



LYNX

TRAVEL SPENDING REVIEW

Exit Conference Date: November 15, 2002

Release Date: November 20, 2002

Report No. 03-03

CITY OF ORLANDO

OFFICE OF AUDIT AND EVALUATION

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CITY OF ORLANDO

MEMORANDUM

To: Honorable Glenda E. Hood, Mayor

From: Beryl H Davis, CPA, CGFM, Audit and Evaluation Director

Date: Exit Conference Date: November 15, 2002; Release Date: November 20, 2002

Subject: Lynx Travel Spending Review (Report No. 03-03)

As requested, we have reviewed the travel policies and procedures of Lynx as well as compliance with the policies by Lynx Board members and Lynx staff to attend the American Public Transportation Association (APTA) 2002 Annual Meeting and Expo held in Las Vegas, NV. Our examination was made in accordance with generally accepted government auditing standards and, accordingly, we included those audit procedures we considered necessary in the circumstances.

The review was initiated after media reports indicating a high number of Lynx attendees to the APTA meeting and non-attendance by certain individuals at sessions within the event.

With respect to your audit request, we noted that the expense reporting of the individuals attending the APTA Meeting complied with the then existing policies in all material respects. We did note that other travel spending did not always comply with policy and that the newly drafted interim policies could be improved. Our recommendations to enhance these policies are included in this report.

The results of our review are summarized in the Executive Summary portion of this report with further details contained in the body of the report. We would like to thank the management and staff of Lynx for their courtesy, cooperation and assistance during this review.

BHD/am

c: Fred R. Kittinger, Chief of Staff
Richard Levey, AICP, Chief Administrative Officer
Kevin J. Edmonds, Deputy Chief Administrative Officer
Dean J. Grandin, Jr., Planning & Development Director
Daniel R. Gallagher, Transportation Planning Bureau Chief
Mayor Russ Hauck, Chairman of the Board of Directors, Lynx
Byron W. Brooks, Executive Director, Lynx
Tommy Boroughs, Holland & Knight, LLP

EXECUTIVE SUMMARY

Objectives, Scope and Methodology

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The objectives of this review were limited to reviewing Lynx' travel policies and procedures for adequacy and for adherence by Board members and staff, particularly regarding travel to attend the American Public Transportation Association (APTA) 2002 Annual Meeting and Expo in Las Vegas, NV during the September 20-26, 2002 period. To accomplish these objectives, we obtained the current and proposed Lynx travel policies and the Travel Expense Statements of all Board members and Lynx employees for FY 2001-2002. We evaluated the policies for adequacy and reviewed the Travel Expense Statements of several individuals for adherence to the policies; we also reviewed the Travel Expense Statements of all Board members and Lynx staff who attended the APTA event in Las Vegas.

Introduction

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The American Public Transportation Association (APTA) conducts annual meetings and bus "Roadeo" competitions, which are augmented every three years with an Exposition to provide Association members a chance to view new products and services to the transit industry. This year's meeting and related events took place between September 20 and September 26. APTA expected approximately 15,000 participants from around the world to attend.

Twenty one Lynx Board members and staff attended the APTA meeting. This included five Board members and three Lynx managers who attended the Annual Meeting, eight operators, mechanics and supervisors who participated in/attended the "Roadeo", and five employees (four maintenance/program staff members and one director) who attended the Expo.

Because Lynx drivers and maintenance personnel had won the State “Roadeo”, the University of South Florida Center for Urban Transportation Research (CUTR) sponsored and prepaid the registration fees and airfares of four of the “Roadeo” attendees to represent Florida in the international competition. A total of 52 maintenance teams and 115 bus operators competed, and Lynx garnered a third place finish in the maintenance team competition. Total Lynx travel spending for all eight “Roadeo” participants was approximately \$12,600. However, Lynx expects to receive some reimbursement for hotels and meals from CUTR.

The Board members expenses for this event were \$7,300. This represented approximately 89% of the total Board’s travel expenses of \$8,200 for FY 2002. The travel expenditures for the three Lynx staff members who attended the Annual Meeting were \$5,400. The five individuals who attended the Expo incurred travel expenses of about \$3,300. Total travel spending for this event was approximately \$28,600. Lynx’ FY 2001-2002 total budget was \$75.0 million, \$173K (0.23%) of which was related to travel expenses. Actual travel spending for FY 2001-2002 was \$133K.

