

Plaquemines Parish Government

Parish President
Amos Cormier III

Randy A Duke
CPA, CIA, CIGA
Chief Internal Auditor

INTERNAL AUDIT DEPARTMENT

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Council Members

District 1 - John L Barthelemy Jr.
District 2 - William "Beau" Black
District 3 - Kirk M Lepine
District 4 - Irvin Juneau Jr.
District 5 - Benedict "Benny" Rousselle
District 6 - Charlie Burt
District 7 - Audrey Trufant-Salvant
District 8 - Jeff E Edgecombe
District 9 - Nicole Williams

MEMORADUM

To: Council Member Mr. Benny Rousselle
Chair - Audit Committee

Date: November 8, 2017

Council Member Ms. Audrey Trufant - Salvant
Audit Committee Member

Council Member Mr. Irvin Juneau
Audit Committee Member

From: Randy A. Duke, C.P.A., CIA, CIGA
Chief Internal Auditor

Re: Employee Expense and Mileage Reimbursement Internal Audit
Internal Audit No. 2017-01
Plaquemines Parish Government (PPG)

Enclosed for your review is the Employee Expense and Mileage Reimbursement Internal Audit report. This report details the audit objectives, scope, methodology, and provides my observations, recommendations and conclusions. I provided a draft of this report to management on October 27, 2017. The Office of Operation's comments are reflected in this report.

Thank you for your review of this report. I would also like to express my appreciation to accounts payable for their cooperation and assistance provided during the audit.

cc: Mr. Vince Frelich, Director of Operations;
Nicole Carnes, Charter Director Administrative Assistant
Office of Operations;
Ms. Crystal Taylor, Charter Director Administrative Assistant
Director of Administrative Office.

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EMPLOYEE EXPENSE AND MILEAGE REIMBURSEMENT INTERNAL AUDIT

Internal Audit No. 2017-01

Randy A. Duke, CPA, CIA, CIGA
Chief Internal Auditor:

Internal Audit Department

**EMPLOYEE EXPENSE AND MILEAGE EIMBURSEMENT
INTERNAL AUDIT
INTERNAL AUDIT PROJECT NUMBER: 2017 – 01**

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EXECUTIVE SUMMARY OF THE AUDIT

This report represents the results of our audit of employee expense and mileage reimbursements. We focused on the accuracy, reliability and integrity of the employee expense reports and employee mileage reimbursement forms, improvements to operations, and compliance with rules and regulations. This executive summary is merely a summary, please refer to the internal audit report for further detail.

Observation # 1

Overall Policies and Procedures

Condition:

There doesn't appear to be an overall Policies and Procedures manual in place for employee expenses and employee mileage reimbursements.

Recommendation:

To improve oversight the internal auditor recommends that overall written and formally approved Policies and Procedures manual be put in place. This would provide standard operating procedures for all current and future employees. A Policies and Procedures Manual is the best practice to provide reasonable assurance that practices cause effective and efficient operations, reliable financial reporting, and compliance with applicable laws and regulations.

Management Response: The department of administration and operations concurs.

Observation: # 2

Employee Expense Account Reports/and Mileage Reimbursement Form

Condition:

The business purpose needs more detail.

Recommendation:

More detail would include:

- why the business expense or travel was necessary;
- where the meal took place and the participants and business relationship to PPG;

- having a clear readable business purpose on the expense report/form; and
- travel area from and to needs more detail (address). **Attachment # I & II.**

Management Response: The department of administration and operations concurs.

Observation: # 3

Supporting Documentation

Condition:

Of the thirty-one (31) employee mileage reimbursement forms reviewed four (4) included a MapQuest to help validate employee miles driven and twenty-seven (27) did not have any mileage support.

Recommendation:

To improve oversight the internal auditor recommends that mileage be computed based upon odometer readings from point of origin to point of return or by using a website mileage calculator or a published software package for calculating mileage such as Trip maker or MapQuest, etc. The employee should print the page indicating the mileage and attach it with his/her travel expense form.

Management Response: The department of administration and operations concurs.

Observation: # 4

Internal Audit Approvals

Condition:

Employee expense reports and mileage reimbursement forms are being sent to internal audits for review and approval.

Recommendation:

The Internal Audit Department should not be involved in the **approval** of management documents such as employee expense and mileage reimbursement reports and forms. Approving these reports puts internal audits in a management role which could result in independence issues. "Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes."¹ However, internal audit can **review** these reports for accuracy, completeness and reliability. The Internal audit function should be used to guide PPG operations, systemically evaluate and improve risk management, control and to add value for the citizens of PPG.

Management Response: The department of administration and operations concurs.

¹ Institute of Internal Auditors

Observation: # 5

Supervisory Approvals

Condition:

Of the nineteen (19) employee expense reports reviewed four (4) were not independently reviewed by the employee’s supervisor. Of the thirty-one (31) employee mileage reimbursement forms reviewed, four (4) were not independently reviewed by the employee’s supervisor.

Tables 1 & # 2.

Table # 1		Table # 2	
Employee Expense Reports		Employee Mileage Reports	
Month/Year	Amount	Month/Year	Amount
January 2017	\$22.74	January 2017	\$302.81
January 2017	23.18	January 2017	37.45
January 2017	58.56	January 2017	253.59
August 2017	146.19	August 2017	146.05
Total	\$250.67	Total	\$739.90

Recommendation:

To improve oversight the internal auditor recommends that these reports always have an independent review and approval signature indicating that they have been reviewed for accuracy and completeness.

Management Response: The department of administration and operations concurs.

Observation: # 6

Department Monitoring Procedures

Condition:

It appears that the departments do not have written monitoring procedures in place other than the Resolutions and Ordinance as stated below.

