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COMPTROLLER



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ALBANY, NEW YORK 12236

STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER

February 14, 2013

Dr. John M. Anderson
President
Alfred State College of Technology
10 Upper College Drive
Alfred, NY 14802

Re: Report 2012-S-142
Selected Travel Expenses

Dear Dr. Anderson:

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 three employees and one auxiliary service provider of the Alfred State College of Technology (College).

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 College is part of the State university system, whose mission is to provide high quality educational services to the people of New York. The College spent \$2,499,112 on travel expenses from April 1, 2008 through March 31, 2011. Of that amount, about \$2,079,383, or 83 percent was for reimbursements to employees for travel expenses; direct payments to vendors, and cash advances, and \$419,729, or 17 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 College is part of a statewide initiative to determine whether the use of travel monies by selected government employees complies with rules and regulations and is free from fraud, waste, and abuse. Auditors focused their audit efforts on the highest-cost travelers in the State, each of whom incurred over \$100,000 in travel expenses during the three year period ended March 31, 2011, as well as on other outliers. As a result of this analysis, we examined the travel expenses of two College employees that totaled \$224,683. We also audited other travel expenses that we identified as outliers in our planning analysis. These included over \$1,037,509 paid to a provider of campus services such as transportation, vending, and concessions, and airfare expenses incurred by one employee that totaled \$31,269. In total, we examined \$1,293,461 of the College's travel payments.

Results of Audit

We found that the travel expenses for the three College employees and the service provider selected for audit were documented and adhered to State travel rules and regulations.

Audit Scope, Objectives and Methodology

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

To accomplish our objectives, we analyzed travel expenses incurred by and on behalf of State employees for the three years ended March 31, 2011. Our analysis identified two College employees whose expenses ranked among the highest in the State. We also identified travel expenses that were outliers, including over \$1 million paid to a service provider, and airfare expenses incurred by one employee. We examined these 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 also became familiar with the internal controls related to travel, and assessed their adequacy related to the limited transactions we tested. We reviewed the College's internal policies and procedures and determined that the travel expenses selected for examination were approved and complied with this guidance, as well as with OSC procedures. Finally, we matched timesheet and travel records to ensure the travelers were working on days they incurred travel expenses, 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 College 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, Mary Roylance, Jason Dessureault, and Andrew Davis.

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

Sincerely,

John F. Buyce, CPA, CIA, CGFM
Audit Director

cc: Michael Abbott, University Auditor
Thomas Lukacs, Division of the Budget