Metropolitan Council

Program Evaluation and Audit

Travel Expense and Vehicle Use Audit

25 June, 2008

INTRODUCTION

Background

The Metropolitan Council (the Council) expends over $400,000 for travel and travel expense reimbursements annually. Approximately 50% of the expense is for local (seven county metro area) travel and 50% is for non local travel (outside of seven county metro area). In addition, Environmental Services (ES) and Metro Transit each administer the use of a large fleet of vehicles. In 2004 Program Evaluation and Audit (Audit) issued an audit report on motor vehicle usage and reimbursement. As a part of the Accountability portion of the Council's Travel and Meeting Reimbursement policy, Audit is responsible for periodic auditing of travel and meeting reimbursement records, including supporting documentation.

Purpose

This review was part of the 2008 Audit Plan, undertaken to ensure that travel expenditures and vehicle usage are in compliance with Council policies and procedures.

Scope

The scope of review included local travel expenditures, non-local travel expenditures and vehicle usage records for the calendar year ending December 31, 2007.

The audit also included a follow-up on the status of recommendations from the 2004 motor vehicle usage and travel audit.

Methodology

Data Collection

Interviews were conducted with:

- Regional Administration Accounts Payable staff
- Metro Transit Accounts Payable staff
- Assistant General Manager Environmental Services
- Metro Transit Non Revenue Fleet Manager
- Metro Transit Deputy Chief of Bus Operations
- Metro Transit Assistant General Manager- Administration

In addition, the following were reviewed:

- PeopleSoft Finance System records
- Accounts Payable payments and documentation
- Vehicle usage logs
- Council policies and procedures relating to travel and fleet management.

Testing

- Local and non local travel documentation was tested to determine if amounts paid were properly documented and in accordance with Council policies.
- Vehicle usage logs were reviewed for completeness and accuracy.

Assurances

This review was conducted in conformance with *Government Auditing Standards* and the *Standards for the Professional Practice of Internal Auditing* of the Institute of Internal Auditors.

OBSERVATIONS

Non Local Travel

Review of PeopleSoft Financial System records indicates that 142 Council employees submitted Non Local Travel claims for fiscal year 2007. Regional Administration and Environmental Service (RA/ES) employees represented 52% of the travelers while Metro Transit employees represented 48%. A sample size of 35 was selected based on a confidence level of 95% with an expected error rate of 2% with a sampling error range of +/- 4%. The random sample was split proportionately with 18 selected from RA/ES and 17 from Metro Transit. In addition, Metro Transit has two employees who travel frequently, one of Metro Transit's frequent travelers was added to the sample. In total 129 transactions were reviewed.

Regional Administration and Environmental Services

Authorization not received prior to out of area travel

In two instances travel authorization forms were not completed prior to travel. In both cases travel was to St. Cloud, Minnesota and mileage was the only item being submitted for reimbursements. The policy defines Out of Area Travel as travel outside the seven county metropolitan area and requires that it be approved prior to travel. Accounts payable staff did not process the two claims until the appropriate authorization was obtained.

Metro Transit

Required documentation was missing from the majority of the out of area travel claims processed by the Metro Transit Accounts Payable Department.

Travel Authorization Forms Missing

In one instance a Metro Transit employee went to the State Bus Rodeo. Metro Transit billed Mn DOT for the trip. The individual did not submit a request for reimbursement for his expenses through the Metro Transit accounts payable department. The individual's supervisor requested that payment be made to the employee without providing documentation of the expense or documentation of the travel authorization. The payment from Mn DOT was the basis for the payment. Council policy requires that all out-of-area travel be pre approved and that expense documentation be provided for all reimbursements.

Two travelers from Metro Transit did not have the Metro Transit General Manager's signature on their travel authorization form. The General Manager's signature was required for travel at that time.

Learning and Development Request Forms

The Council Procedure for Non-local Conference Participation (4-5d) requires that a Learning and Development Request form and a non-local travel request form be completed with conference documents attached to the forms

In eight cases the traveler did not complete the Learning and Development Request form.

Conference and Seminar Brochures

The Travel and Meeting Reimbursement Policy specifically requires the traveler to attach a photocopy of the conference, seminar or other brochure as appropriate when seeking authorization for out-of-area-travel.