**Attendance at
ATPA 2002
Annual Meeting
and Expo**

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Our review indicated the Executive Director approved travel requests and/or signed checks for registrations/hotel advances for fourteen individuals, including the four “Roadeo” contestants, who attended the APTA event. These approvals were made between April and September 2002. In reaction to questions from outside parties regarding attendance at this event, Lynx has revised its Travel, Gifts and Meals policies and issued interim policies. While commending Lynx for taking the initiative in making these revisions, we believe some of the

proposed policy revisions may have limited benefits in ensuring travel accountability or controlling travel expenses. The revisions include, among other things, restricting attendance at conferences to four individuals, unless otherwise justified in writing and requiring a written report to be submitted upon return from the conference. None of the travel policies of the five other government organizations (City of Orlando, Orange County, Orlando Utilities Commission, Greater Orlando Aviation Authority and MetroPlan Orlando) we reviewed require written reports, nor any specific restrictions on the number of attendees.

In place of such policy changes, we recommend that accountability begin at the level at which travel budgets are adopted. The budget process is the best vehicle for identifying travel and training expense needs as well as what departments and individuals should incur the related expenses. If detailed department budgets for travel expenditures are made available at the time that the entire Lynx budget is approved, the Executive Director and Lynx Board members have an opportunity to compare and evaluate the appropriateness of planned expenditures at the department level. This methodology would provide better financial oversight than having the Executive Director review and make judgments concerning who should attend a specific conference, particularly when those requests for approval are presented over a six-month period, as was the case in the APTA 2002 meeting (April through September).

**Attendance at
Annual Meeting
Sessions**

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There were also inquiries by outside parties as to whether travelers attended the individual sessions at the events. In one instance we viewed, the television media showed a Board

member in the casino at 3:10 p.m. on one of the days of the APTA meeting. According to the meeting brochure, there were no general/educational sessions scheduled between 11:45 a.m. and 3:30 p.m. The only activity scheduled at that time was the salute to the American Public Transportation Foundation's scholarship winners.

When a traveler signed the Travel Expense Statement, the traveler stated that he or she attended the conference for official purposes. Lynx has begun an internal inquiry that will include interviews of individuals who traveled to Las Vegas. This is expected to take 30 to 45 days. Because of the limited scope of our review and timeframe, we believe that the internal team is in the best position to ask those individuals a fundamental question, which is: did they attend the meeting for the benefit of the organization or for reasons directly related to official duties? If there is evidence to suggest that the traveler abused his or her travel privileges, that individual should immediately refund the full cost of the Las Vegas trip to the Lynx organization.

**Attendance at
Corporate-
Sponsored Dinner**

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Outside parties also questioned Lynx officials' attendance at a corporate-sponsored dinner and the use of a limousine to attend that dinner. We learned that this dinner cost \$1,288 for 12 people, nine of whom were Lynx Board Members or employees. Since Lynx did not incur any of its own related costs, this issue has to do with ethical concerns. State Statutes have specific requirements regarding a \$100 per person limit for gratuitous gifts received from "lobbyists." We did not have sufficient information to determine whether the sponsor of the dinner is a lobbyist, as defined by the Statutes. The Lynx Standards of Ethical Conduct had been repealed in January 2002 and the State Statutes were being utilized pending issuance of the new

standards. In October 2002, the Executive Director approved an interim standard prohibiting employees and agents from accepting gifts and gratuities unless the financial interest is not substantial.

We recommend that the Lynx internal inquiry confirm the amount of gifts received by Lynx officials and determine whether these officials violated State Statutes for this dinner event and, if so, that proper sanctions be administered to those involved. In addition, Lynx should finalize its Standards of Conduct, publish and issue an Ethics Manual to its employees and Board Members and ensure that these individuals understand the provisions of the Manual and State Statutes by requiring them to sign a statement to that effect. The Standards of Ethical Conduct along with other Lynx policies and procedures should be approved by the Lynx Board.

