recommendations:

- (1) The City Commission follow the Credit Card Resolution and Credit Card Agreement requirements.**
- (2) The City comply with its Travel Ordinance providing that the City Commission approve the travel and associated costs for City Commissioner travel and provide an independent oversight reconciliation process for travel credit card expenditures, including tracing the credit card receipts and statements to the applicable travel documentation, to ensure compliance with the Credit Card Resolution and Credit Card Agreement.**

Management Response Summary:

- (1) On October 19, 2020, the City Commission adopted Resolution No. 2020-3634 to approve a new Credit Card Resolution and Credit Agreement that was updated to include requirements and procedures and to coordinate with a new Travel Policy also adopted on October 19, 2020.**
- (2) On October 19, 2020, the City Commission approved Resolution No. 2020-3633 to adopt an updated Travel Policy that identifies updated travel procedures, responsibilities, reconciliation requirements and approving authorities for the different travelers. It also coordinates the requirements of**

¹⁵ We identified employee travel expenses for seven (7) trips totaling \$11,661.88 for Mary Evans, Community Relations Coordinator, and two (2) trips totaling \$2,259.65 for Willie B. McKenzie, Maintenance Foreman. See Exhibit 2.

¹⁶ We identified citizen travel expenses for eight (8) trips totaling \$12,231.54 for Robert Rease and two (2) trips totaling \$3,045.23 for Kenny Berry. See Exhibit 2.

the new Credit Card Resolution and Credit Card Agreement, Resolution# 2020-3634.

Allegation (2): The Mayor and Commissioners do not provide the City with receipts for their travel expensed to the City. The allegation is **supported**.

Finding (2): The Mayor and three (3) Commissioners did not provide the City with receipts for some of their travel expenses.



City's Credit Card Resolution

The City's Credit Card Resolution, effective May 16, 2016, states,

...

Section 5. Itemized Receipts. Itemized receipts are required for all City credit card purchases. Payment will not be made on the basis of a City credit card statement. Signed charge slips showing a total charge only, with no itemization of items purchased, are not acceptable. It is the responsibility of all authorized users authorizing a charge to obtain proper itemized receipts.

Additionally, management is responsible for establishing and implementing the control activities of an entity. This includes designing appropriate controls and implementing policies and procedures to facilitate the entity's achievement of objectives and response to relevant risks. Control activities include appropriate documentation of transactions and internal control.¹⁷

We reviewed the City's General Ledger, travel forms, and credit card statements and found that twenty-four (24) of the Mayor and Commissioners' overnight travel transactions, totaling **\$1,664.40**, were not supported by a receipt. All of the travel transactions were paid via City credit card, and therefore, did not comply with the City's Credit Card Resolution. Additionally, the City lacked sufficient documentation to support these travel expenses. As a result, they were considered questioned costs.

Chart 2:

Missing Receipts for Overnight Travel Expenses October 1, 2016 – April 30, 2019		
Mayor/Commissioners	Count	Amount
Mayor Wilson	10	\$756.85
Commissioner Burroughs	10	\$771.04
Commissioner Underwood	1	\$83.64
Vice Mayor Wilkerson	3	\$52.87
Total	24	\$1,664.40

¹⁷ The Government Accountability Office (GAO) Standards for Internal control in the Federal Government issued by the U.S. Comptroller of the Treasury dated September 2014.

The City did not have sufficient, documented internal controls for travel-related expenses. The City's Travel Ordinance, passed in August 2007, provides that "all information relating to travel expenses shall be provided on appropriate and specified forms available from the Finance Department." Thereafter, the Finance Director developed a draft Travel Policy and distributed it to the City Manager and department heads in February 2017 for incorporation into the City's actual practice and procedures for processing travel requests. The draft Travel Policy provided additional internal controls and written guidance beyond the limited controls and guidance in the Travel Ordinance to assist City personnel in properly performing and documenting travel activities, including substantiation of travel expenses. However, the draft Travel Policy was not adopted by the City Commission, which is vested with all powers of the city and the determination of all matters of policy.

A lack of internal controls exposes the City to an increased risk for fraud, waste, and abuse.

Corrective Action

The draft Travel Policy that had been incorporated into the travel reimbursement process was adopted by the City Commission as official City policy on October 19, 2020 with the passing of Resolution No. 2020-3633.

Recommendations:

-
- (3) The City obtain and maintain receipts to support all travel expenses.**

 - (4) The City Commission adopt additional internal controls and written guidance applicable to City employees and officials to assist the City Commission and personnel in properly performing and documenting travel activities.**

Management Response Summary:

-
- (3) On October 19, 2020, the City Commission approved Resolution No. 2020-3633 to adopt an updated Travel Policy that identifies the requirements for receipts and coordinates with requirements of a new Credit Card Resolution and Credit Card Agreement, Resolution No. 2020-3634.**

 - (4) On October 19, 2020, the City Commission approved Resolution No. 2020-3633 to adopt an updated Travel Policy that outlines guidance on travel procedures, controls, responsibilities, reconciliation requirements and approving authorities for the different travelers. It also incorporates the requirements of a new Credit Card Resolution and Credit Card Agreement No. 2020-3634.**

Allegation (3): The Commissioners owe money to the City for their travel expenses or delay reimbursement to the City. The allegation is **supported**.

Finding (3): The Mayor and two (2) Commissioners owed money for unauthorized travelers' meal expenses, and the Mayor and one (1) Commissioner reimbursed the City with delay.



The City's Credit Card Agreement states,

...

XII. Authorized users who are not City employees but who are elected officials shall repay to the City the amount of any **unauthorized charges or purchases within three (3) business days of the charge or purchase taking place.** [Emphasis added]

We reviewed the 18 instances, totaling \$410.35, of an unauthorized traveler's meal paid on the Mayor and Commissioners' City credit cards (see Finding #1) to determine whether the City was repaid for the unauthorized travel expenses and if repayment was made in accordance with the City's written guidance. We found:

- Three (3) of the 18 unauthorized charges or purchases for meals, totaling **\$54.51**,¹⁸ were not repaid to the City in violation of the Credit Card Agreement (see Chart 1 in Finding #1). This amount is considered an identified cost because the City can potentially recoup this amount.
- Fifteen (15) of the 18 unauthorized charges or purchases for meals, totaling \$355.84,¹⁹ were repaid to the City because City personnel identified the meals upon review of the travel expenditure documentation (see Chart 1 in Finding #1). However, repayments for \$210.44²⁰ of the \$355.84 occurred 11 to 35 days late in violation of the Credit Card Agreement.

It appears that City personnel did not identify that the meals not repaid to the City totaling \$54.51 were for unauthorized travelers upon review of the travel documentation.

Additionally, the Credit Card Agreements for the Mayor and Commissioners identified with unauthorized purchases were executed several years prior to the purchases: May 2012 (Burroughs), February 2009 (Martin), April 2009 (Wilkerson), and June 2008 (Wilson) which may have contributed to the non-compliance.

Recommendations:

(5) The City consider obtaining the \$54.51 owed to the City for unauthorized travel expenses paid with a City credit card.

¹⁸ Mayor Wilson for \$11.28 + Vice Mayor Wilkerson for \$28.07 + Commissioner Burroughs for \$15.16 = \$54.51.