Recommendation:

To improve oversight each department head should establish a written list of monitoring procedures other than Ordinance No. 13-17, 2017 Standard Mileage Rates for Business Medical and Moving, Resolution No. 13-184 and Resolution No. 07-304. This written list of monitoring procedures would include the review of the Employee Expense Account report and Employee Mileage Reimbursement Form for such items as date, time, business purpose, account coding, authorizing signatures, supporting documentation for meals if applicable, hotel invoices, transportation, registration fees other expenses and mileage to help ensure the accuracy and completeness of the employee expense reports and the mileage reimbursement forms.

Attachments V-VIII.

Management Response: The department of administration and operations concurs.

Observation # 7

Organizational Chart

Condition:

During this audit it was noted that PPG does not have an organizational chart in place.

Recommendation:

The internal auditor recommends that PPG create an organizational chart. The traditional organizational chart (or hierarchy chart) is the graphical representation of an organization's structure. Its purpose is to illustrate the relationships and relative ranks of job positions within the organization. Employee names and titles and/or job positions are generally depicted in boxes or circles with lines linking them to other employees and departments. By looking at the organizational chart, people can gain a quick understanding of how the organization is designed, its number of levels and where each employee fits into the organization.

Management Response: The department of operations concurs. The department of administration states each department is in possession of an organization chart.

Observation # 8

Internal control framework

Condition:

There does not appear to be an overall internal control structure in place such as the COSO framework.

Recommendation:

The internal auditor recommends that PPG implement an Internal Control Framework such as COSO throughout the organization as stated in Section II. in this report.

Management Response: The department of operations concurs. The department of administration states defer to council for implementation.

Observation # 9

Resolution No. 13-184 Meals

Condition:

The Resolution does not state the business distance that employees must travel away from home/office to be able to receive reimbursement.

Recommendation:

The Resolution should clearly state the business distance that employees should travel away from home/office. **Attachment VI.**

Management Response: The department of operations concurs. The department of administration states defer any amendment to council.

Conclusion:

The recommendations noted above would improve internal controls over employee expense and mileage reimbursements. The internal auditor did not note any significant internal control issues, errors, or irregularities during this audit.

THE INTERNAL AUDIT REPORT

I. Background

In accordance with the PPG Charter Section 7.08: Audit Committee, the Internal Audit Department (Internal Audit) has completed an audit of employee expense and mileage reimbursements (process). This audit was started on October 2, 2017. (Please note: The author of this report was hired on September 27, 2017.)

At the outset it should be mentioned that it would improve oversight over this process if management developed written and approved policies for employee and mileage expenses. This appears to be one of the main audit findings for the Legislative Auditors when auditing travel and mileage expense.

We reviewed compliance with Resolution No. 13-184 and No. 07-304 for employee expense accounts, Ordinance No. 13-17 and 2017 Standard Mileage Rates for Business Medical and Moving for mileage reimbursements. For the audit sample of January, August and September 2017, we noted no compliance exceptions. **Attachments V-VIII.**

It was noted that the departments use Ordinance and Resolutions to monitor the employee expense accounts and mileage reimbursements. Written monitoring procedures would improve this process which would include the monitoring of the general ledger code, proper signatures, and reason for the expense. **Attachments III and IV.** It does appear that each department is aware that they are responsible for monitoring their employee expense reports and mileage expense forms for accuracy, reliability and integrity of financial data and compliance with laws, regulations, policies and procedures.

We reviewed accounts payable monitoring procedures. **Attachment III.** It was noted that accounts payable has limited monitoring responsibility over this process and relies on the departments to provide assurance that the employee expenses and mileage reimbursement forms and supporting documentation are accurate, complete and in compliance with rules, regulations and management policies/procedures before they receive them for disbursement.

The departments send their employee expense reports and mileage reimbursement forms with attached supporting documentation directly to internal audits for review and approval. Internal audits cannot **approve** these expense reports. By approving these reports, it places internal audits in a management role which becomes an independence issue. However, we can **review** them. Internal audit relies on the departments to perform a complete review of these reports. The department head or director signs the reports indicating that they have been reviewed for accuracy and are correct and complete before they come to internal audit for review. After internal audit performs a review of the reports they are sent to accounts payable for

disbursement. On October 2, 2017, internal audits began updating its monitoring procedures over this process. **Attachment IV.**

Oversight is improved if the employee expense reports and mileage expense forms are signed by an independent employee indicating that they are accurate and complete. To improve supporting documentation, mileage expense should be supported by odometer readings from point of origin to point of return or by using a website mileage calculator or a published software package for calculating mileage such as Trip maker or MapQuest, etc. Including this supporting documentation with the mileage expense form improves the validity of the employee mileage driven.

To improve communication across the organization, PPG should create a traditional organizational chart (or hierarchy chart) of the organization's structure. Its purpose is to illustrate the relationships and relative ranks of job positions within the organization.

To improve oversight Resolution No. 13-184 should clearly state the business distance that employees must travel from home/office to receive reimbursement for his or her meal expenses. **Attachment VI.**

To improve the internal control structure throughout the organization PPG should consider implementing an internal control framework such as COSO. **See Section II.**

Attachment III
a. Accounts Payable Monitoring Procedures - prior to hiring of the Chief Auditor on 9/27/2017
Expense Reports (except for meals)
The employee fills out an expense report for money they have spent (out of pocket) that are considered reimbursable by PPG. The employee attaches receipts / payment proof of each listed item on expense report. The employee signs and codes the expense report to their appropriate department budget. The employee sends the expense report to their supervisor for review and signature approval. The expense report is sent to internal audit for review and signature approval. Internal audit sends the expense report to accounts payable for a reimbursement check to be issued to the employee. Checks once issued are sent to Administration / Parish President for two signatures. Signed checks are mailed by Administration.
Expense Reports (meals)
The employee fills out an expense report for money they have spent (out of pocket) that are considered reimbursable by PPG and that are within the meals allowance amount. No receipts are required for meals reimbursement when traveling on PPG business. However, there are set amounts per diems allowed. Any amount spent over is not reimbursable. The employee signs and codes the expense report to their appropriate department budget. The employee sends the expense report to their supervisor for review and signature approval. The expense report is sent to internal audit for review and signature approval. Internal audit sends the expense report to accounts payable for a reimbursement check to be issued to the employee. Checks once issued are sent to Administration / Parish President for two signatures. Signed checks are mailed by Administration.