**Compliance
with Current
Travel Policy**

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We examined the travel expense statements of all APTA meeting attendees as well as selected travel statements for individuals attending other travel/training. With respect to the attendees at the APTA event, we noted the expense statements complied with all policy requirements. Our examination of other travel expense statements noted general compliance, but some lack of documentation as required by policy. We recommend Lynx enforce its travel policy and ensure incorrect and/or incomplete Travel Expense Statements are properly corrected prior to any reimbursements being made.

**Interim Travel
Policy**

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We reviewed the Interim Travel Policy for adequacy and possible improvements. Our report includes suggestions for enhancing these travel policies along with suggestions for pre-

approval of anticipated business entertainment and a review of the current per diem rates which are relatively low compared with other similar organizations. We also suggest that policy be enacted to limit per diem rates for meals that are provided on airline flights or as gratuities and require a timeframe for the completion of the Travel Expense Statements. Our review disclosed some travel advances dating back as far as September 2000, which had not been cleared. These need to be remedied immediately and policy developed which requires closing out travel expense reports within a reasonable period, perhaps 7 business days.

**Signature
Stamp**
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We also believe that the Executive Director's signature stamp should not be used for travel requests, purchase orders, and checks. Use of a signature plate, or delegation of signature authority, are more acceptable alternatives.

INTRODUCTION

Lynx, officially known as the Central Florida Regional Transportation Authority, is responsible for providing safe, reliable, affordable public transportation to residents and visitors in Orange, Osceola and Seminole counties. Lynx not only provides scheduled bus service but also provides shuttle services to special events, commuter assistance with van and car pools and special door-to-door transportation to customers who cannot use regular bus service. The Board of Directors is composed of 11 voting members representing the three counties served, the largest city in each of those counties and five gubernatorial appointees; the Florida Department of Transportation Secretary serves ex officio. Lynx' FY2001-2002 total budget was \$75.0 million, \$173K (0.23%) of which was related to travel expenses. Total actual travel spending for the year is reported as approximately \$133K. See Schedule I. Of this amount approximately \$8,200 was spent for Board member travel.

Lynx Policy FIN-95-001, which became effective October 1, 1994, covers travel by Lynx Board members and staff. A revised policy had been developed but was being delayed pending review by the newly hired Chief Financial Officer. In light of the media attention related to the attendance at the American Public Transportation Association meeting in Las Vegas, the Executive Director issued Interim Travel as well as Gifts and Meals Policies on November 7, 2002. These policies will be amended and/or issued as final policies when the current outside audits and internal inquiry are completed.

The American Public Transportation Association (APTA) conducts annual meetings and bus "Roadeo" competitions, which are augmented every third year with an Exposition to provide association members a chance to view new products and services to the transit industry, including the latest innovations, in one location. The "Roadeo" portion of the event was held from September 20-22 while the Annual Meeting and Expo were held from September 23-25; transit facility tours were scheduled for the 26th. The Association expected 15,000 participants from around the world to attend the 2002 Annual Meeting and Expo.

Twenty-one Lynx Board members and staff attended the event, including five Board members and three Lynx managers who attended the Annual Meeting, eight operators, mechanics and supervisors who participated in/attended the "Roadeo" and five employees (four maintenance/program staff members and one director) who attended the Expo. According to the Executive Director, three of the five Board members who attended the event were new Board members and none of the five Directors had ever attended an Expo. Total travel expenses for the Board members (\$7,300) and managers

(\$5,400) were approximately \$12,700. The APTA Annual Meeting accounted for approximately 89% of total Board travel for this fiscal period.

Because Lynx drivers and maintenance personnel had won the State “Roadeo”, the University of South Florida Center for Urban Transportation Research (CUTR) sponsored and prepaid the registration fee and airfares of four of the “Roadeo” attendees to represent Florida in the international “Roadeo” competition. Some reimbursement of hotel and meal expenses is also expected to be received from CUTR. Lynx authorized 4 others to attend the “Roadeo” including 2 attendees who were members of the “Roadeo” steering committee. The international “Roadeo” is a competition designed to encourage excellence and professionalism in bus transit operations. A total of 52 maintenance teams and 115 bus operators competed in the 2002 competition with Lynx garnering a third-place finish in the maintenance team competition. Total travel spending for the “Roadeo” participants was approximately \$12,600.