¹⁹ Mayor Wilson for \$278.00 (includes the three (3) meals paid for family members) + Commissioner Martin for \$77.84 = \$355.84.

²⁰ Mayor Wilson repaid \$205.30 35 days late + Commissioner Martin repaid \$5.14 11 days late = \$210.44.

- (6) The City require that Credit Card Agreements be reviewed and signed by users periodically to ensure the City Commission, employees, and other authorized cardholders are aware of the requirements.

Management Response Summary:

- (5) The City will review obtaining the \$54.51 owed to the City.
- (6) The City Commission, employees, and authorized cardholders will review and sign the new Credit Card Agreement when the Card is received and on reissuance of the credit card.

FINDINGS NOT RELATED TO THE ALLEGATIONS

Finding (4): Travel Expenses did not always comply with Florida Statutes and the Travel Ordinance.



City's Travel Ordinance

The City's Travel Ordinance, passed on second reading on August 6, 2007, states,

- ...
2. City Commission or other elected official(s) travel shall be approved by the City Commission indicating the purpose, location and associated costs.

...

5. All information relating to travel expenses shall be provided on appropriate and specified forms available from the Finance Department.
6. The City shall compute travel time for reimbursement, rates of per diem and subsistence allowance, transportation costs and other travel expenses in accordance with the United States Department of Treasury Internal Revenue Service's Publication(s), as amended from time to time.
7. **All prior Ordinances and Resolutions in conflict herewith, including Resolution Number 2562, are hereby repealed.** [Emphasis added]

Internal Revenue Service Publications

Internal Revenue Service Publication 463, Travel, Gift, and Car Expenses, states,

Chapter 1. Travel

...

Standard Meal Allowance

Generally, you can use the “standard meal allowance” method as an alternative to the actual cost method. It allows you to use a set amount for your daily meals and incidental expenses (M&IE), instead of keeping records of your actual costs.

...

Amount of standard meal allowance. The standard meal allowance is the federal M&IE rate. For travel in 2019, the rate for most small localities in the United States is \$55 a day. Most major cities and many other localities in the United States are designated as high-cost areas, qualifying for higher standard meal allowances.

You can find this information (organized by state) at [GSA.gov/Perdiem](https://www.gsa.gov/Perdiem).

...

City’s Credit Card Resolution

The City’s Credit Card Resolution, effective May 16, 2016, states,

...

Section 5. Itemized Receipts. Itemized receipts are required for all City credit card purchases. Payment will not be made on the basis of a City credit card statement. Signed charge slips showing a total charge only, with no itemization of items purchased, are not acceptable. It is the responsibility of all authorized users authorizing a charge to obtain proper itemized receipts.

Florida Revenue Act

Section 212.08, Florida Statutes, states,

(6) Exemptions; Political subdivisions.

(a) There are also exempt from the tax imposed by this chapter sales made to the United States Government, a state, or any county, municipality, or political subdivision of a state when payment is made directly to the dealer by the governmental entity...

We reviewed the City’s General Ledger, travel forms, and purchasing card statements to identify all overnight travel charges for the City Commissioners, employees, and other travelers that the complainant alleged traveled with the Mayor on City-related trips (Allegation #1). Our review identified 75 trips for Commissioners, employees, and other travelers during the period audited. We tested all 75 trips for compliance with the City’s written guidance.

The 75 trips tested were comprised of 299 travel related transactions²¹ that totaled \$105,293.84. We found that 134 (45%) transactions that totaled \$9,091.52 had the following exceptions:

1. Forty-four (44) of 299 (15%) transactions tested, totaling \$4,044.18, did not comply with the City's Travel Ordinance or section 166.021(9), Florida Statutes, or were unnecessary expenses. See Chart 3 and Chart 3A below for a breakdown of the violations by traveler and by violation description.
2. Forty-seven (47) of 299 (16%) transactions tested, totaling \$4,177.11,²² did not have adequate or proper documentation (i.e. a receipt or an itemized receipt as required by the Credit Card Resolution) to support the expenditure. See Chart 3 and Chart 3B below for a breakdown of the exceptions by traveler and expense description.
3. Twenty-two (21) of 299 (7%) transactions tested, totaling \$528.47, were paid directly by the City and included Florida sales tax of which the City is exempt according to Section 212.08(6)(a), Florida Statutes.
4. Twenty (20) of 299 (7%) transactions tested were the incorrect mileage reimbursement amount. This use of the incorrect mileage distance and the incorrect mileage per diem rates resulted in an underpayment to travelers of \$341.76.

Chart 3:

Overnight Night Travel – Non Compliance October 1, 2016 – April 30, 2019					
Name	Title	Total Expenditures Reviewed	Total Disallowed Expense²³	Total Lack of Documentation	Total Non-Compliant Expenditures
Wilson	Mayor/ Commissioner	\$28,373.85	\$1,724.49	\$2,649.31	\$4,373.80
Burroughs	Commissioner	\$19,714.96	\$524.64	\$781.63	\$1,306.27
Rease	Authorized traveler ²⁴	\$12,231.54	\$628.27	\$351.42	\$979.69
Wilkerson	Vice Mayor/ Commissioner	\$22,826.78	\$752.15	\$52.87	\$805.02
McKenzie	Maintenance Foreman	\$2,259.65	\$0.00	\$4.25	\$4.25
Underwood	Commissioner	\$2,819.85	\$200.00	\$231.90	\$431.90

²¹ Like travel expenses on the same trip, e.g. all meals purchased by a traveler during the trip, were combined and treated as one transaction for testing purposes. As a result, more than one exception may be noted for each travel transaction.

²² This amount includes the twenty-four (24) overnight travel transactions, totaling \$1,664.40, for the Mayor and Commissioners that were not supported by a receipt in Finding #2.

²³ See Chart 3A for a breakdown of the disallowed expenses by description and Exhibit 3 for a breakdown by transaction.

²⁴ Traveler that was not a City employee or official whose travel expenditures were authorized by the City Commission.

Evans	Community Relations Coordinator	\$11,661.88	\$205.63	\$17.33	\$222.96
Martin	Commissioner	\$2,360.10	\$9.00	\$88.40	\$97.40
Berry	Authorized traveler ²⁴	\$3,045.23	\$0.00	\$0.00	\$0.00
Totals		\$105,320.34	\$4,044.18	\$4,177.11	\$8,221.29

Chart 3A:

Disallowed Expenses²⁵		
October 1, 2016 – April 30, 2019		
Description	Count	Amount
Meal expenses incorrectly reimbursed to the traveler	2	\$76.19
Lodging for unauthorized day of travel	1	\$177.00
Meal expenses for unauthorized travelers ²⁶	3	\$54.51
Travel expenses that were not necessary (e.g. upgrades, late checkout fees, no-show fees, meal expenses reimbursed when meals were included in the registration fee, available discounts not obtained, etc.)	38	\$3,736.48
Total	44	\$4,044.18

Chart 3B:

Lack of Documentation						
October 1, 2016 – April 30, 2019						
Expense Description	Lacked Receipt		Lacked Itemized Receipt²⁷		Total	
	Count	Amount	Count	Amount	Count²⁸	Amount
Car rental	1	\$ 95.67	-	\$ -	1	\$95.67
Lodging	-	\$ -	1	\$33.55	1	\$33.55
Luggage fees	2	\$85.00	1	\$60.00	3	\$145.00
Meals	15	\$954.13	24	\$2,343.16	39	\$3,297.29
Rail Fare	1	\$261.00	-	\$ -	1	\$261.00
Registration	1	\$165.00	-	\$ -	1	\$165.00
Taxi	4	\$103.60	1	\$76.00	5	\$179.60
Total	24	\$1,664.40	27	\$2,512.71	51	\$4,177.11

²⁵ See Exhibit 3 for a breakdown by transaction.