Expense Report (mileage)

The employee fills out a mileage reimbursement form for travel while on PPG business. Daily miles traveled are calculated. Total miles traveled are multiplied by allowed mileage rate set by the IRS. The allowable amount is not to exceed 900 per month total. The employee signs the mileage reimbursement form. The mileage reimbursement form is coded to the employee's department budget. The employee sends the mileage reimbursement form to their supervisor for review and signature approval. The mileage reimbursement form is sent to internal audit for review and signature approval. Internal audit sends the mileage reimbursement form to accounts payable for payment. Checks once issued are sent to Administration / Parish President for two signatures. Signed checks are mailed by Administration.

Attachment IV

b. Internal Audits Monitoring Procedures
1. Employee name and address;
2. Month and year of the expense;
3. Date and time of the expense;
4. Reason and business purpose;
5. The nature and type of the expense;
6. Distribution coding;
7. Reimbursement amount;
8. Foot and cross foot the expense reports for accuracy;
9. Check amount;
10. Supporting documentation;
11. Authorizing signatures;
12. The existence of the employee;
13. Compliance with Ordinance No. 13-17;
14. Compliance with IRS 2017 Standard Mileage Rates for Business, and Medical and Moving; and
15. Compliance with Resolution No. 13-184 and 07-304.

II. Internal Control Framework²

To improve the internal control structure throughout the organization PPG should consider implementing an internal control framework such as COSO.

In 1992, the [Committee of Sponsoring Organizations of the Treadway Commission \(COSO\)](#) developed a model for evaluating internal controls. This model has been adopted as the generally accepted framework for internal control and is widely recognized as the definitive standard against which organizations measure the effectiveness of their systems of internal control.

² <http://info.knowledgeleader.com/bid/161685/what-are-the-five-components-of-the-coso-framework>

The COSO model defines internal control as a process, effected by an entity's board of directors, management and other personnel, designed to provide reasonable assurance of the achievement of objectives in the following categories:

- Effectiveness and efficiency of operations
- Reliability of financial reporting
- Compliance with applicable laws and regulations

In an “effective” internal control system, the following five components work to support the achievement of an entity's mission, strategies and related business objectives.



1. Control Environment

- Integrity and Ethical Values
- Commitment to Competence
- Board of Directors and Audit Committee
- Management's Philosophy and Operating Style
- Organizational Structure
- Assignment of Authority and Responsibility
- Human Resource Policies and Procedures

2. Risk Assessment

- Company-wide Objectives
- Process-level Objectives
- Risk Identification and Analysis
- Managing Change

3. Control Activities

- Policies and Procedures
- Security (Application and Network)
- Application Change Management
- Business Continuity/Backups

- Outsourcing

4. Information and Communication

- Quality of Information
- Effectiveness of Communication

5. Monitoring

- Ongoing Monitoring
- Separate Evaluations
- Reporting Deficiencies

These components work to establish the foundation for sound internal control within the company through directed leadership, shared values and a culture that emphasizes accountability for control. The various risks facing the company are identified and assessed routinely at all levels and within all functions in the organization. Control activities and other mechanisms are proactively designed to address and mitigate the significant risks. Information critical to identifying risks and meeting business objectives is communicated through established channels up, down and across the company. The entire system of internal control is monitored continuously and problems are addressed timely.

III. Audit Planning:

During this phase of the internal audit we considered the following:

- The strategies and objectives of the activity being reviewed and how the activity controls its performance;
- The significant risks to the activity's objectives, resources, and operations and how the potential impact of risk is kept to an acceptable level;
- The adequacy and effectiveness of the activity's governance, risk management, and control processes compared to a relevant framework or model; and
- The opportunities for making significant improvements to the activity's governance, risk management, and control processes.

In addition, we established the audit objectives, scope, resource allocation, and the work program. We considered the probability of significant errors, fraud, noncompliance, and other exposures when developing the audit objectives.

The scope of the engagement included consideration of relevant systems, records, personnel, and physical properties. We determine appropriate and sufficient resources to achieve audit objectives based on an evaluation of the nature and complexity of each audit, time constraints, and available resources.

IV. Audit Objectives, Scope and Methodology:

The overall objectives of the audit were to determine whether PPG:

- managed and used taxpayer funds in an effective, efficient, and economical manner;
- follows applicable laws, rules, regulations, policies and procedures;
- information is accurate and reliable;
- possesses sufficient documentation to justify reimbursement;
- assets are safeguarded; and
- has sufficient internal controls in place to reduce the risk that material errors and irregularities could occur.

The scope of the audit included the consideration of the employee expense and mileage expenditure forms for January, August and September and supporting documentation. The scope also included meetings with relevant personnel, review of ordinances, resolutions, and other information deemed necessary under the circumstances to achieve the audit objectives. The audit period was from January 2017 through September 2017. The following methodology was used:

- Interviewed accounts payable personnel;
- Reviewed internal controls;
- Reviewed the employee expense and reimbursement process;
- Sampling: Tested nineteen (19) employee expense account reports and supporting documentation and thirty-one (31) employee mileage reimbursement forms and supporting documentation for January, August and September 2017; and
- Reviewed compliance with Ordinance No. 13-17, IRS 2017 Standard Mileage Rates for Business; and Medical, Moving and Resolution No. 13-184 and No. 07-304 where applicable.