The five individuals who attended the Expo incurred travel expenses of about \$3,300 bringing total travel spending for the event to approximately \$28,600. See Schedule II for a summary of expenses for the groups attending the APTA Annual Meeting and Expo.

SUMMARY OF RECOMMENDATIONS AND RESPONSES

RECOMMENDATIONS	RESPONSES
1. Lynx should institute policies and practices requiring each department to list in detail all anticipated travel events during the annual budget process.	Concur
2. Lynx Executive Management should review each travel budget request to determine if limitations should be set on the types of travel anticipated and the number of attendees at these events.	Concur
3. The Lynx internal inquiry should conclude whether each attendee at the APTA Annual Meeting attended for a business purpose and, if not, that the attendee reimburse Lynx for the cost of the trip.	Concur
4. The Lynx internal inquiry should confirm the value of the gift received by Board Members and employees to conclude whether these individuals violated Florida Statutes, and if so, should properly sanction these Board Members and employees.	Concur
5. The Lynx Board should approve the Standards of Ethical Conduct, along with other Lynx policies and procedures.	Concur
6. Lynx should publish and issue an Ethics Manual and require Board Members and employees to sign a statement that they have read the Manual and understand its provisions.	Concur
7. Lynx should enforce its travel policy and ensure that incorrect and/or incomplete Travel Expense Statements are properly corrected prior to any reimbursements being made.	Concur
8. Lynx should consider amending the Interim Travel Policy, addressing the items noted herein.	Concur
9. Lynx should immediately discontinue the use of the signature stamp for Travel Requests/Authorizations, Purchase Orders, and payment documents and explore alternative processes.	Concur

ISSUES AND RECOMMENDATIONS

Objectives The objectives of this review were limited to reviewing Lynx' travel policies and procedures for adequacy and adherence by Board members and staff, particularly regarding Lynx Board members and staff travel to attend the American Public Transportation Association (APTA) 2002 Annual Meeting and Expo in Las Vegas, NV during the September 20-26, 2002 period.

Scope To accomplish these objectives, we obtained the current and proposed Lynx travel policies and the Travel Expense Statements of all Board members and Lynx employees for FY 2001-2002.

Methodology We evaluated the policies for adequacy and reviewed the Travel Expense Statements of several individuals for adherence to the policies; we also reviewed the Travel Expense Statements of all Board members and Lynx staff who attended the APTA event in Las Vegas.

Attendance at APTA 2002 Annual Meeting and Expo Some outside parties have questioned the number of attendees at the APTA event. As noted in the Introduction, the number of attendees was distributed between the Annual Meeting (eight attendees) and the "Roadeo" (eight attendees) with an additional five individuals attending the Expo only. Our review indicated the Executive Director approved Travel Requests and/or signed checks for registrations/hotel advances for 14 individuals, including the four CUTR sponsored "Roadeo" participants, between April and September 2002.

The "Roadeo" attendees participated in the competition, principally as representatives of Florida. As noted in the Introduction, this is a premier event for the transit industry with the Lynx team finishing third in one of the events.

As the result of the recent inquiries about the number of individuals attending the trip to the APTA Annual Meeting and Expo, Lynx has revised its policies and issued an Interim Travel Policy. These revisions include, among other things, restricting

attendance at conferences to four individuals unless otherwise justified in writing and requirements for a written report to be submitted upon return from a conference. Upon completion of the current external audits being performed and Lynx' internal inquiry, the policies will be amended as appropriate and issued in final versions.

While we understand Lynx' concern with the current situation, we believe the proposed policy revisions may have limited benefits in ensuring travel accountability or controlling travel expenditures. For example, we found that none of the travel policies of five other government organizations (City of Orlando, Orange County, Orlando Utilities Commission, Greater Orlando Aviation Authority and MetroPlan Orlando) we reviewed require written reports upon returning from a conference or meeting nor provide specific restrictions on the number of attendees at certain events.