In seven of the Metro Transit claims tested the traveler did not include a copy of the brochure associated with their conference. Failure to include the conference brochure makes it impossible to determine the correct amount of subsistence allowance reimbursable to the traveler. Audit was able to determine that at least 10 claims were reimbursed for more subsistence per diem than what should have been allowed. The Travel and Meeting Reimbursement policy states "Meals for which the Council pays directly, such as meals included in a conference registration fee or as part of airfare, will not be further reimbursed." The only way for managers and Accounts Payable staff to know if the conference includes meals is to have a copy of the conference brochure submitted with the expense report.

Hotel Bills

In order to be reimbursed for an expense the traveler should present actual receipts. In two instances the traveler presented the hotel confirmation instead of the receipt for payment of the hotel bill. In four instances the hotel was prepaid by Metro Transit. The Council has a process in place to provide travelers with an advance payment that is then deducted from the traveler's actual costs. When prepayments are made for hotel rooms there is the risk that the room may not be used and the Council will have paid out funds for a service not received. The process provided is the one that should be used.

In four instances the hotel rates exceeded the GSA's per diem rates by more than $100 per day.

Total Travel Costs

Review of Metro Transit's processes for out-of-area travel expense reporting make it difficult to determine the actual costs of trips as well as the overall travel expense for Metro Transit.

The Out-of-Area Travel Expense Form is completed by each traveler when travel has been completed. The purpose of the form is to provide all the detail necessary to identify the total cost of each trip. The form is to be submitted, with all supporting documentation, by the employee to the employee's supervisor. Upon approval by the

supervisor it is then submitted to accounts payable for processing. The following is on the form:

- Employee Name and Number
- Date of Travel
- City
- Account Code
- Registration Fees
- Airfare
- Lodging
- Auto Rental
- Taxi
- Parking
- Subsistence
- Other(Specify)
- Business Calls
- Personal Calls
- Other (Specify)
- Mileage(If travel by motor vehicle)
- Prepaid to other vendors
- Prepaid to traveler
- Payment due to or from traveler
- Airline travel benefits (yes or no)
- Declaration that information is correct
- Employee signature
- Supervisors approval
- Audited by

Several of the claims did not include everything that had been paid out and the claim did not have correct amounts for items such as airfare and registrations. In each case the form was not signed off as to who had audited it. Discussion with Accounts Payable staff found that in many instances the person auditing the claim was not comfortable with the documentation that had been provided and therefore did not sign as the person having audited the claim.

In other instances the costs are identified as a split between travel and professional development when only the registration fees are supposed to be charged to the professional development account code.

In several instances the actual cost varied from the travel authorization amount by more than a hundred dollars. While it is easy to see when costs are substantially higher than the original authorization there isn't a process requiring the traveler to resubmit their travel authorization explaining the additional costs. This creates a risk of expenses being incurred without funds available to cover the expenses.

International currency exchange rates were not used when processing international travel expenses.

Several travelers went to Toronto, Canada for an American Public Transportation Association (APTA) rail rodeo and conference. Four of the 18 travelers whose claims were reviewed attended this APTA event. In addition, several other Metro Transit employees also attended. Review of the claims submitted by the four travelers found that none of them had converted their hotel bills and other expenses from Canadian to American dollars. At the time of the conference the Canadian dollars value was approximately 5% less than the American dollar. This resulted in each of the four travelers being reimbursed for more than their actual expenses.

Frequent Flier Miles

Metro Transit has two employees who travel regularly. Review of their airline ticket stubs indicates that they are earning frequent flier miles. Their travel expense forms state that they have not received airline travel benefits for the travel. Council Policy 3-3-2 requires that employees must remit transferable benefits or credits to the Council upon receipt. The employees may be planning to redeem mileage benefits for Metro Transit's benefit, but that was not documented.

Recruitment Travel Expense Policy Exceeded

Council Procedure 4-1d allows for reimbursement of expenses for job recruitment. The job candidate may be reimbursed for up to $1,000 in recruitment expenses. Expenses above $1,000 must be approved by the Controller. Recruitment expenses covered by the procedure include travel expenses between the candidate's home and the Metropolitan Council. Lodging, meals and local travel expenses necessary while the candidate is in the process of interviewing may be reimbursed in accordance with the Council's policy covering non-local travel. Approval must be obtained in advance form the Metro Transit General Manager for Metro Transit positions.

Recruitment expenses reimbursed to one job candidate totaled $1,141.32. This total included airfare for the candidate's spouse, car rental, hotel, meals and additional insurance on the rental car. The controller was not asked to approve the excess charges. The policy does not allow for reimbursement for the spouse's expenses during the recruitment process. The documentation for the reimbursement did not include prior approval by the Metro Transit General Manager.

