



# OFFICE OF INTERNAL AUDIT

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## REPORT TO THE BOARD OF SUPERVISORS AND SUPERIOR COURT ADMINISTRATION

### Constable Expense Reporting

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**Attachment:** Management Response and Action Plan

## **Executive Summary**

The Office of Internal Audit has completed an audit of Constable Expense Reporting. This Audit was included in the Office of Internal Audit's Fiscal Year 2010-2011 Annual Audit Plan, approved by the Board of Supervisors. Our audit was planned and conducted in accordance with Generally Accepted Government Auditing Standards. The purpose of our audit was to evaluate expense reporting and reimbursement for compliance with County financial policies and procedures.

Pinal County has eight elected Constables, whose primary responsibility is the service of process for the Justice of the Peace courts, serving summons, subpoenas, and perform orders, injunctions and writs. Constables use their personal vehicles for conducting County business and are reimbursed for the miles driven. Additionally, they are reimbursed for travel and other expenses incurred while attending authorized functions, such as professional conferences.

It is important to note the Constables are independent elected officials and are part of the Executive Branch, as opposed to the Judicial Branch of government. Superior Court Administration has voluntarily agreed, however, to perform regular reviews of the Constables' expense reports. These reviews are performed as a courtesy to County Management, and as such this oversight role is subject to reevaluation, and can be cancelled at any time by either Superior Court Administration or County Management.

Our overall conclusion is that Constables' expense reporting and reimbursements are in compliance with County Financial policies and procedures. We specifically noted:

- Superior Court Administration properly tracked and monitored the expenses
- Vehicle mileage was properly reimbursed in accordance with County travel policies and IRS rates
- Most conference expenses were reimbursed correctly
- Expense vouchers were reviewed by Court Administration prior to payment
- Most reimbursed vehicle mileage was supported by verifiable court actions and, based on the travel locations indicated, appeared reasonable

However, we noted in some cases, the purpose for trips could not be verified and expense approval authority was unclear. In one case, we also noted County rules for meal expense reimbursement were not followed.

Our specific recommendations for improvements include:

- Constables should receive training in preparing consistent, clear and verifiable expense reports
- Periodic reviews of high mileage trips should be performed to verify miles claimed
- Approval for reimbursement requests should be clarified
- County travel policies should be followed for reimbursement of meals and other per diem costs

We would like to thank the management and staff of the Superior Court Administration and the Finance Department for their assistance and cooperation during the course of this audit.

The following report provides additional details of our audit observations and recommendations.

Lori Stripling  
Pinal County Internal Audit Officer

## **Background**

The Office of Internal Audit has completed an audit of Constable Expense Reporting. The audit was conducted in accordance with Generally Accepted Government Auditing Standards and included such tests of internal controls as deemed necessary.

Pinal County has eight elected Constables whose primary responsibility is the service of process for the Justice of the Peace courts, serving summons, subpoenas, and perform orders, injunctions and writs. Constables use their personal vehicles for conducting County business and are reimbursed for the miles driven. Additionally, they are reimbursed for travel and other expenses incurred while attending authorized functions, such as professional conferences.

It is important to note the Constables are independent elected officials and are part of the Executive Branch, as opposed to the Judicial Branch of government. Court Administration has voluntarily agreed, however, to perform regular reviews of the Constables' expense reports. These reviews are performed as a courtesy to County Management, and as such this oversight role is subject to reevaluation, and can be cancelled at any time by either Court Administration or County Management.

## **Scope and Methodology**

The purpose of our audit was to evaluate expense reporting and reimbursement for compliance with County financial policies and procedures.

To accomplish our objective, we:

- Interviewed appropriate Court Administration and Finance Office management and staff
- Reviewed policies, procedures and other documents related to reimbursement of County employee travel expenses
- Analyzed expense reports submitted by all eight Constables during Fiscal Year 2009-2010

## **SUMMARY OF AUDIT FINDINGS AND RECOMMENDATIONS**

### **Overall Evaluation**

Our overall conclusion is that Constables' expense reports and reimbursements are prepared and processed in compliance with County Financial policies and procedures. We specifically noted:

- Superior Court Administration properly tracked and monitored the expenses
- Vehicle mileage was properly reimbursed in accordance with County travel policies and IRS rates
- Most conference expenses were reimbursed correctly
- Expense vouchers were reviewed by Court Administration prior to payment
- Most reimbursed vehicle mileage was supported by verifiable court actions and, based on the travel locations indicated, appeared reasonable

However, we noted in some cases, the purpose for trips could not be verified and expense approval authority was unclear. In one case, we also noted County rules for meal expense reimbursement were not followed.