²⁶ These expenses are explained further and noted as identified costs in Finding #3.

²⁷ Expenses that lacked an itemized receipt were purchased using a City credit card. The Credit Card Resolution requires itemized receipts for purchases made using a City credit card.

²⁸ The count of total exceptions in the chart above of 51 is higher than the count of exceptions noted for inadequate documentation of 47 because like expenses were combined and tested as one transaction (e.g. all meal expenses on one trip were combined and tested as one transaction). There were four (4) meal expense transactions that had an exception for both lacking a receipt and lacking an itemized receipt which account for the difference.

Additionally, we tested the 75 trips to determine if they were properly approved and in compliance with the applicable written guidance. Of the 75 trips tested, we noted that the associated costs for eight (8) (11%) trips were not approved by the City Commission as required by the Travel Ordinance.

The City did not have sufficient, documented internal control for travel-related expenses. The City's travel Ordinance, passed in August 2007, provides that "all information relating to travel expenses shall be provided on appropriate and specified forms available from the Finance Department." Thereafter, the Finance Director developed a draft Travel Policy and distributed it to the City Manager and department heads in February 2017 for incorporation into the City's actual practice and procedures for processing travel requests. The draft Travel Policy provided additional internal controls and written guidance beyond the limited controls and guidance in the Travel Ordinance to assist City personnel in properly performing and documenting travel activities. However, the draft Travel Policy was not adopted by the City Commission which is vested with all powers of the city and the determination of all matters of policy.

Additionally, it appears that there was a lack of independent review of Commissioners' and City Commission authorized traveler travel expenditures, because the Travel Ordinance does not establish responsibility for ensuring compliance with section 166.021 and the Travel Ordinance. The City Clerk prepared the Commissioners' travel forms, the Director of Finance reviewed the travel forms for completeness and accuracy, and the City Manager was responsible for the final review and approval of travel forms. The City Clerk reconciled Commissioners' credit card expenses to their credit card statements, and Finance reviewed the reconciliations and processed the payment of the credit cards. If the Commissioners did not provide the City Clerk with a receipt as required by section 5 of the Credit Card Resolution, the City Clerk noted there was no receipt for the expense on the credit card statement. The City Clerk used the credit card statements themselves as support for the expense on the travel form.

A lack of sufficient, documented internal controls increases the risk for errors and inadequate management of the travel program, and a lack of independent review increases the risk for non-compliance with applicable requirements. This exposes the City to an increased risk for fraud, waste, and abuse.

Of the travel expense exceptions noted above, **\$6,751.95²⁹** were considered questioned costs and **\$620.66³⁰** were considered identified costs because the City can potentially recoup the amount. See Exhibit 1 for a summary of the exceptions and costs by exception type and Exhibit 2 for a summary of the exceptions and costs by traveler.

²⁹ To avoid duplication, this amount excludes the questioned costs totaling \$1,664.40 that were reported in Finding #2 for Mayor and Commissioners' travel expenses that were not supported by a receipt. \$4,177.11 Lack of documentation - \$1,664.40 Missing receipts from Finding #2 + 3,897.48 Disallowed expenses (See Exhibit 1 and 3) + \$341.76 Incorrect mileage reimbursements = \$6,751.95 in questioned costs.

³⁰ To avoid duplication, this amount excludes the identified costs totaling \$54.51 that were reported in Finding #3 for meal expenses of unauthorized travelers. \$146.70 Disallowed expenses (See Exhibit 1 and 3) - \$54.51 Meal expenses of unauthorized travelers from Finding #3 + \$528.47 Sales Tax paid = \$620.66 in identified costs.

If the City implements the OIG recommendation to follow its City travel-related requirements, including but not limited to, preventing unnecessary transportation and lodging expenses (e.g. upgrades, late checkout fees, no-show fees, available discounts not obtained, etc.), and preventing the payment of Florida sales tax expenses, the City could save **\$4,572³¹** over the next three (3) years.

Corrective Action

The draft Travel Policy that had been incorporated into the travel reimbursement process was adopted by the City Commission as official City policy on October 19, 2020 with the passing of Resolution No. 2020-3633.

Recommendations:

- (7) The City Commission and staff follow the applicable City travel-related requirements.**
- (8) The City obtain and maintain proper documentation to support all travel expenses as required by its Credit Card Resolution, where applicable.**
- (9) The City consider obtaining reimbursement for the \$528.47 charged to the City's credit card for Florida sales tax to vendors.**
- (10) The City consider obtaining the \$92.19³² incorrectly reimbursed to traveler.**
- (11) The City consider paying \$341.76 to travelers for incorrect mileage allowance reimbursements.**
- (12) The City develop and implement an independent oversight process for all Commissioner and City Commission authorized travel expenditures to ensure compliance with written requirements.**

Management Response Summary:

- (7), (8), & (12) On October 19, 2020, the City Commission approved Resolution No. 2020-3633 to adopt an updated Travel Policy that outlines guidance on travel procedures, controls, responsibilities, reconciliation requirements and approving authorities for the different travelers. It also incorporates the requirements of a new Credit Card Resolution and Credit Card Agreement No. 2020-3634.**
- (9) The City will review obtaining reimbursement for the sales tax where it can be obtained, however, due to the age of the charges and type of expenses it will not likely be possible. Guidance on the use of sales tax exemption has been included in the new Travel Policy in Resolution No. 2020-3633.**

³¹ \$528 Florida sales tax + \$4,044 Disallowed Expenses (See Exhibit 1 and 3) = \$4,572 in avoidable costs.

³² \$76.19 Expenses incorrectly reimbursed to traveler (Burroughs) + \$16.00 Meals Reimbursed When Meals Provided at Event (Burroughs) = \$92.19. See Exhibit 1 and 3.

(10)The City will review obtaining the \$92.19 owed to the City.

(11)The City will consider the reimbursements.

Finding (5): Lack of written guidance for computer system user access termination.



Basic computer system controls include written IT policies, procedures, and definitions that are clearly communicated; access to and use of the information system, assets, and records are reasonable and restricted to authorized individuals; and system users are granted only the access needed to perform their duties.

Based on an interview with the Director of Finance and the Assistant Director of Finance, Human Resources (HR) notifies the Finance Department (Finance) to remove a user's access to the City's financial computer system, typically via email, upon an employee's separation. However, sometimes it takes HR a week to notify Finance to remove user's access.

We found that the City had an Internet/Intranet/E-Mail Policy in the Employee Handbook, an IT policy, and processes with controls to ensure the integrity of information in the computer systems; however, there were no written policies and procedures for computer system user access termination.

The Employee Handbook briefly details the termination process in the Involuntary Termination section. However, the Employee Handbook does not address the removal of computer user access. The IT policy addresses granting of access and modifications but does not address the removal of user access. In addition, the City did not have an HR employee separation checklist, which increases the risk of unauthorized access to City computer systems by separated employees.