Local Travel

Local travel expenses were reviewed in two groupings. There were 1840 transactions for local travel. Of these, 110 transactions were for individuals whose annual local travel reimbursements exceeded $1500. The group with 110 transactions will be referred to as the outliers. Statistical sampling was done of the two groups. A confidence level of 95% with a sampling error rate of 5% and an expected error rate of 5% was done for each group. As a result a sample size of 70 was selected for the 1740 transactions where the individual was reimbursed for less than $1500 and a sample size of 43 was selected for the outlier individuals.

The Travel and Meeting Reimbursement Policy (3-3-2) does not specify how often local travel reimbursement requests are to be submitted. The reimbursement form states that it should be within 30 days of the end of a quarter. In testing the transactions one individual submitted four months of local travel totaling close to 5,000 miles. While this was not a policy violation it creates a situation where it is difficult for a supervisor to review so many transactions over that long of a time period and make a knowledgeable decision to approve the transactions.

All other transactions that were reviewed were in compliance with the Travel and Meeting Reimbursement Policy.

Motor Vehicle Usage

Motor vehicle usage was audited in 1998 and in 2004. This review was to ensure that those recommendations from the prior audits have been implemented. The procedures for MCES and Regional Administration fleet management were updated in 2006. Metro Transit created a procedure for non-revenue fleet management in 2005. The procedures were reviewed.

All Council vehicles that are not classified as non-personal use vehicles by the IRS regulations should have mileage logs containing the following standard information: Date, start and end mileage, begin and end time, destination, purpose of trip, driver's name/signature and total mileage. The Council's Controller allowed the various departments to design their own log provided it contained the above listed information. All logs are to be reviewed and signed off by the reviewer.

With the steep increases in fuel cost the Council needs to account for vehicle usage in order to ensure that vehicles are not being used for personal use.

MCES implemented procedural changes in 2006 and has been working to comply with the procedures. MCES has developed spreadsheets that list each vehicle, a description of the vehicle, the purpose for the vehicle, annual miles on the vehicle, vehicle location, person responsible for reviewing the logs and where the logs are to be sent. In addition MCES utilizes a gas card program that provides management with monthly data on each vehicle's mileage and gas usage.

MCES has been testing different methods for recording the vehicle usage. In addition to a standard log they are using bubble sheets to record data for some vehicles. This method allows MCES to scan the documents into a computer data base and produce monthly reports which are then sent to managers for review and reconciliation of mileage gaps.

MCES is also in the process of procuring a GPS system for its vehicles which will increase their ability to account for their vehicles and usage.

The procedures developed by Metro Transit state that "A formal record of each vehicle's usage shall be maintained and will include mileage, date, hours used, purpose and person using the vehicle. All records will be forwarded to the Supervisor of Non-Revenue Shop or a designee." The Supervisor of Non-Revenue Shop was not aware of this procedure and had not taken responsibility for the recordkeeping. The vehicle usage forms that are being used at Metro Transit in most instances state that the forms should be submitted to Finance monthly. Most of the forms had a place for a reviewer to sign. The District Supervisors maintain a computer log of their vehicle usage. This log is supposed to be printed and sent to the Bus Operations department for review and then to Finance. The Finance department files the reports monthly without any sort of review.

Metro Transit is considering use of a gas card system similar to the one in use at MCES.

Vehicle usage logs were reviewed, where available, for MCES, Regional Administration and Metro Transit vehicles. In addition vehicle usage logs for vehicles assigned to Information Services, Metro Transportation Services and Metro Mobility were reviewed. Table 1 provides a summary of the review.

Table 1. Motor Vehicle Use and Log Availability

Description	MCES/ RA	Metro Transit	Metro Transportation Services	Metro Mobility	Information Services
Total vehicles	133	119	1	2	2
Percent of logs available for time period requested	78%	42%	0%	100%	0%
Percent of logs available and approved	46%	23%	0%	0%	0%

In some instances MCES has vehicles that may not have been used during the period that audit reviewed. Although no logs were found that listed zero miles during the test period logs were viewed from other months which showed the log was submitted only after miles had been added from previous months. There were nine instances where MCES logs were not completed with all the pertinent information. In one instance an employee listed personal miles (60) to go vote but did not sign his/her initials to the log. This was a log that had not been reviewed by management. The 104 MCES vehicles reviewed showed no gaps in mileage.