We believe the best method to limit and control the number of attendees at any event is during the annual budget process. At that time, departments requesting travel budgets should detail the expected meetings, conferences or training events necessary for their staff. This detail should include the proposed number of attendees at any given meeting, conference or training event and the anticipated costs of allowing these individuals to attend. Lynx executive management should then review each department's travel budget request to determine whether any limitations should be set regarding the type of meetings, conferences and training events scheduled and the number of Lynx attendees at these events.

Recommendation 1. We recommend that Lynx institute policies and practices requiring each department to list in detail all anticipated travel events during the annual budget process.

Response We concur. Budget policies and practices governing this are currently under development, and will go into effect immediately. For the current fiscal year budget, each department was required to provide detailed travel projections, and a follow-up will be made to include additional detail on

such specifics as planned conferences and anticipated attendees. The same sort of detail level will be required for prospective budgets.

Recommendation 2.

We recommend that Lynx Executive Management review each travel budget request to determine if limitations should be set on the types of travel anticipated and the number of attendees at these events.

Response

We concur. Budget policies are currently under development that will require Lynx Executive Management review of each travel budget to determine if limitations should be set on the types of travel anticipated and the number of attendees at these events.

Attendance at Annual Meeting Sessions

Interested parties have been questioning attendance by Lynx officials at the individual sessions at the APTA Annual Meeting event. The cited examples we have seen occurred during the approximate 11:45 a.m. to 3:30 p.m. break between the morning and afternoon educational/general sessions. In one instance we viewed, the television media showed a Board member in the casino at 3:10 p.m. on Wednesday, September 25th, and implied that this Board member was missing a general session. According to the Meeting brochure, the only activity scheduled at that time (the Expo ended at 3:00 p.m.) was a salute to the American Public Transportation Foundation's scholarship winners.

In response to this questioning by interested parties regarding the number of Lynx Board Members and executive staff attending the APTA event and whether they attended the individual sessions, Lynx has begun an internal inquiry to be conducted by a Board member who did not attend the APTA event and Lynx' Legal Counsel. The inquiry is anticipated to include interviews of the individuals who traveled to Las Vegas and is expected to take 30-45 days.

Because of the limited scope of our review and the time needed to conduct interviews of the attendees, we are not addressing

these issues of session attendance at the APTA Annual Meeting. We do concur with the plan for the internal inquiry. While we do not wish to direct the inquiry, we believe that one fundamental question needs to be addressed; namely, did each individual attending the APTA Annual Meeting do so for the benefit of the organization or for reasons directly related to official duties? If it is determined that any individual did not attend the event primarily for a business purpose, then we believe that the individual should reimburse Lynx for the cost of the trip.

Recommendation 3.

We recommend that the Lynx internal inquiry conclude whether each attendee at the APTA Annual Meeting attended for a business purpose and, if not, that the attendee reimburse Lynx for the cost of the trip.

Response

We concur. The Lynx internal inquiry, led by Lynx General Counsel Tommy Boroughs and Lynx Board Member Bill Bagley is currently ongoing.

**Attendance at
Corporate-
Sponsored Dinner**

Lynx officials were also criticized for attendance at a Corporate sponsored dinner and use of a limousine to attend the dinner. The limousine and dinner was paid for by Parsons Brinckerhoff Quade & Douglas, Inc., (Parsons Brinckerhoff) a past vendor to Lynx. According to the APTA Annual Meeting brochure, Parsons Brinckerhoff was also a sponsor of the Annual Meeting. We were able to learn from a Parsons Brinckerhoff representative that the total cost of the meal was \$1,288 for 12 people, 9 of whom were Lynx Board Members or employees, or an average of \$107 per person. The cost of two limousines to transport this entire dinner party to and from the event was \$192 or \$16 per person. We have also learned that, as of the date of this report, the Lynx Executive Director and Director of Operations have repaid Parsons Brinckerhoff for their meal costs for this occasion.