Our specific recommendations for improvements include:

- Constables should receive training in preparing consistent, clear and verifiable expense reports
- Periodic reviews of high mileage trips should be performed to verify miles claimed
- Approval for reimbursement requests should be clarified
- County travel policies should be followed for reimbursement of meals and other per diem costs

Details of our finding are discussed in the audit results section below.

### **Audit Results**

#### **A. Expense Reporting**

Expense reporting could be improved. Specifically:

- We reviewed 258 claims for mileage reimbursement and 63 (24%) of those were not fully supported. For example, in some cases the trips were not related to a specific identifiable court action; travel locations did not include legible or complete addresses; multiple trips during a day were combined without adequate explanation for each trip; and vehicle mileage appeared to be overstated.
- Vouchers were routinely reviewed and approved by a secretary rather than Court Administration Management

- In one case, a meal expense reimbursement was not completed in compliance with the County Travel Policy, regarding use of per diem rates. Finance paid the meals without determining the business purpose of the specific meals and if they exceeded the per diem rate.

Improved controls over expense reporting will ensure that only valid and correct expenses are reimbursed.

**Recommendations:**

1. *Superior Court Administration should provide Constables with training on proper completion of expense vouchers, to ensure they are legible and complete (to include street address and city); directly related to a specific identified case; and sub-totaled by individual trips during a multi-trip day.*
2. *Superior Court Administration should periodically review high mileage trips using an Internet based map program, to ensure miles claimed are reasonable.*
3. *Superior Court Administration should clarify approval of Constables' expense vouchers.*
4. *The Director of Finance should ensure travel costs are reimbursed in accordance with County travel policy, including use of per diem rates for meal expenses or limiting meal reimbursement to per diem rates.*

**Attachment:**

**Management Response and Action Plan**



<p style="text-align: center;"><b>Audit Recommendation</b></p>	<p style="text-align: center;"><b>Concur (Yes or No)</b></p>	<p style="text-align: center;"><b>Management's Response and Action Plan</b></p>	<p style="text-align: center;"><b>Target Date</b></p>	<p style="text-align: center;"><b>Individual(s) Responsible</b></p>
<p>1. <i>The Superior Court Administration should provide Constables with training for the proper completion of expense vouchers, to ensure they are legible and complete (to include street address and city); directly related to a specific identified case; and sub-totaled by individual trips during a multi-trip day.</i></p>	<p>Yes</p>	<p>The constables received training on 11/17/2010 regarding the proper way to fill out the travel claims. Specifically, Constables were advised to show on the expense report an address, including town, in the 'depart from' and 'arrived at' columns. Additionally, the Constables were advised to list each trip separately and not to include the whole day into one line.</p>	<p>11/17/10</p>	<p>Mike Malone</p>

Audit Recommendation	Concur (Yes or No)	Management's Response and Action Plan	Target Date	Individual(s) Responsible
<p>2. <i>Superior Court Administration should periodically review high mileage trips using an Internet based map program, to ensure miles claimed are reasonable.</i></p>	<p>Yes</p>	<p>Any trip claimed to be over 15 miles will be researched by Court Administration staff. If there is a discrepancy between mileage claimed and what the map shows, Court Administration will contact the constable to determine the discrepancy.</p> <p>It should be noted that there are times where the mileage will need to be different than what appears on the map obtained from the internet. For example, if the Constable is sent to an address they are not familiar with, they will use the maps feature on their county provided cell phone and sometimes the directions provided are not the same as provided by another online map program. Additionally, some areas are blocked by private gates; therefore, Constables are required to drive around looking for a side entrance. Finally, some places in rural Pinal County are not even marked; therefore, driving around looking for homes or business may require additional efforts.</p>	<p>12/2/2010</p>	<p>Mike Malone</p>

Audit Recommendation	Concur (Yes or No)	Management's Response and Action Plan	Target Date	Individual(s) Responsible
3. <i>Superior Court Administration should clarify approval of Constables' expense vouchers.</i>	Yes	Expense reports will be signed by Michael Malone, who is assigned as Court Administration's representative to the Constables, as well as one of Court Administration's administrative assistants. This will show that a supervisor reviewed and approved the expense report and that the administrative assistant processed it and submitted it to Finance.	12/2/2010	Mike Malone
4. <i>The Director of Finance should ensure travel costs are reimbursed in accordance with County travel policy, including use of per diem rates for meal expenses or limiting meal reimbursement to per diem rates.</i>	Yes	Management will conduct additional training with Accounts Payable staff to ensure the County's travel policy is understood and enforced. A travel training session is being developed, which will be presented in April of 2011, to assist county employees in understanding what is required for travel reimbursements. The Accounts Payable Manager will perform on-going reviews of travel reimbursement requests to ensure claims are appropriate, properly documented and follow the County's Travel Policy prior to being reimbursed.	5/1/2011	Victoria Prins, April Wilkerson, Erin Montoya, Clarice Williams, and Zuzell Zamora