RA pools vehicles were missing destination descriptions on approximately 10% of the reported trips. This may be the result of the testing that is taking place utilizing both log books and computer bubble sheets. Some employees filled it in on one but not the other.

Metro Transit vehicles usage logs had 25 gaps in miles (more than 5 miles) reported with an average gap of 40 miles. There were two instances where there were more than 100 miles listed without a destination or purpose. Metro Transit District Supervisor logs did not show any personal usage although some of the supervisors took their cars home during the 2007 Minnesota State Fair.

Metro Transportation Services has one vehicle which is not incorporated in either the MCES/RA or Metro Transit procedures. They were asked to provide a log for November 2007. They were able to provide a log for May 2007 through October 2007 and a log for February 2008 through May 2008. The gap for November to February was 2510 miles. The logs provided had two gaps in mileage, one for 160 miles and one for 148 miles. Their log does not include the time period the vehicle was used. A managerial review of the log was not done.

Metro Mobility has two vehicles for which logs are maintained. These logs are not formally reviewed.

Information Services leases two vehicles. They were unaware of the requirement for vehicle usage logs.

Prior Audit Findings

Although several of the reported deficiencies identified in the 2004 audit have been addressed by new procedures there are still areas that have not been fully implemented. In the area of general use and documentation although there is a requirement that logs be reviewed this is still inconsistent.

MCES has made significant improvement and is actively working to ensure compliance with their procedures.

In other areas of the Council supervisors are not exercising their responsibilities in the use of the logs. Although some education of employees has occurred, employees and the supervisors need to better understand the policies and procedures governing vehicle usage.

CONCLUSIONS

Non Local Travel

1. *MCES, MTS and RA employee's non local travel reimbursement claims are generally processed in compliance with the Council's Travel and Meeting Reimbursement Policy 3-3-2.*

2. *Metro Transit employees, supervisors and Accounts Payable staff are not in substantial compliance with Council Procedure 3-3-2.*

The majority of Metro Transit travelers did not provide adequate documentation to support expense claims or to provide a full picture of their travel costs. This resulted in at least 10 trips being reimbursed for more than the actual cost.

The Out-of-Area Travel Expense Form provides a tool for reporting all expenses related to out of area travel. Attachment of documentation supporting the information on the form is necessary to ensure that public funds are properly disbursed.

3. *There was a misunderstanding between Learning and Organizational Development (LOD) and Metro Transit staff regarding the need for completion of Learning and Development Request forms.*

At one point in time a LOD staffer had told some employees of Metro Transit that they did not need to complete the LOD form for non local training. Metro Transit employees said, and Audit confirmed, that the Learning and Development Request form states "Complete this form before attending any external local educational activity." The back of the form states "If you need to travel out-of-town for the seminar, complete all forms for out-of –area travel and attach to the LOD request form."

Procedure 4-5d Non-local Conference Participation references the Travel and Meeting Reimbursement Policy 3-3-2. Policy 3-3-2 does not reference the Non-local Conference Participation procedure.

Local Travel

4. *Local travel reimbursement requests are generally processed in compliance with Council policy.*

Local travel reimbursement requests were processed consistently and in compliance with policy across the Council.

Vehicle Usage

5. **MCES and RA have made significant improvements in tracking vehicle usage since the last audit report.**

MCES/RA vehicles are actively being monitored by the Assistant General Manager of MCES. During the time period selected for review 78% of the vehicles had logs available for review. While not all logs had been reviewed the MCES staff reported that they are working to get all logs signed and submitted. MCES also utilizes data from their gas card company. In the near future they will be implementing a geographical positioning system which will allow them to more easily track their vehicle usage.

6. *Although Metro Transit had adopted vehicle procedures, one of the procedures, Procedure 3-4b, did not reflect Metro Transit's current vehicle use practices.*

Metro Transit's procedures state that all vehicle usage records be forwarded to the Supervisor of Non-Revenue Shop. This was not understood to be the process by any of the Metro Transit staff that was interviewed. The process that was understood by several staff was to forward the usage logs to the Finance department. Only 50% of the logs were forwarded to the Finance department. The finance department files the logs by month. There are no checks and balances in place to ensure logs are completed, reviewed and submitted.

Overall

MCES, RA and Metro Transit are all subject to compliance with Council policies and procedures. As noted in the observations some areas have been more successful in complying with the policies than others. There has been limited contact between the various departments to discuss specific items concerning the policies but there hasn't been a coordinated effort to share knowledge in the areas of processing travel claims and accounting for vehicle usage. MCES, RA and Metro Transit staff have said that they would being willing to share their practices with each other in order to establish an efficient processes to ensure compliance with Council policies and procedures.