Internal Audit Documents Reviewed
1. Employee expense account reports;
2. Employee mileage reimbursement forms;
3. Supporting documentation;
4. Check Approval Reports;
5. Reimbursement checks;
6. Ordinance No. 13-17, Resolution No. 13-184 and No. 07-304;
7. Accounts Payable monitoring procedures;
8. 2017 Standard Mileage Rates for Business, Medical, and Moving; and
9. Internal control best practices checklist.

V. Professional Standards:

The audit was conducted in accordance with the Institute of Internal Auditor’s Standards for the Professional Practice of Internal Auditing, (the Red Book), Generally Accepted Auditing Standards, (the Yellow Book), and Generally Accepted Accounting Principles (GAAP).

VI. Observations:

1 Overall Policies and Procedures

Condition:

There doesn't appear to be an overall Policies and Procedures manual in place for employee expenses and employee mileage reimbursements.

Recommendation:

To improve oversight the internal auditor recommends that overall written and formally approved Policies and Procedures manual be put in place. This would provide standard operating procedures for all current and future employees. A Policies and Procedures Manual is the best practice to provide reasonable assurance that practices cause effective and efficient operations, reliable financial reporting, and compliance with applicable laws and regulations.

Management Response: The department of administration and operations concurs.

2 Employee Expense Account Reports/and Mileage Reimbursement Form

Condition:

The business purpose needs more detail.

Recommendation:

More detail would include:

- why the business expense or travel was necessary;
- where the meal took place and the participants and business relationship to PPG;
- having a clear readable business purpose on the expense report/form; and
- travel area from and to could use more detail. **Attachment # I & II.**

Management Response: The department of administration and operations concurs.

3 Supporting Documentation

Condition:

Of the thirty-one (31) employee mileage reimbursement forms reviewed four (4) included a MapQuest to help validate employee miles driven and twenty-seven (27) did not have any mileage support.

Recommendation:

To improve oversight the internal auditor recommends that mileage be computed based upon odometer readings from point of origin to point of return or by using a website mileage calculator or a published software package for calculating mileage such as Trip maker or MapQuest, etc. The employee should print the page indicating the mileage and attach it with his/her travel expense form.

Management Response: The department of administration and operations concurs.

4 Internal Audit Approvals

Condition:

Employee expense reports and mileage reimbursement forms are being sent to internal audits for review and approval.

Recommendation:

The Internal Audit Department should not be involved in the **approval** of management documents such as employee expense and mileage reimbursement reports and forms. Approving these reports puts internal audits in a management role which could result in independence issues. "Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes."³ However, internal audit can **review** these reports for accuracy, completeness and reliability. The Internal audit function should be used to guide PPG operations, systemically evaluate and improve risk management, control and to add value for the citizens of PPG.

Management Response: The department of administration and operations concurs.

5 Supervisory Approvals

Condition:

Of the nineteen (19) employee expense reports reviewed four (4) were not independently reviewed by the employee's supervisor. Of the thirty-one (31) employee mileage reimbursement forms reviewed, four (4) were not independently reviewed by the employee's supervisor.

Tables 1 & # 2.

Table # 1	
Employee Expense Reports	
Month/Year	Amount
January 2017	\$22.74
January 2017	23.18
January 2017	58.56
August 2017	<u>146.19</u>
Total	\$250.67

Table # 2	
Employee Mileage Reports	
Month/Year	Amount
January 2017	\$302.81
January 2017	37.45
January 2017	253.59
August 2017	<u>146.05</u>
Total	\$739.90

Recommendation:

To improve oversight the internal auditor recommends that these reports always have an independent review and approval signature indicating that they have been reviewed for accuracy and completeness.

Management Response: The department of administration and operations concurs.

³ Institute of Internal Auditors

6 Department Monitoring Procedures

Condition:

It appears that the departments do not have written monitoring procedures in place other than the Resolutions and Ordinance as stated below.

Recommendation:

To improve oversight each department head should establish a written list of monitoring procedures other than Ordinance No. 13-17, 2017 Standard Mileage Rates for Business Medical and Moving, Resolution No. 13-184 and Resolution No. 07-304. This written list of monitoring procedures would include the review of the Employee Expense Account report and Employee Mileage Reimbursement Form for such items as date, time, business purpose, account coding, authorizing signatures, supporting documentation for meals if applicable, hotel invoices, transportation, registration fees other expenses and mileage to help ensure the accuracy and completeness of the employee expense reports and the mileage reimbursement forms.

Attachments V-VIII.

Management Response: The department of administration and operations concurs.

7 Organizational Chart

Condition:

During this audit it was noted that PPG does not have an organizational chart in place.

Recommendation:

The internal auditor recommends that PPG create an organizational chart. The traditional organizational chart (or hierarchy chart) is the graphical representation of an organization's structure. Its purpose is to illustrate the relationships and relative ranks of job positions within the organization. Employee names and titles and/or job positions are generally depicted in boxes or circles with lines linking them to other employees and departments. By looking at the organizational chart, people can gain a quick understanding of how the organization is designed, its number of levels and where each employee fits into the organization.

Management Response: The department of operations concurs. The department of administration states that each department is in possession of an organization chart.

8 Internal Control Framework

Condition:

The internal auditor could not clearly determine an overall internal control structure.