A lack of written policies and procedures related to the removal of user access increases the risk of unauthorized access to computer system records.

Recommendations:

(13)The City update IT policies and procedures to provide guidance for the removal of computer user access upon an employee's separation.

(14)The City create and implement an employee separation checklist that includes, but is not limited to, timely communication for the removal of computer system user access.

(15)The City provide guidance and training to employees about the updated IT policies and procedures and the implemented employee separation checklist.

Management Response Summary:

(13) & (14) The City currently uses a New Hire form initiated by Human Resources for authorizing computer access along with other access – keys, badges, etc. needed by the new employee to be routed to the appropriate City department. The form will be adapted for use upon separation/termination to complete the same process.

(15) Since Human Resources is responsible for the new hire and separation process, Human Resources will provide all necessary guidance and training.

Finding (6): The City's written guidance was inconsistent.

The City's Travel Ordinance, passed on second reading on August 6, 2007, states,

...

WHEREAS, the City Commission of the city of Belle Glade has determined that it is necessary for the travel and training policy of the City of Belle Glade to be established pursuant to the United States Department of Treasury Internal Revenue Services Publication **in lieu of the rates provided in Florida States Section 112.061**... [Emphasis added]

6. The City shall compute travel time for reimbursement, rates of per diem and subsistence allowance, transportation costs and other travel expenses in accordance with the United States Department of Treasury Internal Revenue Service's Publication(s), as amended from time to time.
7. **All prior Ordinances and Resolutions in conflict herewith, including Resolution Number 2562 are hereby repealed.** [Emphasis added]

The City's draft Travel Policy,³³ that was distributed to the City Manager and department heads as written guidance for performing and documenting travel activities, states,

Authority:

The authority for this travel and training policy is contained in **Resolution No. 2562** of the City Commission of the City of Belle Glade, Florida, adopting a travel and training policy for employees, officers and elected officials **pursuant to Section 112.061, Florida Statutes and/or in accordance Internal Revenue Service (IRS) regulations.** [Emphasis added]

...

Reimbursable Travel Expenses:**Section A – Reimbursable Travel Expenses Requiring Overnight Stay:**

³³ The draft Travel Policy was not adopted by the City Commission as required by the City's Charter to establish City policy.

- 1) **Meals and Lodging:** All travelers are allowed meals and lodging when traveling to convention, conference or City business outside of the City of Belle Glade that requires overnight stay. Reimbursement for meals and lodging will be as follows:

...

The traveler will be reimbursed for meals; paid receipts not required, as follows:

Breakfast -	\$ 6.00
Lunch -	\$11.00
Dinner -	\$19.00

Section B - Reimbursable Travel Expenses Not Requiring Overnight Stay

- 1) **Meal:** The traveler will be reimbursed per diem for meals; paid receipts not required, as follows:

Breakfast - when travel begins before 6 a.m. and extends beyond 8 a.m.	\$ 6.00
Lunch - when travel begins 12 noon and extends beyond 2 p.m.	\$11.00
Dinner - when travel begins before 6 p.m. and extends beyond 8 p.m. or when travel occurs during nighttime hours due to special assignments.	\$19.00

The IRS Publication 463, Travel, Gift, and Car Expenses, states,

Chapter 1. Travel

...

Actual Cost

You can use the actual cost of your meals to figure the amount of your expense before reimbursement and application of the 50% deduction limit. If you use this method, you must keep records of your actual cost.

Standard Meal Allowance

Generally, you can use the “standard meal allowance” method as an alternative to the actual cost method. It allows you to use a set amount for your daily meals and incidental expenses (M&IE), instead of keeping records of your actual costs. The set amount varies depending on where and when you travel. In this publication, “standard meal allowance” refers to the federal rate for M&IE, discussed later under Amount of standard meal allowance.

...

Amount of standard meal allowance. The standard meal allowance is the federal M&IE rate. For travel in 2019, the rate for most small localities in the United States is \$55 a day. Most major cities and many other localities in the United States are designated as high-cost areas, qualifying for higher standard meal allowances. You can find this information (organized by state) at [GSA.gov/Perdiem](https://www.gsa.gov/Perdiem).

We noted the following inconsistencies within the City's travel-related written guidance:

- Repealed Resolution 2562 was stated as the authority for adopting a travel and training policy on the draft Travel Policy incorporated into the City's actual process for performing and documenting travel activities. Conversely, Resolution 2562 was repealed by the Travel Ordinance.
- The Travel Ordinance states the City shall use the per diem and subsistence rates in accordance with the IRS; however, the meal reimbursement rates stated in the draft Travel Policy do not follow the GSA per diem rates referred to in the IRS publication regarding travel expenses.

According to the Finance Director, the Travel Ordinance was never codified into the Code of Ordinances; therefore, no one was aware that it existed until recently. However, the Travel Ordinance was adopted by the City Commission after second reading in August 2007 and certified by the City Clerk showing that it was duly and properly passed as required by the City's Charter.

Inconsistent written guidance increases the risk of errors and conflicting operations.

Corrective Action

During the audit, the City updated the draft Travel Policy to remove the reference to the repealed Resolution 2562. The updated draft Travel Policy was adopted by the City Commission as official City policy on October 19, 2020 with the passing of Resolution No. 2020-3633.

Recommendations:

- (16) The City update its draft Travel Policy to be consistent with applicable written guidance documents for travel activities.**
- (17) The City periodically review its written guidance for travel activities to ensure consistency across all requirements.**
- (18) The City should review its process to ensure all ordinances are codified into the Code of Ordinances.**
- (19) The City Clerk distribute newly passed resolutions and ordinances to applicable City staff to ensure staff are aware of the resolution and ordinance requirements.**

Management Response Summary:

- (16) & (17) On October 19, 2020, the City Commission approved Resolution No. 2020-3633 to adopt an updated Travel Policy that outlines guidance on travel procedures, controls, responsibilities, reconciliation requirements and approving authorities for the different travelers. It also incorporates the requirements of a new Credit Card Resolution and Credit Card Agreement No. 2020-3634. Both resolutions will be updated as necessary.**
- (18) Ordinances are not always codified depending on the purpose of the ordinance. The City Attorney's Office along with City staff determines whether an ordinance is to be codified.**
- (19) After adoption by the City Commission, resolutions and ordinances are distributed by the City Clerk to all City staff and offices affected by the change. Those ordinances affecting the Code of Ordinances are forwarded for updating during the next formal update.**

**SUMMARY OF POTENTIAL FINANCIAL AND OTHER BENEFITS
IDENTIFIED IN THE AUDIT**

Questioned Costs

Finding	Description	Questioned Costs
2	Missing receipts for City Commission travel (Allegation #2)	\$ 1,664.40
4	Disallowed Expenses	\$ 3,897.48
4	Lack of documentation	\$ 2,512.71
4	Incorrect mileage allowance paid	\$ 341.76
	TOTAL QUESTIONED COSTS	\$ 8,416.35

Identified Costs

Finding	Description	Identified Costs
3	Unauthorized purchases on Mayor and Commissioners' credit cards (Allegation #3)	\$ 54.51
4	Disallowed Expenses	\$ 92.19
4	Florida Sales Tax paid	\$ 528.47
	TOTAL IDENTIFIED COSTS	\$ 675.17

Avoidable Costs

Finding	Description	Avoidable Costs
4	Lost discounts, upgrades, taxes, fees	\$ 4,572
	TOTAL AVOIDABLE COSTS	\$ 4,572

ACKNOWLEDGEMENT

The Inspector General's audit staff would like to extend our appreciation to the City of Belle Glade's staff for their assistance and support in the completion of this audit.