RECOMMENDATIONS

Program Evaluation and Audit recommendations are categorized according to the level of risk they pose for the Council. The categories are:

- **Essential** – Steps must be taken to avoid the emergence of critical risks to the Council or to add great value to the Council and its programs. Essential recommendations are tracked through the Audit Database and status is reported twice annually to the Council's Audit Committee.
- **Significant** – Adds value to programs or initiatives of the Council, but is not necessary to avoid major control risks or other critical risk exposures. Significant recommendations are also tracked with status reports to the Council's Audit Committee.
- **Considerations** – Recommendation would be beneficial, but may be subject to being set aside in favor of higher priority activities for the Council, or may require collaboration with another program area or division. Considerations are not tracked or reported. Their implementation is solely at the hands of management.

1. **Metro Transit must review travel reimbursement claims to ensure compliance with the Council's Travel and Meeting Reimbursement Policy 3-3-2.(Essential)**

Policy 3-3-2 has been in place since 1998. The Metro Transit Accounts Payable department was not auditing the travel reimbursement claims in a manner that ensured compliance with the policy. As a result employees have been paid reimbursements in excess of allowable expenditures. The fact that the claims are approved by the traveler's supervisor prior to submittal to Accounts Payable indicates that there is need to educate supervisory personnel as to the policy and the appropriate implementation of the policy.

Management Response: Metro Transit Finance formalized a review process for the Metro Transit Accounts Payable Department audit of travel reimbursement claims to ensure compliance with Council policy in May 2008. Any requests for travel reimbursement not in compliance with Council policy are returned to the requestor unpaid.

2. **Metro Transit Finance department staff should review all out of country travel reimbursements since January 2007 to ensure that proper conversion rates were used in determining reimbursement payments. Employees who were reimbursed in excess of actual costs should be required to repay Metro Transit the difference. If the federal funds were used to pay the employee appropriate adjustments should be made crediting the federal funds.(Essential)**

Conversion rates were not used for five of the travel reimbursement claims that were tested. This resulted in overpayments to the employee in each instance.

Management Response: Metro Transit Finance formalized a process in May 2008 to ensure all out of country travel reimbursements use the proper conversion rates. Any requests for reimbursement of out of country travel without use of the proper conversion rates are returned to the requestor unpaid. In addition, Finance is reviewing all out of country travel reimbursements back to January 2007. Any employees who were reimbursed in excess of actual cost will be required to reimburse Metro Transit the excess payments.

Staff Responsible: Director of Metro Transit Finance   Est. Completion: July 31, 2008

3. Prepayment of hotel bills should be restricted. (Significant)

The Council provides travel advance checks to travelers to ensure that travelers have adequate funds to pay for hotel, lodging and subsistence when traveling on Council business. Audit found four instances where hotel costs had been prepaid. The practice of prepaying hotel bills may result in Council funds being expended when a service is not provided. The Council utilized travel agencies should be informed that they are not to prepay lodging expenses. In, addition, administrative staff who arrange for travel should be advised not to prepay lodging expenses.

Management Response: Travel agencies and administrative staff that are involved with securing lodging for out of area travel will be instructed not to prepay lodging expenses.

Staff responsible: Accounts Payable Supervisor   Est. Completion: July 31, 2008

4. The Learning and Development Request form should be revised to reflect use of the form for all external education. (Significant)

The Learning and Development Request form says "Complete this form before attending any external local educational activity".   Council Policy 4-5d requires that the form be completed along with the non-local travel request form. The language should be changed to be consistent with policy.

Management Response: The wording on the new Learning and Development Request forms will be adjusted to be consistent with policy.

Staff responsible: Assistant Director of Talent Management

Est. Completion: July 31, 2008

5. Metro Transit should review what information is entered into the Peoplesoft Financial System to identify travel costs in an efficient manner.(Significant)

When compiling information from the PeoplesSoft Financial System we found there was a significant difference in terms of information that was available for travel expenses between RA/MCES and Metro Transit. The data entered into the system by RA/MCES accounts payable staff allowed us to easily identify the traveler for every travel expense. The majority of Metro Transit's data was entered with a description of "expense distribution". In order for managers to be able to identify expenses RA/MCES includes traveler and trip information in the description area. Travel expenses often come under public scrutiny. It would be very difficult for Metro Transit to produce travel information in a reasonable timeframe with the amount of information they currently record in the PeopleSoft Finance System.