Recommendation:

The internal auditor recommends that PPG implement an Internal Control Framework or structure such as COSO throughout the organization as explained in Section II in this report.

Management Response: The department of operations concurs. The department of administration states this should be deferred to the council.

9 Resolution No. 13-184 Meals

Condition:

The Resolution does not state the business distance that employees must travel away from home/office.

Recommendation:

The Resolution should clearly state the business distance that employees must travel away from home/office. **Attachment VI.**

Management Response: The department of operations concurs. The department of administration states this should be deferred to the council.

VII. Conclusion:

The recommendations noted above would improve internal controls over employee expense reimbursements. The internal auditor did not note any significant internal control issues, errors, or irregularities during this audit.

ATTACHMENTS

Attachment I - Employee Expense Account

**Plaquemines Parish Government
Employee Expense Account**

FD-EXP-002

(Reimbursement for mileage must be submitted on an "Employee Mileage Reimbursement Form")

Name: _____
Address: _____

Month: _____
Year: _____

Advance Received: Yes or No
(If Yes, complete space provided at bottom of form)

Date	Time	Business Purpose / Explanation	Expenses					Total
			Meals	Hotel	Transportation Taxi, Toll, etc	Registration Fees	Other	
1								0.00
2								0.00
3								0.00
4								0.00
5								0.00
6								0.00
7								0.00
8								0.00
9								0.00
10								0.00
11								0.00
12								0.00
13								0.00
14								0.00
15								0.00
Total			0.00	0.00	0.00	0.00	0.00	\$ -

Expense Distribution	
Account Code	Amount
Total	\$ -

Advance Data	
Account Code	Amount
Advance Amount	
Expenses Per Report	
Due PPG	
Due Employee	

Authorizing Signatures	
Employee:	_____
Supervisor:	_____
Director/Official:	_____
Internal Auditor:	_____

Attachment II - Employee Mileage Form

Plaquemines Parish Government
 Employee Mileage Reimbursement Form
 Ordinance 13-17, Rate Effective Date 01/01/2017

FD-MIL-010

Period: Month _____ Year _____ **Employee:** Name _____

Department: Name _____ Address _____

Code Fund - Dept - Div - Acct 551.205

1	Date	Purpose of Travel	Travel Area		Miles
			From	To	
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
			Total Miles		
			Mileage Rate		X 53.5¢
			(Maximum \$900.00 per month)		\$
			Total Reimbursement		

Attachment III - Accounts Payable Monitoring Procedures

Accounts Payable Monitoring Procedures - prior to hiring of the Chief Auditor on 9/27/2017
Expense Reports (except for meals)
The employee fills out an expense report for money they have spent (out of pocket) that are considered reimbursable by PPG. The employee attaches receipts / payment proof of each listed item on expense report. The employee signs and codes the expense report to their appropriate department budget. The employee sends the expense report to their supervisor for review and signature approval. The expense report is sent to internal audit for review and signature approval. Internal audit sends the expense report to accounts payable for a reimbursement check to be issued to the employee. Checks once issued are sent to Administration / Parish President for two signatures. Signed checks are mailed by Administration.
Expense Reports (meals)
The employee fills out an expense report for money they have spent (out of pocket) that are considered reimbursable by PPG and that are within the meals allowance amount. No receipts are required for meals reimbursement when traveling on PPG business. However, there are set amounts per diems allowed. Any amount spent over is not reimbursable. The employee signs and codes the expense report to their appropriate department budget. The employee sends the expense report to their supervisor for review and signature approval. The expense report is sent to internal audit for review and signature approval. Internal audit sends the expense report to accounts payable for a reimbursement check to be issued to the employee. Checks once issued are sent to Administration / Parish President for two signatures. Signed checks are mailed by Administration.
Expense Report (mileage)
The employee fills out a mileage reimbursement form for travel while on PPG business. Daily miles traveled are calculated. Total miles traveled are multiplied by allowed mileage rate set by the IRS. The allowable amount is not to exceed 900 per month total. The employee signs the mileage reimbursement form. The mileage reimbursement form is coded to the employee's department budget. The employee sends the mileage reimbursement form to their supervisor for review and signature approval. The mileage reimbursement form is sent to internal audit for review and signature approval. Internal audit sends the mileage reimbursement form to accounts payable for payment. Checks once issued are sent to Administration / Parish President for two signatures. Signed checks are mailed by Administration.

Attachment IV - Internal Audits Monitoring Procedures

Internal Audits Monitoring Procedures
1. Employee name and address;
2. Month and year of the expense;
3. Date and time of the expense;
4. Reason and business purpose;
5. The nature and type of the expense;
6. Distribution coding;
7. Reimbursement amount;
8. Foot and cross foot the expense reports for accuracy;
9. Check amount;
10. Supporting documentation;
11. Authorizing signatures;
12. The existence of the employee;
13. Compliance with Ordinance No. 13-17;
14. Compliance with IRS 2017 Standard Mileage Rates for Business, and Medical and Moving; and
15. Compliance with Resolution No. 13-184 and

Attachment V - Resolution No. 07-304

R E S O L U T I O N No. 07-304
On motion of Council Member Buras, seconded by Council Member Chauvin, and on roll call all members present and voting “Yes”, the following resolution was unanimously adopted:
A Resolution to amend and as amended readopt Resolution No. 04-388 adopted by the Plaquemines Parish Council on November 18, 2004; and otherwise to provide with respect thereto.
WHEREAS, a review of current policies and procedures pertaining to expense accounts has been conducted by the Parish Council and the Internal Auditor and changes are being recommended;
NOW, THEREFORE:
BE IT RESOLVED by the Plaquemines Parish Council that it hereby adopts policies and procedures concerning expense accounts of Plaquemines Parish Government Employees as follow:
Plaquemines Parish Government Employee Expense Account Regulations
I. General
A. All expenses must be authorized and approved by the proper Department Head if applicable and their Director and the Internal Auditor.
B. The employee is expected exercise the same care in incurring expenses that a prudent person would exercise if on personal business.
C. Expenses of an employee shall be limited to those expenses incurred by him/her in the performance of a public purpose.
D. All claims for reimbursement shall be submitted on the form attached and shall include all detail provided for on the form. The form must be accompanied by an itemized receipt or other supporting documentation for each item claimed.