This report is available on the OIG website at: <http://www.pbcgov.com/OIG>. Please address inquiries regarding this report to the Director of Audit by email at inspector@pbcgov.org or by telephone at (561) 233-2350.

EXHIBIT LIST

Exhibit 1 – Summary of Exceptions and Costs

Exhibit 2 – Summary of Exceptions and Costs by Traveler

Exhibit 3 – Detail of Disallowed Expenses

ATTACHMENT

Attachment 1 – City of Belle Glade's Management Response

EXHIBIT 1

Summary of Exceptions and Costs October 1, 2016 - April 30, 2019														
Type	Exceptions Count	Total Amount	Exception Type					OIG Cost Type						
			Travel Ordinance Violation	F.S. 166.021 Violation	Credit Card Resolution Violation	Unnecessary Costs	Lack of Documentation	F.S. 218.08 Exemption	Questioned costs	Identified costs	Avoidable costs			
Meal expenses incorrectly reimbursed to the traveler	2	\$ 76.19	√									\$ -	\$ 76.19	\$ 76
Lodging for unauthorized day of travel	1	\$ 177.00	√									\$ 177.00	\$ -	\$ 177
Meal expenses for unauthorized traveler	3	\$ 54.51	√	√								\$ -	\$ 54.51	\$ 55
Travel expenses that were not necessary (e.g. upgrades, late checkout fees, no-show fees, meal expenses reimbursed when meals were included in the registration fee, available discounts not obtained, etc.)	38	\$ 3,736.48					√							
Disallowed Expenses Sub-Total	44	\$ 4,044.18												
No receipt to support the travel expense/credit card purchase	24	\$ 1,664.40						√				\$ 1,664.40	\$ -	\$ -
No itemized receipt to support the credit card purchase	27	\$ 2,512.71						√				\$ 2,512.71	\$ -	\$ -
Incorrect mileage and/or mileage rate paid (Due to Travelers)	20	\$ 341.76	√									\$ 341.76	\$ -	\$ -
Sales tax paid	21	\$ 528.47										\$ -	\$ 528.47	\$ 528
Total	136	\$ 9,091.52										\$ 8,416.35	\$ 675.17	\$ 4,572

EXHIBIT 2

Summary of Exceptions and Costs by Traveler October 1, 2016 - April 30, 2019												
Name	Title	Total Tested			Exceptions				OIG Cost Type			
		Trips	Transactions	Amount	Disallowed Expenses	Lack of Documentation	Sales Tax	Incorrect Mileage (Due To Travelers)	Questioned costs	Identified costs	Avoidable costs	
Wilson, Steve B.	Mayor/ Commissioner	24	75	\$ 28,373.85	\$ 1,724.49	\$ 2,649.31	\$ 236.75	\$ -	\$ 4,362.52	\$ 248.03	\$ 1,961	
Wilkerson, Mary Ross	Vice Mayor/ Commissioner	13	60	\$ 22,826.78	\$ 752.15	\$ 52.87	\$ 24.54	\$ 14.68	\$ 791.63	\$ 52.61	\$ 777	
Burroughs, Jr., Johnny	Commissioner	14	72	\$ 19,741.46	\$ 524.64	\$ 781.63	\$ 217.68	\$ 259.05	\$ 1,457.97	\$ 325.03	\$ 742	
Rease, Robert	Authorized traveler ¹	8	28	\$ 12,231.54	\$ 628.27	\$ 351.42	\$ 45.76	\$ 22.11	\$ 1,001.80	\$ 45.76	\$ 674	
Evans, Mary	Public/Community Relations Coordinator	7	27	\$ 11,661.88	\$ 205.63	\$ 17.33	\$ 2.02	\$ -	\$ 222.96	\$ 2.02	\$ 207	
Berry, Kenny	Authorized traveler ¹	2	6	\$ 3,045.23	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Underwood, Larry	Commissioner	2	9	\$ 2,819.85	\$ 200.00	\$ 231.90	\$ -	\$ 3.38	\$ 435.28	\$ -	\$ 200	
Martin, Michael C.	Commissioner	3	11	\$ 2,360.10	\$ 9.00	\$ 88.40	\$ -	\$ 42.54	\$ 139.94	\$ -	\$ 9	
McKenzie, Willie B.	Maintenance Foreman	2	11	\$ 2,259.65	\$ -	\$ 4.25	\$ 1.72	\$ -	\$ 4.25	\$ 1.72	\$ 2	
Total		75	299	\$ 105,320.34	\$ 4,044.18	\$ 4,177.11	\$ 528.47	\$ 341.76	\$ 8,416.35	\$ 675.17	\$ 4,572	

¹ Traveler that was not a City employee or official whose travel expenditures were authorized by the City Commission.

