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**MAY 10 2010**

**TRINITY COUNTY  
SUPERIOR COURT**

**Trinity County Grand Jury  
2009 – 2010**

**FILED**

**MAY 20 2010**

CLERK OF THE SUPERIOR COURT  
COUNTY OF TRINITY  
BY: STACI WARNER, DEPUTY CLERK

**Finance and Administration Committee  
FAR2009/2010-005  
Final Report**

**Trinity County  
Out-of-County Travel Policy and Implementation**

This Report was Approved  
on May 12, 2010

Approved



**Ronald D. Ward**

## **2009-2010 Trinity County Grand Jury**

### **Finance and Administration Committee**

#### **Trinity County Out-of-County Travel Policy and Implementation**

##### **Summary**

The Trinity County Grand Jury elected to review the implementation of Trinity County policy for out-of-county travel for Trinity County employees, as defined within Chapter 2.60.760, Travel Authorization, of the Trinity County Code (travel policy). A review of travel authorizations and resulting expense reports from 2008 and 2009 found compliance with the specific requirements of the travel policy, but a failure to process correctly for authorization and reimbursement.

##### **Background**

California Grand Juries are charged to act as the public's "watch dog" by investigating and reporting on the affairs of local government. With the ongoing recessive economy in the United States and its severe effect on federal, state and local government's revenues, control over spending is more important than ever. Authorization of budgeted expenditures and verification of expenditures is a primary function of government.

The travel policy for Trinity County is defined in paragraphs A through F of County Code Chapter 2.60.760 as follows:

- A. A complete travel request form shall be submitted for all out-of-county travel requiring overnight accommodations. Department heads may authorize travel for their respective employees in cases involving in-county travel and out-of-county travel not requiring overnight accommodations.
- B. A completed travel request form shall be submitted to the County Administrative Officer as far in advance as possible of the anticipated date of the travel, but in no case less than seven (7) days prior to the anticipated travel. All travel requests shall be approved by the employee's department head or authorized personnel.
- C. The County Administrative Officer may approve, deny or modify the proposed travel request. Such determination by the county administrative officer may be appealed to the Board of Supervisors.

- D. If an emergency condition exists requiring the authorization of travel, a department head shall immediately notify the County Administrative Officer. If the county administrative officer is not available to authorize travel, the department head may authorize such travel provided notification is given to the County Administrative Officer on the next available workday.
- E. Elected officials may make such trips as authorized by statute; provided there is sufficient funds budgeted within the department.
- F. Any travel that requires an employee to travel by aircraft must be approved by the County Administrative Officer prior to the employee booking airline tickets. Employees of the Sheriff Department and district Attorney's Office are excluded from this section only if an emergency exists.

### **Method of Investigation**

The Finance and Administration Committee reviewed the travel policy for Trinity County. The Controller was interviewed. A sampling of travel requests and travel expense reports for county employees was then requested of the Controller's Office and reviewed for compliance with the county travel policy.

### **Discussion**

2008 and 2009 travel requests and travel expense reports for out-of-county travel by county employees were reviewed for compliance with the requirements of Trinity County's travel policy. Although the number of requests and reports were small, it was felt that the results would be statistically relevant. In reviewing the expense reports (30) it was found that one expense report had been paid without the authorized signature of the employee's department head. In one other expense report, payment was denied by the Office of the Controller because the travel was not authorized by a Travel Authorization Form signed by the County Administrative Officer. This was subsequently corrected, although after the fact. The balance of all other requests and reports complied with the travel policy. It was noted that in some cases, requests were made for travel, in advance, by as much as 1 year, but held by the office of the County Administrative Officer pending authorization within the following year's budget. The travel authorization was then made when the new year's budget was approved and allowed for this travel. The request was approved 6 months prior to the travel.

## **Findings/Recommendations**

### Finding 1:

The Committee determined that in one instance, through the expense report approval process, that travel had occurred without documented authorization from the County Administrative Officer.

### Recommendation 1:

Although the expense report approval process by the Office of the Controller caught this violation of county travel policy, it should be noted that the expense report approval process also allowed, in one instance, the payment of an expense report without approval of the Controller. While these could be isolated instances, it cannot be assumed to be so and, therefore, a probability exists that unauthorized travel could be paid by the County. To preclude this from happening, all expense reports should be submitted with a copy of the approved travel request. The county travel policy should be changed to reflect this requirement.