E. Expense reports are to be submitted monthly. A report submitted more than 30 days from month end will not be considered.
F. An employee is allowed expenses when he/she is outside of the boundaries of Plaquemines Parish on official Parish business.
G. A Parish employee is not to entertain another Parish employee unless authorized by the Parish President.
H. Each employee must submit their reports showing all expenses for that month.
I. Fraudulent Claims - Any person who submits a claim or who willfully aids or assists in, or procures, counsels or advises the preparation of a claim which is fraudulent or is false as to any material matter, shall be punishable as provided by law, and/or termination of employment.
J. Administration and/or the Parish Internal Auditors Office shall have the authority to eliminate those items that do not meet the requirements of these regulations. The employee involved will be notified and given a change to substantiate the expense.
K. All Plaquemines Parish Council expenses are subject to review/approval by the Council Chairman and Internal Auditor.
L. All Plaquemines Parish Port, Harbor & Terminal District expenses are subject to review/approval by the Port Chairman and Internal Auditor.
II. Meals (including Tips)
An Employees are allowed the following amounts for meals per day per diem, with no receipts required. Travel day to Destination - Lunch and Dinner \$30.00 per day per diem with no receipts required for meals. Full day(s) at destination - Breakfast, Lunch and Dinner \$40.00 per day per diem with no receipts required for meals. Travel day Home - Breakfast and Lunch \$22.00 per day per diem with no receipts required for meals.
A. There will be no reimbursement for alcoholic beverages separately or as a part of a meal.

B. Special Entertainment - Meals or functions for persons who are considered guests of the Parish and who are not Parish Officials or Employees. This regulation does not prohibit other Parish Officials or Employees from being included in the meal. The following regulations pertain to special meals:
1. Limits on meal cost do not have to be adhered to, as long as the cost of the meal is not exorbitant.
2. Domicile requirements are waived.
3. Receipts must be presented, along with the names of persons attending the meal and their titles.
4. Purpose of the meal is to be fully explained.
5. The Parish President, a Director or Council Chair, and the Internal Auditor must approve the expense by signing the expense report.
III Transportation
Copies of transportation tickets, air, rail or bus must be attached. Canceled checks are not acceptable by themselves.
A. Air Travel
Air travel will be reimbursed only at coach or economy class. The difference between the air coach or economy class rates and first-class rates will be paid by the employee, if the travel was performed at first class air rates. If space is not available in less than first class accommodations in time to carry out the purpose of travel, the employee must secure a certification from the airline indicating this fact. This certification will be attached to travel voucher.
B. Auto Rentals
On all auto rentals, the following must be listed:
6. Time of departure and arrival.
7. Date of rental.

8. Names of places visited.
9. Mileage.
10. Rental of compact or sub-compact only unless unavailable or more than three persons will be riding in auto.
Documentation must be presented to support same.
IV. Lodging 1. Employees when traveling, are allowed reimbursement for lodging. The amount to be allowed per night will be compensated with that which is reasonable for city.
2. Hotel bills should show room charge, number of persons occupying room, meals, refreshment, etc. Credit card receipts alone are not acceptance. Must have hotel itemized receipt. Bills for Louisiana hotels should not include sales taxes since Plaquemines Parish Government is exempt from Louisiana Sales Taxes. Employees should provide the hotel with sales tax exemption form. Sales tax exemption shall not apply to travel outside the State of Louisiana.
V. Advances
Any advances should be listed on the expense account form. Supporting documentation will be presented for these advances within thirty days of returning from travel. If supporting documentation is not provided within thirty days, the amount of the advance will be deducted from the employee's payroll check, and the employee will lose privileges for future advances.
I hereby certify the above and foregoing to be a true and correct copy of a Resolution adopted by the Plaquemines Parish Council at a meeting held in the Plaquemines Parish Temporary Courthouse Building, 450 F. Edward Hebert Blvd., Belle Chasse, Louisiana, on Thursday, August 23, 2007.
Secretary

Attachment VI - Resolution No. 13-184

outside of
50 miles from
Home

Meals

RESOLUTION NO. 13-184

On motion of Council Member Marinovich, seconded by Council Member Griffin, and on roll call all members present and voting "Yes", the following Resolution was adopted:

A Resolution to amend and, as amended, readopt Resolution No. 09-194; to provide for meals reimbursement in exceptional travel circumstances; and otherwise to provide with respect thereto.

WHEREAS, in the adoption of Resolution No. 09-194 providing revised travel regulations for Parish Officials and employees, the provisions regarding "high cost" destinations and exceptional circumstances on travel days were inadvertently omitted; and

WHEREAS, state travel regulations allow reimbursements for travel expenses in "high cost" business destinations over and above the customary limits and also allow reimbursements for meals a full day of travel;

NOW, THEREFORE:

BE IT RESOLVED by the Plaquemines Parish Council that the provisions of Part II (A) of the Parish Government Expense Account Regulations is hereby amended and reenacted to read as follows:

"Meals (including Tips)

- A. (1) Employees are allowed the following amounts for meals per day per diem, with no receipts required:

Travel day to Destination - Lunch and Dinner \$37.00 per day per diem with no receipts required for meals;

Full day(s) at Destination - Breakfast, Lunch and Dinner \$40.00 per day per diem with no receipts required for meals;

Travel day Home - Breakfast and Lunch \$22.00 per day per diem with no receipts required for meals.