EXHIBIT 3

Detail of Disallowed Expenses October 1, 2016 - April 30, 2019						
Traveler	Trip Dates	Location	Description	Questioned Costs	Identified Costs	Avoidable Costs
Wilson, Steve B.	11/15/2016 - 11/20/2016	Pittsburgh, PA	Upgrade for trainfare	\$ 407.00	\$ -	\$ 407
Wilson, Steve B.	11/15/2016 - 11/20/2016	Pittsburgh, PA	Upgrade for lodging	\$ 108.34	\$ -	\$ 108
Wilson, Steve B.	3/7/2017 - 3/9/2017	Tallahassee, FL	Meal expense for unauthorized traveler	\$ -	\$ 11.28	\$ 11
Wilson, Steve B.	8/15/2017 - 8/20/2017	Orlando, FL	Valet parking used instead of self-parking	\$ 9.00	\$ -	\$ 9
Wilson, Steve B.	11/13/2017 - 11/18/2017	Charlotte, NC	Late checkout fee for lodging	\$ 75.00	\$ -	\$ 75
Wilson, Steve B.	11/13/2017 - 11/18/2017	Charlotte, NC	Meal expense when meal provided at event	\$ 60.00	\$ -	\$ 60
Wilson, Steve B.	12/5/2017 - 12/8/2017	Kissimmee, FL	Discounted lodging rate not obtained	\$ 81.15	\$ -	\$ 81
Wilson, Steve B.	12/5/2017 - 12/8/2017	Kissimmee, FL	Discounted parking rate not obtained	\$ 6.00	\$ -	\$ 6
Wilson, Steve B.	3/15/2018 - 3/17/2018	Miramar, FL	Discounted lodging rate not obtained	\$ 189.00	\$ -	\$ 189
Wilson, Steve B.	8/15/2018 - 8/19/2018	Hollywood, FL	Valet parking used instead of self-parking	\$ 20.00	\$ -	\$ 20
Wilson, Steve B.	11/13/2018 - 11/17/2018	Lake Buena Vista, FL	No show fee for lodging	\$ 145.00	\$ -	\$ 145
Wilson, Steve B.	2/10/2019 - 2/15/2019	Washington, DC	Late checkout fee for lodging	\$ 145.00	\$ -	\$ 145
Wilson, Steve B.	3/9/2019 - 3/14/2019	Washington, DC	Meal expenses when meal provided at event	\$ 176.36	\$ -	\$ 176
Wilson, Steve B.	3/25/2019 - 3/28/2019	Tallahassee, FL	Discounted lodging rate not obtained	\$ 291.36	\$ -	\$ 291
			Wilson, Steve B. Sub-Total	\$ 1,713.21	\$ 11.28	\$ 1,724
Wilkerson, Mary Ross	11/15/2016 - 11/20/2016	Pittsburgh, PA	Upgrade for airfare	\$ 153.42	\$ -	\$ 153
Wilkerson, Mary Ross	3/7/2017 - 3/9/2017	Tallahassee, FL	Meal expense for unauthorized traveler	\$ -	\$ 28.07	\$ 28
Wilkerson, Mary Ross	6/17/2017 - 6/24/2017	Cleveland, OH	Upgrade for airfare	\$ 71.83	\$ -	\$ 72
Wilkerson, Mary Ross	11/14/2017 - 11/19/2017	Charlotte, NC	Upgrade for airfare	\$ 173.38	\$ -	\$ 173
Wilkerson, Mary Ross	6/26/2018 - 6/29/2018	Little Rock, AR	Meal expense when meal provided at event	\$ 14.44	\$ -	\$ 14
Wilkerson, Mary Ross	11/6/2018 - 11/11/2018	Los Angeles, CA	Upgrade for airfare	\$ 177.80	\$ -	\$ 178
Wilkerson, Mary Ross	3/10/2019 - 3/14/2019	Washington, DC	Upgrade for airfare	\$ 133.21	\$ -	\$ 133
			Wilkerson, Mary Ross Sub-Total	\$ 724.08	\$ 28.07	\$ 752
Rease, Robert	8/15/2017 - 8/20/2017	Orlando, FL	Lodging for date that was not approved by City Commission	\$ 177.00	\$ -	\$ 177
Rease, Robert	8/15/2017 - 8/20/2017	Orlando, FL	Valet parking used instead of self-parking	\$ 9.00	\$ -	\$ 9
Rease, Robert	11/14/2017 - 11/19/2017	Charlotte, NC	Upgrade for airfare	\$ 38.55	\$ -	\$ 39
Rease, Robert	11/14/2017 - 11/19/2017	Charlotte, NC	Discounted lodging rate not obtained	\$ 90.20	\$ -	\$ 90
Rease, Robert	5/30/2018 - 6/2/2018	Jacksonville, FL	Discounted lodging rate not obtained	\$ 308.52	\$ -	\$ 309
Rease, Robert	8/16/2018 - 8/19/2018	Hollywood, FL	Valet parking used instead of self-parking	\$ 5.00	\$ -	\$ 5
			Rease, Robert Sub-Total	\$ 628.27	\$ -	\$ 628
Burroughs, Jr., Johnny	3/07/2017 - 3/09/2017	Tallahassee, FL	Traveler was reimbursed for meal paid by a City credit card	\$ -	\$ 11.39	\$ 11
Burroughs, Jr., Johnny	3/15/2017 - 3/17/2017	Miramar, FL	Meal expense when meal provided at event	\$ -	\$ 16.00	\$ 16
Burroughs, Jr., Johnny	6/01/2017 - 6/02/2017	Orlando, FL	Traveler was reimbursed for meal paid by a City credit card	\$ -	\$ 64.80	\$ 65
Burroughs, Jr., Johnny	8/16/2017 - 8/20/2017	Orlando, FL	Valet parking used instead of self-parking	\$ 36.00	\$ -	\$ 36
Burroughs, Jr., Johnny	11/14/2017 - 11/19/2017	Charlotte, NC	Meal expense for unauthorized traveler	\$ -	\$ 15.16	\$ 15
Burroughs, Jr., Johnny	11/14/2017 - 11/19/2017	Charlotte, NC	Meal expense when meal provided at event	\$ 18.94	\$ -	\$ 19
Burroughs, Jr., Johnny	11/14/2017 - 11/19/2017	Charlotte, NC	Meal expense when meal provided at event	\$ 12.39	\$ -	\$ 12
Burroughs, Jr., Johnny	11/14/2017 - 11/19/2017	Charlotte, NC	Valet parking used instead of self-parking	\$ 15.00	\$ -	\$ 15
Burroughs, Jr., Johnny	5/30/2018 - 6/2/2018	Jacksonville, FL	Valet parking used instead of self-parking	\$ 33.00	\$ -	\$ 33
Burroughs, Jr., Johnny	8/16/2018 - 8/19/2018	Hollywood, FL	Valet parking used instead of self-parking	\$ 10.00	\$ -	\$ 10
Burroughs, Jr., Johnny	11/6/2018 - 11/11/2018	Los Angeles, CA	Discounted conference rate not obtained	\$ 200.00	\$ -	\$ 200
Burroughs, Jr., Johnny	3/7/2019 - 3/9/2019	Miramar, FL	Discounted lodging rate not obtained	\$ 78.00	\$ -	\$ 78
Burroughs, Jr., Johnny	3/9/2019 - 3/14/2019	Washington DC	Meal expense when meal provided at event	\$ 13.96	\$ -	\$ 14
			Burroughs, Jr., Johnny Sub-Total	\$ 417.29	\$ 107.35	\$ 525
Evans, Mary	11/14/2017 - 11/19/2017	Charlotte, NC	Upgrade for airfare	\$ 130.03	\$ -	\$ 130
Evans, Mary	11/06/2018 - 11/18/2018	Los Angeles, CA	Upgrade for airfare	\$ 75.60	\$ -	\$ 76
			Evans, Mary Sub-Total	\$ 205.63	\$ -	\$ 206
Underwood, Larry	11/15/2016 - 11/20/2016	Pittsburgh, PA	Unnecessary luggage fees ¹	\$ 200.00	\$ -	\$ 200
			Underwood, Larry Sub-Total	\$ 200.00	\$ -	\$ 200
Martin, Michael C.	8/16/2018 - 8/19/2018	Hollywood, FL	Valet parking used instead of self-parking	\$ 9.00	\$ -	\$ 9
			Martin, Michael C. Sub-Total	\$ 9.00	\$ -	\$ 9
			Grand Total	\$ 3,897.48	\$ 146.70	\$ 4,044

¹Heavy bag fee paid for 3rd checked bag each way of \$100.00 x 2 = \$200.00.

ATTACHMENT 1 – CITY OF BELLE GLADE MANAGEMENT RESPONSE



City of Belle Glade

Office of the City Manager

October 20, 2020

John A. Carey, Inspector General
 Hilary Bojan, Director of Audit
 Office of Inspector General
 P.O. Box 16568
 West Palm Beach, FL 33416-6568

A Municipal Corporation since
 September 11, 1945

Tel: 561-996-0100
 Fax: 561-992-2215

www.bellegladegov.com

Commissioners

Steve B. Wilson
Mayor

Mary Ross Wilkerson
Vice Mayor

Michael C. Martin
Treasurer

Johnny Burroughs, Jr.

