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STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER

January 10, 2013

RoAnn M. Destito
Commissioner
Office of General Services
41st Floor, Corning Tower
Empire State Plaza
Albany, NY 12242

Re: Selected Employees Travel Expenses
Report 2012-S-92

Dear Commissioner Destito:

According 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, we recently audited the travel expenses of four employees of the Office of General Services (Office).

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 Office's mission is to provide government and nonprofit agencies with innovative solutions, integrated service, and best value, in support of cost-effective operations and responsible public stewardship. The Office spent \$3,536,605 on travel expenses from April 1, 2008 through March 31, 2011. Of that amount, \$2,666,544, or about 75 percent, was for reimbursements to employees for travel expenses, direct payments to vendors, and cash advances. The remaining \$870,061, or about 25 percent, related to charges on State-issued travel cards.

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.

The audit at the Office 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 expenses for four Office employees whose travel costs totaled \$206,494.

Results of Audit

We found that the travel expenses for the four Office employees selected for audit were documented and adhered to State travel rules and regulations.

Audit Scope, Objectives and Methodology

We audited selected travel expenses for four Office 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 four Office employees whose expenses appeared risky in the areas of mileage, car rentals, and fuel. We examined these employees' travel expenses, including reimbursements and credit card charges, for the three State Fiscal Years ending March 31, 2011.

As part of our examination, we obtained vouchers, receipts, and credit card statements for all transactions. We then verified that documentation supported the charges and showed the expenses incurred were for legitimate business purposes. We reviewed the Office'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.

Reporting Requirements

We discussed the results of our audit with Office officials who agreed with our conclusions and waived the opportunity to provide formal written comments to be included in this final report.

Major contributors to this report were Melissa Little, Nadine Morrell, Sharon Salembier, Rick Podagrosi, Heather Pratt, Panika Gupta and Andre Spar.

Please convey our thanks to the management and staff of the Office for the courtesies and cooperation that they extended to our auditors during this review.

Sincerely,

John F. Buyce, CPA
Audit Director

cc: Robert Curtin, Audit Director
Thomas Lukacs, Division of the Budget