Management Response: Metro Transit formalized a process change in April 2008 to ensure that all travel expenses entered into the PeopleSoft Financial System identify the traveler in the description field.

6. The Council's Travel and Meeting Reimbursement Policy should be reviewed to ensure that processes meet Federal Acquisitions Regulations(FAR) and that the definitions and processes for Local and Out of Area Travel meet the current business needs of the Council.(Significant)

The current Travel and Meeting Reimbursement Policy says that government hotel rates should be requested wherever available. FAR has specific language covering lodging expenses that generally requires that the expense be less than the General Services Administration's established maximum per diem. In cases where it exceeds that amount the contractor must have a process in place for documenting the reason why it exceeds the established amount. Federal funds may be used for travel by Council employees. It is in the Council's interest to revise the policy language to ensure that we are in compliance with FAR for federally funded travel. This would also ensure that funds are expended in a prudent manner.

Out of Area Travel is defined as travel outside the seven-county metropolitan area. At the current time there are a number of initiatives that involve Council divisions working outside of the seven-county metropolitan area. One of the most visible out of area projects is the Northstar Commuter Rail Line. Under the current policy any out of area travel is to be preauthorized by the Regional Administrator who may further delegate the authority. Consideration should be given to redefining the out of area definition to align with the Council's business needs.

Management Response: *The Travel and Meeting Reimbursement Policy and Expense Reimbursement Form (to include documentation of rate compliance) will be revised to address Federal Acquisition Regulations regarding hotel rates and definition of local travel to effectively conduct Council business.*

Staff Responsible: *Accounts Payable Supervisor*   *Est. Completion: December 2008*

7. **Metro Transit must identify who is responsible for maintaining vehicle usage information and reflect it in their fleet management procedures. (Essential)**

Vehicle usage log responsibility was not clearly assigned within Metro Transit. As a result more than half the logs for vehicles that had been identified as needing logs were not available for review. There is confusion as to who is responsible for approving logs and where the documentation is maintained. There wasn't anyone tracking what logs were submitted, reviewed or missing. It is essential that this process be developed, communicated and implemented.

Management Response: *The Agency is currently in the process of procuring the services of Wright Express fuel management services for our non-revenue vehicle fleet. The Bus Maintenance Division is also developing a process whereby each division will sign off on the vehicles assigned to it and that Council policy regarding non-revenue vehicles will be followed. The process for managing mileage logs will be integrated with the overall communication to all divisions using non-revenue vehicles as the Wright Express fuel management and non-revenue fleet sign-off processes move forward.*

Staff responsible: *Assistant Director of Administration-Bus Maintenance and Operations*

Est. Completion: *October 2008*

8. **MCES should ensure that all logs are submitted and reviewed. (Significant)**

While MCES has made significant strides in accounting for fleet usage it is important that supervisors be required to review the vehicle usage logs for vehicles assigned to their areas.

Management Response: Supervisors will be required to submit monthly certifications that they have reviewed mileage logs for their respective vehicles. The GPS tracking project is in the procurement phase. A monthly report for each vehicle will be produced and reviewed by the appropriate manager.

9. Metropolitan Transportation Services , Metro Mobility and Information Services vehicles should be included either in MCES/RA or Metro Transits recordkeeping systems.(Significant)

MTS, MM, and IS were not aware of the vehicle usage log requirements. In order to ensure compliance their five vehicles should be incorporated into one of the other recordkeeping systems.

Management Response: We will review record keeping needs for Metropolitan Transportation Services, Metro Mobility and Information Services to assure the logs and review/approval processes are in place.

10. On a periodic basis MCES, RA and Metro Transit employees should meet to discuss travel and vehicle usage issues. (Consideration)

There were a number of initiatives that were being looked at in terms of vehicle usage. MCES currently is testing a couple of ways of tracking vehicle usage. MCES has been using a gas card program that provides data on vehicle mileage and fuel usage. MCES is in the process of implementing GPS with its vehicles in order to be able to further track usage. As a part of the Council the various divisions should be leveraging the knowledge that is available from other divisions.

As each division looks at ways of improving its Accounts Payable practices they should see how things are done in the other divisions. This will allow them to understand the various business needs of the Council and adopt policies and procedures to meet the business needs.

Management Response: Management will establish a work group to identify best practices and plan for establishing consistent procedures throughout the Council. This work group will continue to meet as needed.