### Finding 2:

The Committee found that in one instance an expense report had been processed without the required approval signature of the Controller.

### Recommendation 2:

The processing of an unapproved expense report resulted in payment to the employee. The expense report was in fact a legitimate submittal and did not result in a loss to the County. However, combined with Finding 2, a loss could happen, the least of which is the time lost correcting the errors in the County financial records. A review should be made of the process for reimbursement for travel by the Office of the Controller and changes implemented to preclude this in the future.

### Finding 3:

The Committee found that approval of travel was made by as much as 6 months prior to the travel requested. Although this is not a violation of the travel policy, it does limit the County Administrative Officer's ability to manage discretionary spending on a month-to-month and quarter-to-quarter basis. This is a particularly relevant requirement in these difficult financial times for the County.

Recommendation 3:

The County policy on out-of-county travel approval should be amended to include a maximum as well as minimum time in advance. The Committee recommends that this maximum be 90 days.

**Responses Required**

In accordance with California Penal Code 933.05 a response is required as indicated below.

<u>Respondent</u>	<u>Finding/Recommendation</u>	<u>Due date</u>
Board of Supervisors	1, 2 and 3	90 days
County Administrator	1, 2 and 3	60 days

The governing bodies indicated above should be aware that comment or response of the governing body must be conducted subject to the notice, agenda and open meeting requirements of the Brown Act.



# TRINITY COUNTY

## Office of the County Administrator

DERO B. FORSLUND

County Administrative Officer

P.O. BOX 1613, WEAVERVILLE, CALIFORNIA 96093-1613

PHONE (530) 623-1382 FAX (530) 623-8365

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AUG 20 2010

TRINITY COUNTY  
SUPERIOR COURT

*Reviewed  
8/25/10  
JMC*

TO: The Honorable Anthony Edwards,  
Presiding Judge of the Superior Court

FROM: Dero B. Forslund, CAO *[Signature]*

SUBJECT: Response to Recommendations of 2009-10  
Grand Jury Finance and Administration Committee Final Report  
Re Trinity County Out-of-County Travel Policy and Implementation

DATE: July 19, 2010

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The Grand Jury Finance and Administration Committee has requested a written response to their final report on the Trinity County Out-of-County Travel Policy and Implementation. In my capacity as County Administrative Officer, my response is as follows:

**Finding #1:** The Committee determined that in one instance, through the expense report approval process, that travel had occurred without documented authorization from the County Administrative Officer.

**Response:** We agree, We will review the Travel Policy with the Department Heads to insure compliance with the policy

**Recommendation #1:** Although the expense report approval process by the Office of the Controller caught this violation of county travel policy, it should be noted that the expense report approval process also allowed, in one instance, the payment of an expense report without approval of the Controller. While these could be isolated instances, it cannot be assumed to be so and, therefore, a probability exists that unauthorized travel could be paid by the County. To preclude this from happening, all expense reports should be submitted with a copy of the approved travel request. The county travel policy should be changed to reflect this requirement.

**Response:** The recommendation requires further analysis. We have been working on creating electronic travel forms and electronic processing. As we develop the new processes we

will keep in mind the recommendation so the process will include the solution recommended. We new process and a new policy should be completed by the end of Calendar 2010.

**Finding #2:** The Committee found that in one instance an expense report had been processed without the required approval signature of the Controller.

**Response:** Agree in part. County policy requires the Controller to approve an expense report for a Department Head. An expense report from a staff member should be approved by the Department Head. In either case the need for approval of an expense report will be reviewed with the Department Head and Controller within 30 days.

**Recommendation #2:** The processing of an unapproved expense report resulted in payment to the employee. The expense report was in fact a legitimate submittal and did not result in a loss to the County. However, combined with Finding 2, a loss could happen, the least of which is the time lost correcting the errors in the County financial records. A review should be made of the process for reimbursement for travel by the Office of the Controller and changes implemented to preclude this in the future.

**Response:** Will be implemented as mentioned in the response to the finding.

**Finding #3:** The Committee found that approval of travel was made by as much as 6 months prior to the travel requested. Although this is not a violation of the travel policy, it does limit the County Administrative Officer's ability to manage discretionary spending on a month-to-month and quarter-to-quarter basis. This is a particularly relevant requirement in these difficult financial times for the County.