Larry Underwood

Lomax Harrelle
 City Manager

Subject: Draft Audit Report, City of Belle Glade - Travel Audit

Attached are the responses to the referenced Draft Travel Audit Report. The responses address the six (6) findings and nineteen (19) recommendations identified in the Draft Travel Audit Report.

Also attached are (1) Resolution# 2020-3633, Adopting Updated Travel and Training Policy and Procedures for Employees, Officers, Other Authorized Travelers and Elected Officials and (2) Resolution# 2020-3634, Providing Authorized Users for Issuance of City Credit Cards, Providing a Policy for the Use of the Credit Cards and the Increase of Credit Limits. Both Resolutions were approved and adopted on October 19, 2020 by the City Commission.

Sincerely,

Lomax Harrelle
 City Manager

Draft Audit Report, City of Belle Glade- Travel Audit

Finding (1): The Mayor and three Commissioners used City funds to pay meal expenses of unauthorized travelers, including family, that accompany them on City-related business trips.

Response: Due to not having an approved Travel Policy, procedures were not in place to coordinate travel expense requirements to the Credit Card Resolution and Credit Card Agreement. For the period of this review, the total travel expenses identified were \$105,320.34. The identified expenses of \$410.35 that conflicted with the Credit Card Resolution and Credit Card Agreement were .39% of the total travel expenses reviewed. Some valid expenses for other authorized travelers were charged to City credit cards. These procedures will be clarified in a new Travel Policy and an updated Credit Card Agreement. However, the City does concur that the expenses of \$410.35 did not comply with the Credit Card Resolution and Credit Card Agreement due to not having an approved Travel Policy that included similar requirements.

Recommendations:

(1) The City Commission follow the Credit Card Resolution and Credit Card Agreement requirements.

Response: On October 19, 2020, the City Commission adopted Resolution# 2020-3634, Providing Authorized Users for issuance of City Credit Cards and Providing a Policy for the Use of the City credit card and the Increase of credit limits, to approve a new Credit Card Resolution and Credit Agreement. The Credit Card Agreement was updated to include requirements and procedures and to coordinate with a new Travel Policy also adopted on October 19, 2020. This will complete the necessary actions for this recommendation.

(2) The City comply with its Travel Ordinance providing that the City Commission approve the travel and associated costs for City Commissioner travel and provide an independent oversight reconciliation process for travel credit card expenditures, including tracing the credit card receipts and statements to the applicable travel documentation, to ensure compliance with the Credit Card Resolution and Credit Card Agreement. The City comply with its Travel Ordinance providing that the City Commission approve the travel and associated costs.

Response: On October 19, 2020, the City Commission approved Resolution# 2020-3633, Adopting Updated Travel and Training Policy and Procedures for Employees, Officers, Other Authorized Travelers and Elected Officials. The updated Travel Policy identifies updated travel procedures, responsibilities, reconciliation requirements and approving authorities for the different travelers. It also coordinates the requirements of the new Credit Card Resolution and Credit Card Agreement, Resolution# 2020-3634. This will complete the necessary actions for this recommendation.

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Finding (2): The Mayor and Commissioners did not provide the City with receipts for some of their travel expenses.

Response: Due to not having an approved Travel Policy, procedures were not in place to coordinate travel expense requirements to the Credit Card Resolution and Credit Card Agreement. For the period of this review, the total travel expenses identified were \$105,320.34. The travel expenses of \$1,664.40 that conflicted with the Credit Card Agreement were 1.58% of the total travel expenses reviewed. These were expenses for approved travel that was performed. However, the City does concur that the identified travel expenses did not comply with the Credit Card Agreement due to not having an approved Travel Policy that included similar requirements. On October 19, 2020, the City Commission adopted Resolution# 2020-3633 approving an updated Travel and Training Policy for Employees, Officers, Other Authorized Travelers and Elected Officials. The updated Travel Policy identifies the requirements for receipts and coordinates with requirements of a new Credit Card Resolution and Credit Card Agreement, Resolution# 2020-3634. This will complete the necessary actions for this recommendation

Recommendations:

(3) The City obtain and maintain receipts to support all travel expenses.

Response: On October 19, 2020, the City Commission adopted Resolution# 2020-3633 approving an updated Travel and Training Policy for Employees, Officers, Other Authorized Travelers and Elected Officials. The updated Travel Policy identifies the requirements for receipts and coordinates with requirements of a new Credit Card Resolution and Credit Card Agreement, Resolution# 2020-3634. This will complete the necessary actions for this recommendation.

(4) The City Commission adopt additional internal controls and written guidance applicable to City employees and officials to assist the City Commission and personnel in properly performing and documenting travel activities.

Response: On October 19, 2020, the City Commission adopted Resolution# 2020-3633 approving an updated Travel and Training Policy for Employees, Officers, Other Authorized Travelers and Elected Officials. The updated Travel Policy outlines guidance on travel procedures, controls, responsibilities, reconciliation requirements and approving authorities for the different travelers. It also incorporates the requirements of a new Credit Card Resolution and Credit Card Agreement# 2020-3634. This will complete the necessary actions for this recommendation.

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Finding (3): The Mayor and two (2) Commissioners owed money for unauthorized travelers' meal expenses, and the Mayor and one (1) Commissioner reimbursed the City with delay.

Response: Due to not having an approved Travel Policy, procedures were not in place to coordinate travel expense requirements to the Credit Card Resolution and Credit Card Agreement. For the period of this review, the total travel expenses identified were \$105,320.34. The identified expenses from Finding #1 of \$410.35 (\$355.84 plus \$54.51) that conflicted with the Credit Card Resolution and Credit Card Agreement were .39% of the total travel expenses reviewed. Some expenses for other authorized travelers were charged to City cards. These procedures will be clarified in a new Travel Policy and Credit Card Agreement. However, the City does concur that the expenses of \$410.35 did not comply with the Credit Card Resolution and Credit Card Agreement due to not having an approved Travel Policy that included similar requirements. This will complete the necessary actions for this recommendation.

Recommendations:

(5) The City considering obtaining the \$54.51 owed to the City for unauthorized travel expenses paid with a City credit card.

Response: The City will review obtaining the \$54.51 owed to the City in conjunction with the reimbursement of travelers in the amount of \$341.76 shown in Recommendation 11. This will complete the necessary actions for this recommendation.

(6) The City require that Credit Card Agreements be reviewed and signed by users periodically to ensure the City Commission, employees, and authorized cardholders are aware of the requirements.

Response: Resolution# 2020-3634 was adopted on October 19, 2020 creating a new Credit Card Resolution and Credit Card Agreement. The City Commission, employees, and authorized cardholders will review and sign the Credit Card Agreement with any change in the Credit Card Agreement, when the Card is received and on reissuance of the credit card. This will complete the necessary actions for this recommendation.

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Finding (4): Travel Expenses did not always comply with Florida Statutes and the Travel Ordinance.