(ii) In circumstances where the travel itinerary involves a full day of travel to and/or from the business destination, employees/officials may be reimbursed for meals according to the following schedule: (a) Breakfast: When travel begins at/or before 6 a.m. on the first day of travel or extends beyond 9 a.m. on the last day of travel, or for any intervening days; (b) Lunch: When travel begins at/or before 10 a.m. on the first day of travel or extends beyond 2 p.m. on the last day of travel, or for any intervening days; (c) Dinner: When travel begins at/or before 4 p.m. on the first day of travel or extends beyond 8 p.m. on the last day of travel, or for any intervening days. The Parish Official or employee may submit a copy of the travel schedule together with itemized meal receipts for the travel days for reimbursement, subject to the approval of the Parish President, a Director, or the Council Chair, and the Internal Auditor, by signatures on the expense report.

(iii) For Out-of-State Travel, employees/officials may be reimbursed for meals according to the following schedule:

(c) Austin, TX, Atlanta, GA, Cleveland, OH, Dallas/Fort Worth, TX, Denver, CO, Detroit, MI, Ft. Lauderdale, FL, Galveston, TX, Hartford, CT, Houston, TX, Kansas City, MO, Las Vegas, NV, Los Angeles, CA, Miami, FL, Minneapolis/St. Paul, MN, Nashville, TN, Oakland, CA, Orlando, FL, Philadelphia, PA, Phoenix, AZ, Pittsburgh, PA, Portland, ME, Portland, OR, Sacramento, CA, San Antonio, TX, San Diego, CA, St. Louis, MO, Tampa, FL, Wilmington, DE, all of Alaska or Hawaii, Puerto Rico, Virgin Islands, American Samoa, Guam - Breakfast \$12.00, Lunch \$17.00, Dinner \$9.00, Total \$60.00.

Plaquemines Parish Government
 Travel Regulations
 Meal Reimbursement Rates (Per Diem)
 Resolution #13-184
 Effective Date: July 11, 2013

	Amount		
	Normal	* Out-of-State	
		A	B
Breakfast	\$9	\$12	\$13
Lunch	13	17	19
Dinner	24	31	33
	\$46	\$60	\$65

Notes: Receipts are not required
 Per diem rates include tips and taxes

*Out-of-State	
A	B
Austin, TX	Baltimore, MD,
Atlanta, GA	San Francisco, CA
Cleveland, OH	Seattle, WA
Dallas/Ft Worth, TX	Alexandria, VA
Denver, CO	Arlington, VA
Detroit, MI	Boston, MA
Ft. Lauderdale, FL	New York City, NY
Galveston, TX	Washington DC
Hartford, CT	Chicago, IL
Houston, TX	International Cities
Kansas Ctlv, MO	
Las Vegas, NV	
Los Angeles, CA	
Miami, FL	
Minneapolis/St. Paul, MN	
Nashville, TN	
Oakland, CA	
Orlando, FL	
Philadelphia, PA	
Phoenix, AZ	
Pittsburgh, PA	
Portland, ME	
Portland, OR	
Sacramento, CA	
San Antonio, TX	
San Diego, CA	
St. Louis, MO	
Tampa, FL	
Wilmington, DE	
All of Alaska	
All of Hawaii	
Puerto Rico	
Virgin Islands	
American Samoa	
Guam	

Parish does not pay state taxes for hotels within in US & etc

Attachment VII - 2017 Standard Mileage Rates

2017 Standard Mileage Rates for Business, Medical and Moving Announced

Standard Mileage Rates for Business and Medical and Moving ... <https://www.irs.gov/newsroom/2017-standard-mileage-rates-for-busi...>

WASHINGTON — The Internal Revenue Service today issued the 2017 optional standard mileage rates used to calculate the deductible costs of operating an automobile for business, charitable, medical or moving purposes.

Beginning on Jan. 1, 2017, the standard mileage rates for the use of a car (also vans, pickups or panel trucks) will be:

- 53.5 cents per mile for business miles driven, down from 54 cents for 2016
- 17 cents per mile driven for medical or moving purposes, down from 19 cents for 2016
- 14 cents per mile driven in service of charitable organizations

The business mileage rate decreased half a cent per mile and the medical and moving expense rates each dropped 2 cents per mile from 2016. The charitable rate is set by statute and remains unchanged.

The standard mileage rate for business is based on an annual study of the fixed and variable costs of operating an automobile. The rate for medical and moving purposes is based on the variable costs.

Taxpayers always have the option of calculating the actual costs of using their vehicle rather than using the standard mileage rates.

A taxpayer may not use the business standard mileage rate for a vehicle after using any depreciation method under the Modified Accelerated Cost Recovery System (MACRS) or after claiming a Section 179 deduction for that vehicle. In addition, the business standard mileage rate cannot be used for more than four vehicles used simultaneously.

These and other requirements are described in [Rev. Proc. 2010-51](#), [Notice 2016-79](#), posted today on [IRS.gov](#), contains the standard mileage rates, the amount a taxpayer must use in calculating reductions to basis for depreciation taken under the business standard mileage rate, and the maximum standard automobile cost that a taxpayer may use in computing the allowance under a fixed and variable rate plan.