**Response:** Requires further analysis. While out of County overnight travel requires approval by Administration, the principal purpose of the review is to insure compliance with the out of County overnight travel policy. The department heads are responsible for managing the travel expenditures at the department level. On many occasions it is necessary to book rooms well in advance to insure the published conference rate. In such cases advanced travel requests are in the best interest of the County..

**Recommendation #3:** The County policy on out-of-county travel approval should be amended to include a maximum as well as minimum time in advance. The Committee recommends that this maximum be 90 days.

**Response:** Requires further analysis. The effect of limiting the maximum advance time to approve travel requests may adversely affect the departments' ability to make other travel decisions. The recommendation will be reviewed with department heads for further analysis.



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TRINITY COUNTY  
SUPERIOR COURT



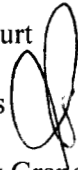
## TRINITY COUNTY

Board of Supervisors

P.O. BOX 1613, WEAVERVILLE, CALIFORNIA 96093

PHONE (530) 623-1217 FAX (530) 623-8365

TO: The Honorable James Woodward,  
Presiding Judge of the Superior Court

FROM: Trinity County Board of Supervisors 

SUBJECT: Response to 2009-10 Trinity County Grand Jury  
Finance and Administration Committee  
Out-of-County Travel Policy and Implementation Final Report

DATE: September 7, 2010

*Received*  
*[Signature]*  
*9/17/10*

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The Grand Jury Finance and Administration Committee has requested a written response to their final report on Out-of-County Travel Policy and Implementation. The Board of Supervisors' response is as follows:

**Finding #1:** The Committee determined that in one instance, through the expense report approval process, that travel had occurred without documented authorization from the County Administrative Officer.

**Response:** Agree.

**Recommendation #1:** Although the expense report approval process by the Office of the Controller caught this violation of county travel policy, it should be noted that the expense report approval process also allowed, in one instance, the payment of an expense report without approval of the Controller. While these could be isolated instances, it cannot be assumed to be so and, therefore, a probability exists that unauthorized travel could be paid by the County. To preclude this from happening, all expense reports should be submitted with a copy of the approved travel request. The county travel policy should be changed to reflect this requirement.

**Response:** Requires further analysis. The CAO will review the existing travel policy with Dept. Heads at an upcoming meeting. No later than December 31, 2010 there will be an electronic process developed which shall include submittal of approved travel requests with expense reports.

**Finding #2:** The Committee found that in one instance an expense report had been processed without the required approval signature of the Controller.

JUDY PFLUEGER  
DISTRICT 1

JUDY MORRIS  
DISTRICT 2

ROGER JAEGLER  
DISTRICT 3

HOWARD FREEMAN  
DISTRICT 4

WENDY OTTO  
DISTRICT 5

**Response:** Agree in part. Approval by the Controller is only required on expenses reports submitted by a Department Head. The CAO shall review approval requirements with the Controller within 30 days.

**Recommendation #2:** The processing of an unapproved expense report resulted in payment to the employee. The expense report was in fact a legitimate submittal and did not result in a loss to the County. However, combined with Finding 2, a loss could happen, the least of which is the time lost correcting the errors in the County financial records. A review should be made of the process for reimbursement for travel by the Office of the Controller and changes implemented to preclude this in the future.

**Response:** Will be implemented. Along with a review - it seems that recommendation and response addressed in Item 1 will accommodate the needs in recommendation #2.

**Finding #3:** The Committee found that approval of travel was made by as much as 6 months prior to the travel requested. Although this is not a violation of the travel policy, it does limit the County Administrative Officer's ability to manage discretionary spending on a month-to-month and quarter-to-quarter basis. This is a particularly relevant requirement in these difficult financial times for the County.

**Response:** Disagree in part. It is not the CAO's responsibility to manage each department's discretionary spending. That is the responsibility of the appointed or elected department head.

**Recommendation #3:** The County policy on out-of-county travel approval should be amended to include a maximum as well as minimum time in advance. The Committee recommends that this maximum be 90 days.

**Response:** Will not be implemented. Many times regular yearly trainings/conferences that are common for departments, travel requests are submitted in advance to book hotel rooms early before they become unavailable and also to find the best possible flight and cost if air travel is needed. The cost of the travel is monitored at the department level by the Department Head and it is expected that they manage their travel budget accordingly.