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

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Division of State Government Accountability

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# **Selected Employee Travel Expenses**

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## **State University of New York Farmingdale State College**

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# Executive Summary

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## Purpose

To determine whether the use of travel monies by selected government employees complied with rules and regulations and is free from fraud, waste, and abuse. The audit covers the period April 1, 2008 to March 31, 2011.

## Background

New York State's 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 lodging, meals, car rentals, transportation, fuel, and incidental costs such as airline baggage and travel agency fees. As part of a statewide audit initiative to determine whether the use of travel money by selected government employees was appropriate, we audited travel expenses of high cost travelers in the State, each of whom incurred over \$100,000 in travel expenses during the three-year audit period, as well as other outliers. As a result of this analysis, we selected one State University of New York Farmingdale State College (College) employee with travel expenditures totaling \$212,573 for audit.

## Key Finding

Most of the \$212,573 travel expenses we examined for the one traveler were appropriate. However, College officials could not provide documentation to support 21 travel charges totaling \$8,386. As a result, we have no assurance that these travel expenses complied with rules and regulations and are free from fraud, waste, and abuse.

## Key Recommendation

- Ensure that adequate supporting documentation is received and maintained for travel expenses.

## Other Related Audits/Reports of Interest

[State University of New York at Purchase: Selected Employee Travel Expenses \(2012-S-149\)](#)

[State University of New York College of Optometry: Selected Employee Travel Expenses \(2012-S-148\)](#)

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

**Division of State Government Accountability**

November 1, 2013

Hubert W. Keen, PhD  
President  
State University of New York  
Farmingdale State College  
2350 Broadhollow Road  
Farmingdale, NY 11735

Dear Dr. Keen:

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

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

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

Respectfully submitted,

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

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### State Government Accountability Contact Information:

**Audit Director:** John Buyce

**Phone:** (518) 474-3271

**Email:** [StateGovernmentAccountability@osc.state.ny.us](mailto:StateGovernmentAccountability@osc.state.ny.us)

**Address:**

Office of the State Comptroller  
 Division of State Government Accountability  
 110 State Street, 11th Floor  
 Albany, NY 12236

This report is also available on our website at: [www.osc.state.ny.us](http://www.osc.state.ny.us)

## Background

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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 rental cars, meals, lodging, transportation, fuel, and incidental costs such as airline baggage and travel agency fees.

The mission of the State University of New York Farmingdale State College (College) is to provide students with a broad academic foundation, which includes an appreciation of culture, ethics, aesthetics, citizenship, cultural diversity, and the interrelationships among the applied arts and sciences, technologies, and society. The College spent \$1,504,504 on travel expenses from April 1, 2008 through March 31, 2011. Of that amount, about \$381,654 (or 25 percent) related to charges on State issued travel cards and \$1,122,850 (or 75 percent) was for reimbursements to employees for travel expenses and direct payments to vendors. In addition the College expended \$3,678,236 for purchases on their procurement (P) card.

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 (Travel Manual) helps agencies and employees understand and apply the State's travel rules and regulations, and provides instructions for reimbursing expenses. In general, when traveling on official State business, only actual, necessary and reasonable business expenses will be reimbursed.

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

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

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# Audit Findings and Recommendation

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## Undocumented Travel Expenses

Most of the \$212,573 travel expenses we examined for the one traveler were appropriate. However, College officials could not provide documentation to support 21 travel charges totaling \$8,386. As a result, we have no assurance that these travel expenses complied with rules and regulations and are free from fraud, waste, and abuse. The one traveler reviewed is an Associate Athletic Director as well as a coach. The undocumented expenses were for expenses on trips to locations such as Orlando, Florida; Hershey, Pennsylvania; Atlanta, Georgia; Dallas, Texas; Newport, Rhode Island; and Baltimore, Maryland. In response to our findings, the College Controller indicated that the supporting documents may have been misplaced after being moved into storage or may have accidentally been attached to the wrong voucher.

## Recommendation

1. Ensure that adequate supporting documentation is received and maintained for travel expenses.

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## Audit Scope and Methodology

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We audited selected travel expenses charged by one College employee for the period April 1, 2008 to March 31, 2011 totaling \$212,573. 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 objective, we analyzed travel expenses incurred by and on behalf of State employees for the three years ended March 31, 2011. Our analysis identified one College employee whose travel expenses ranked among the highest in the State. We examined these travel expenses, for the three fiscal years ending March 31, 2011.

As part of our examination, we reviewed receipts and credit card statements for all selected transactions. We then verified that documentation supported the charges and showed the expenses incurred were for legitimate business purposes. We reviewed the College's internal policies and procedures and determined that the travel expenses selected for examination were approved and complied with this guidance, as well as with OSC procedures.