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Page Last Reviewed or Updated: 06-Aug-2017

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Attachment VIII - Ordinance No. 13-17

ORDINANCE NO. 13-17

The following Ordinance was offered by Council Member Turner who moved its adoption:

An Ordinance to amend and as amended to readopt Section 2 of Ordinance No. 10-207, adopted July 8, 2012, previously amended by Ordinance Nos. 08-212, 05-111, 01-189, and 92-264; to change the policy covering reimbursement for mileage from .48¢ to .56.5¢ per mile; and for the rates to automatically adjust each time the IRS makes their standard adjustments; and otherwise to provide with respect thereto.

WHEREAS, Ordinance No. 92-264, adopted December 21, 1992, established a policy for covering reimbursement for actual job related miles traveled by Plaquemines Parish Council Members, Employees and Members of the Parish Executive Department at .28¢ per mile up to a maximum of \$450.00 per month; and

WHEREAS, Ordinance No. 01-189, adopted November 15, 2001, amended that figure to .50¢ per mile up to a maximum of \$450.00 per month; and

WHEREAS, Ordinance No. 05-111, adopted April 28, 2005, amended that figure to .41¢ per mile up to a maximum of \$615.00 per month; and

WHEREAS, Ordinance No. 08-212, adopted September 25, 2008, amended the figure to .60¢ up to a maximum of \$900.00 per month;

WHEREAS, Ordinance No. 10-207, adopted July 8, 2010, amended the figure to .48¢ per mile up to a maximum of \$700.00 per month;

NOW, THEREFORE:

BE IT ORDAINED BY THE PLAQUEMINES PARISH COUNCIL THAT:

SECTION 1

It hereby amends and as amended readopts Section 1 of Ordinance No. 10-207 adopted July 8, 2010, to read as follows:

SECTION 2

It hereby establishes a policy, effective upon adoption of this Ordinance, covering reimbursement for actual job related miles traveled by Plaquemines Parish Council Members, Employees and Members of the Plaquemines Parish Executive Department as follows:

".56.5¢ per mile up to a maximum of \$900.00 per month for the year 2013; and to adjust automatically each time the IRS makes their standard adjustments".

SECTION 3

All other portions, paragraphs, provisions or sections of Ordinance No. 08-212 shall remain the same and unchanged and in effect.

SECTION 4

The Secretary of this Council is hereby authorized and directed to immediately certify and release this Ordinance and that Parish employees and officials are authorized to carry out the purposes of this Ordinance, both without further reading and approval by the Plaquemines Parish Council.

WHEREUPON, in open session the above Ordinance was read and considered section by section and as a whole.

Council Member Marinovich seconded the motion to adopt the Ordinance.

The foregoing Ordinance having been submitted to a vote, the vote resulted as follows:

YEAS: Council Members Percy "P.V." Griffin, Keith Hinkley, Kirk M. Lepine, Stuart J. Guey, Anthony L. Buras, Burghart Turner, Jeff Edgcombe, and Byron T. Marinovich

NA YS: None

ABSENT: Council Member Maria Cooper

PRESENT BUT NOT VOTING: None

And the Ordinance was adopted on this the 10th day of January, 2013.

I hereby certify the above and foregoing to be a true and correct copy of an Ordinance adopted by the Plaquemines Parish Council at a meeting held in the Plaquemines Parish Temporary Magnolia Center Building, 17563 Highway 15, Pointe-A-La-Hache, Louisiana, on Thursday, January 10, 2013.

Jamara L. Oliveira
Assistant Secretary

Attachment XI – Management Comments

From: Nicole Carnes

To: Randy Duke; Amos Cormier; Ellen Barrois; Kathleen Ketnor; Michael W Jiles; Tommy Serpas; Kim Toups

Cc: Benedict "Benny" Rousselle; Audrey Trufant-Salvant; Irvin Juneau Jr.; Travis J Fontenot

Subject: RE: Employee Expense and Mileage Reimbursements - Internal Audit Draft Report

Date: Thursday, November 2, 2017 11:13:31 AM

Good morning,

Please allow this correspondence to serve as notice of agreement to the recommendations by the Internal Auditor on behalf of Vince Frelich.

Thank you.

Nicole Carnes on Behalf of Vince Frelich

Charter Director Administrative Assistant

Office to the Director of Operations

8056 Hwy 23, Suite 200

Belle Chasse, LA 70037

Phone (504) 297-5675

Fax (504) 297-5695

From: Randy Duke

Sent: Thursday, November 02, 2017 9:50 AM

To: Amos Cormier; Nicole Carnes; Ellen Barrois; Kathleen Ketnor; Michael W Jiles; Tommy Serpas; Kim Toups

Cc: Benedict "Benny" Rousselle; Audrey Trufant-Salvant; Irvin Juneau Jr.; Travis J Fontenot

Subject: RE: Employee Expense and Mileage Reimbursements - Internal Audit Draft Report

Please provide a status report on your responses to the audit. Would like to discuss this with the audit committee on Thursday November 9, 2017.

Thank you your cooperation.

Randy

From: Randy Duke

Sent: Friday, October 27, 2017 9:03 AM

To: Amos Cormier <acormier@ppgov.net>; Nicole Carnes <ncarnes@ppgov.net>; Ellen Barrois <ellen@ppgov.net>; Kathleen Ketnor <kketnor@ppgov.net>; Michael W Jiles <mjiles@ppgov.net>; Tommy Serpas <tserpas@ppgov.net>; Kim Toups <ktoups@ppgov.net>

Subject: Employee Expense and Mileage Reimbursements - Internal Audit Draft Report

Good Morning

Please find the attached draft internal audit report on Employee Expense and Mileage Reimbursements.

Please review the report for accuracy and overall content. If you would like to discuss this report let me and I will coordinate a date and time

and reserve my conference room for the meeting. Please respond to each observation. If you concur with the recommendation, please state the corrective action that will be taken and the date and time that it will go into effect.