Response: For the period of this review, the total travel expenses identified were \$105,320.34. This finding identified expenses totally \$8,221.29 that were non-compliant - \$4,044.18 that should be disallowed and \$4,177.11 that lacked documentation. For the \$4,044.18 categorized as disallowed, \$3,913.48 were identified as travel expenses that were not necessary- upgrades, late checkout fees, discounts, travel days, etc. These expenses were for travel authorized and approved. Ordinance# 07-15 approved by the City Commission does not identify disallowed expenses. The Ordinance does state the Commissioners will use forms provided by the Finance Department. The only form provided for City Commission use was the Request for Travel/Final Travel Cost Form. That Form does not identify disallowed travel expenses. Due to the guidance in Ordinance# 07-15, the City does not concur that the \$3,736.48 in expenses are in fact disallowed and a draft Travel Policy not approved by the City Commission cannot override Ordinance# 07-15.

Expenses of \$4,177.11 were identified for lack of documentation related to missing receipts or lack of itemized receipts. These expenses were incurred during authorized travel however, due to not having an approved Travel Policy, procedures were not in place to coordinate travel expense requirements to the Credit Card Resolution and Credit Card Agreement. The City does agree that the expenses did not comply with the Credit Card Agreement concerning receipt requirements but were valid travel expenses in accordance with Ordinance# 07-15.

On October 19, 2020, the City Commission adopted Resolution# 2020-3634 approving a new Credit Card Resolution and Credit Agreement and also Resolution# 2020-3633 approving a Travel and Training Policy and Procedures for Employees, Officers, Other Authorized Travelers and Elected Officials to coordinate requirements for travel and credit cards. The approved Travel and Training Policy and Procedures also addresses travel expenses related for Elected Officials and Other Authorized Travelers concerning estimates when travel is approved and actual expenses when actual travel arrangements are completed.

Recommendations:

(7) The City Commission and staff follow the applicable City travel-related requirements.

Response: On October 19, 2020, the City Commission adopted Resolution# 2020-3633 approving an updated Travel and Training Policy for Employees, Officers, Other Authorized Travelers and Elected Officials. The updated Travel Policy outlines guidance on travel procedures, controls, responsibilities, reconciliation requirements and approving authorities for the different travelers. It also incorporates the requirements of Credit Card Resolution# 2020-3634 and an updated Credit Card Agreement. This will complete the necessary actions for this recommendation.

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(8) The City obtain and maintain proper documentation to support all travel expenses as required by its Credit Card Resolution, where applicable.

Response: On October 19, 2020, the City Commission adopted Resolution# 2020-3633 approving an updated Travel and Training Policy for Employees, Officers, Other Authorized Travelers and Elected Officials. The updated Travel Policy outlines guidance on travel procedures, controls, responsibilities, reconciliation requirements and approving authorities for the different travelers. It also incorporates the requirements of Credit Card Resolution# 2020-3634 and the new Credit Card Agreement. This will complete the necessary actions for this recommendation

(9) The City consider obtaining reimbursement for the \$528.47 charged to the City's credit card for Florida sales tax to vendors.

Response: The City will review obtaining reimbursement for the sales tax where it can be obtained, however, due to the age of the charges and type of expenses it will not likely be possible. Some travel and hotel arrangements were made through agencies and not direct and the tax-exempt certificate was not used although there was savings to the total cost. Although the City is exempt by Florida Statute from paying sales tax levied in the State of Florida, a vendor does not have to accept the tax-exempt certificate. Guidance on the use of sales tax exemption has been included in the new Travel Policy in Resolution# 2020-3633. This will complete the necessary actions for this recommendation.

(10) The City consider obtaining the \$92.19 incorrectly reimbursed to traveler.

Response: The City will review obtaining the \$92.19 owed to the City in conjunction with the reimbursement of travelers in the amount of \$341.76 identified in Recommendation 11. This will complete the necessary actions for this recommendation.

(11) The City consider paying \$341.76 to travelers for incorrect mileage allowance reimbursements.

Response: The City will consider the reimbursements in conjunction with Recommendations 5 and 10 and all affected travelers. This will complete the necessary actions for this recommendation.

(12) The City develop and implement an independent oversight process for all Commissioner and City Commission authorized travel expenditures to ensure compliance with written requirements.

Response: On October 19, 2020, the City Commission adopted Resolution# 2020-3633 approving an updated Travel and Training Policy for Employees, Officers, Other Authorized Travelers and Elected Officials. The updated Travel Policy outlines guidance on travel procedures, controls, responsibilities, reconciliation requirements and approving authorities for the different travelers. It also incorporates the requirements of the new Credit Card Resolution# 2020-3634 and Credit Card Agreement. This will complete the necessary actions for this recommendation.

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Finding (5): Lack of written guidance for computer system user access termination.

Response: The City does have written guidance for computer system access; however, the City does concur that the guidance needs to be updated periodically.

Recommendations:

(10) The City update IT policies and procedures to provide guidance for the removal of computer user access upon an employee's separation.

Response: The City currently uses a New Hire form initiated by Human Resources for authorizing computer access along with other access – keys, badges, etc. needed by the new employee to be routed to the appropriate City department. The form will be adapted for use upon separation/termination to complete the same process. This will complete the necessary actions for this recommendation.

(11) The City create and implement an employee separation checklist that includes, but is not limited to, timely communication for the removal of computer system user access.

Response: The City currently uses a New Hire form initiated by Human Resources for authorizing computer access along with other access – keys, badges, etc. needed by the new employee to be routed to the appropriate City department. The form was adapted for use upon separation/termination to complete the same process. This will complete the necessary actions for this recommendation.

(12) The City provide guidance and training about the updated IT policies and procedures and the implemented employee separation checklist.

Response: Since Human Resources is responsible for the new hire and separation process, Human Resources will provide all necessary guidance and training. This will complete the necessary actions for this recommendation.

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(13) The City update its draft Travel Policy to be consistent with applicable written guidance documents for travel activities.

Response: On October 19, 2020, the City Commission adopted Resolution# 2020-3633 approving an updated Travel and Training Policy for Employees, Officers, Other Authorized Travelers and Elected Officials. The updated Travel Policy outlines guidance on travel procedures, controls, responsibilities, reconciliation requirements and approving authorities for the different travelers. It also incorporates the requirements of the Credit Card Resolution# 2020-3633 and the new Credit Card Agreement. This will complete the necessary actions for this recommendation.

(14) The City periodically review its written guidance for travel activities to ensure consistency across all requirements.

Response: On October 19, 2020, the City Commission adopted Resolution# 2020-3633 approving an updated Travel and Training Policy for Employees, Officers, Other Authorized Travelers and Elected Officials. The updated Travel Policy outlines guidance on travel procedures, controls, responsibilities, reconciliation requirements and approving authorities for the different travelers. It also incorporates the requirements of Credit Card Resolution# 2020-3634 and the new Credit Card Agreement. Both resolutions will be updated as necessary. This will complete the necessary actions for this recommendation

(15) The City should review its process to ensure all ordinances are codified into the Code of Ordinances.

Response: Ordinances are not always codified depending on the purpose of the ordinance. The City Attorney's Office along with City staff determines whether an ordinance is to be codified. No further action is necessary on this item.

(16) The City Clerk distribute newly passed resolutions and ordinances to applicable City staff to ensure staff are aware of the resolution and ordinance requirements.

Response: After adoption by the City Commission, resolutions and ordinances are distributed by the City Clerk to all City staff and offices affected by the change. Those ordinances affecting the Code of Ordinances are forwarded for updating during the next formal update. No further action is necessary on this item.