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

In addition to being the State Auditor, the Comptroller performs certain other constitutionally and statutorily mandated duties as the chief fiscal officer of New York State. These include operating the State's accounting system; preparing the State's financial statements; and approving State contracts, refunds, and other payments. In addition, the Comptroller appoints members to certain boards, commissions and public authorities, some of whom have minority voting rights. These duties may be considered management functions for purposes of evaluating organizational independence under generally accepted government auditing standards. In our opinion, these functions do not affect our ability to conduct independent audits of program performance.

## Authority

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

## Reporting Requirements

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A draft copy of this report was provided to University officials for their review and comment. The University's response was considered in preparing this final report and is attached in its entirety to this report. University officials agreed with our audit recommendation and state actions they have taken to implement it.

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

## Contributors to This Report

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**John Buyce**, Audit Director  
**Melissa Little**, Audit Manager  
**Abe Fish**, Audit Supervisor  
**Adrian Wiseman**, Examiner-in-Charge

## Division of State Government Accountability

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Andrew A. SanFilippo, Executive Deputy Comptroller  
518-474-4593, [asanfilippo@osc.state.ny.us](mailto:asanfilippo@osc.state.ny.us)

Elliot Pagliaccio, Deputy Comptroller  
518-473-3596, [epagliaccio@osc.state.ny.us](mailto:epagliaccio@osc.state.ny.us)

Brian Mason, Acting Assistant Comptroller  
518-473-0334, [bmason@osc.state.ny.us](mailto:bmason@osc.state.ny.us)

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### Vision

A team of accountability experts respected for providing information that decision makers value.

### Mission

To improve government operations by conducting independent audits, reviews and evaluations of New York State and New York City taxpayer financed programs.



# Agency Comments

Farmingdale  
State College

Richard Hume  
Controller  
631.420.2080  
Fax: 631.420.9173  
[richard.hume@farmingdale.edu](mailto:richard.hume@farmingdale.edu)

October 17, 2013

Abe Fish  
Audit Supervisor  
Office of the State Comptroller  
Division of State Government Accountability  
123 William Street - 21st Floor  
New York, NY 10038

Dear Abe:

Below is the campus' response to the audit report "Selected Employee Travel Expense" that was performed by your office for the period April 2008 through March 2011. To put this in context, I have copied the audit findings into the letter below and then followed that (*italics*) with the campus response.

## Audit Findings and Recommendation

### Undocumented Travel Expenses

Most of the \$212,573 travel expenses we examined for the one traveler were appropriate. However, College officials could not provide documentation to support 21 travel charges totaling \$8,386. As a result, we have no assurance that these travel expenses complied with rules and regulations and are free from fraud, waste, and abuse. The one traveler reviewed is an Associate Athletic Director as well as a coach. The undocumented expenses were for expenses on trips to locations such as Orlando, Florida; Hershey, Pennsylvania; Atlanta, Georgia; Dallas, Texas; Newport, Rhode Island; and Baltimore Maryland. In response to our findings, the College Controller indicated that the supporting documents may have been misplaced after being moved into storage or may have accidentally been attached to the wrong voucher.

## Recommendation

1. Ensure that adequate supporting documentation is received and maintained for travel expenses.

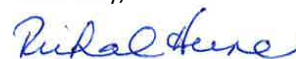
### **Campus Response:**

*We concur with the conclusion of the auditors that we were in fact missing \$8,300 of the documentation of travel expenses that were charged to the travel card of our Associate Athletic Director. The location of the trips is also accurate – for the record, so that the casual reader of this report does not get the impression that our staff are travelling randomly or inappropriately to exotic locales (such as Orlando, Florida), all of these trips were for athletic events that were on our team schedules. We simply lost the receipts, as described above, due to being moved into storage and/or inadvertent misfiling.*

*Since the timeframe of the audit, SUNY has implemented a new travel card system, similar to that enacted at all other state agencies, that completely revamps our travel process. Instead of having one individual incur the travel charges for all athletic teams on one card, as was the case in this audit, we have now issued cards to all athletic coaches, each of whom is responsible for documenting the expenses for their team on a monthly basis. Before issuing the cards, we held a meeting with all of the coaching staff, both head coaches and assistants, to ensure that they were all conversant with all of the responsibilities and procedures for having a travel card. Because such a substantial percentage of the campus travel expenses are incurred by Athletics, we are in the process of hiring a part time travel coordinator specifically assigned to Athletics, whose job will be to ensure that all appropriate documentation is turned over on a timely basis to our Travel Office to back up the expenditures incurred on the coaches' travel cards. We have also implemented the travel card program throughout the campus to all employees, and require that individuals attend travel training before they are issued a card. We focus mainly on Athletics here because, one, that was the sole subject of the audit and, two, that is by far the largest percentage of campus travel expenses.*

If you have any questions, please contact me at (631) 420-2586.

Yours truly,



Richard Hume  
Controller