Florida Statutes restrict government employees from accepting any gift valued in excess of \$100 from a “lobbyist.” The definition of a lobbyist is outlined in Florida Statutes Section

112, Part III. In general, if Parsons Brinckerhoff had a paid lobbyist who had lobbied Lynx in the 12 months previous to this dinner, it appears that this gift would not have been permissible. If no lobbying had occurred in the previous 12 months, this gift is permissible and should be reported to the State by December 31, 2002. The State Commission on Ethics investigates violations of these provisions and determines the penalties which can range from a civil fine to removal from office.

Lynx policies and procedures included Standards of Ethical Conduct which were repealed in January 2002, and Lynx was operating under the State Statutes while revised standards were being developed. The Executive Director approved interim standards October 21, 2002 which prohibit employees or agents from accepting gifts and gratuities unless the financial interest is not substantial. Current practice does not require Board approval of Lynx policies and procedures.

In reaction to the recent criticisms, Lynx has revised its Travel and its Gifts and Meals policies and issued interim policies on these matters. We suggest that the internal inquiry planned by Lynx include a confirmation of the value of the gift received from Parsons Brinckerhoff and a determination of whether the individuals attending this dinner violated Florida Statutes.

In addition, the City of Orlando provides an Ethics Manual to all employee and volunteer board members. Each new employee or board member is required to review the manual and complete a statement that he or she has read and understands the provisions of the manual. We suggest that Lynx would benefit from instituting a similar document and process to ensure that all affected parties understand its provisions.

Recommendation 4. We recommend that the Lynx internal inquiry confirm the value of the gift received by Board Members and employees to conclude whether these individuals violated Florida Statutes, and if so, properly sanction these Board Members and employees.

Response We concur. The Lynx internal inquiry, led by Lynx General Counsel Tommy Boroughs and Lynx Board Member Bill Bagley is currently ongoing.

Recommendation 5. We recommend that the Lynx Board approve the Standards of Ethical Conduct, along with other Lynx policies and procedures.

Response We concur. Administrative Rule 2.11 has been adopted by the Lynx Board that specifies, “The code of ethics, as provided by general law, shall have full effect on all Members and all officers and employees of the Authority. Penalty for violation shall be as provided by general law.” A draft statement of conduct has been under development, and it is likely that it will be expanded to include an ethics manual.

The Purchasing and Contracts Policy and Procedure PRO-002, Section 8.0 Standard of Conduct was approved by the Executive Director on October 21, 2002, and this covers all employees, but not Board Members. This policy will receive further review and will in all likelihood be expanded.

Effective immediately, the Lynx Board will adopt all Lynx Rules and Policies, and the Executive Director will approve all Procedures.

Recommendation 6. We recommend that Lynx publish and issue an Ethics Manual and require Board Members and employees to sign a statement that they have read the Manual and understand its provisions.

Response We concur. Lynx will finalize, publish and issue an Ethics Manual, and Board Members will be required to sign a statement certifying that they have read the Manual and understand its provisions.

**Compliance With
Current Travel
Policy**

We examined the Travel Expense Statements of all APTA meeting attendees as well as certain other individuals to determine compliance with the travel policy in existence at the time of this trip. With respect to the attendees at the APTA event, we noted the expense statements complied with all policy requirements. Our examination of other expense statements

also noted general compliance with policy in most areas but some non-compliance in other areas. Specifically:

- Meeting/conference programs, brochures and/or pamphlets were not always attached to the travel authorization request (Section VI, paragraph A).
- Travel Authorization requests were not always attached to the Travel Expense Statement (Section VI, paragraph A).
- Prepayments for meeting registrations, airfares, hotels, etc. were not reported on the face of the Travel Expense Statement (Section VI, paragraph B).

We assert that Lynx travel policy requirements should be properly enforced. We suggest that Lynx enforce its travel policy when incorrect and/or incomplete Travel Expense Statements are submitted.

Recommendation 7.

We recommend that Lynx enforce its travel policy and ensure that incorrect and/or incomplete Travel Expense Statements are properly corrected prior to any reimbursements being made.

Response

We concur. Lynx will immediately provide additional training to staff so that any errors on travel paperwork submission are minimized, and corrections are made prior to any reimbursements.

Interim Travel Policy

We reviewed the Interim Travel Policy for adequacy, including comparing the Policy to the policies of five other governmental organizations (City of Orlando, Orange County, Orlando Utilities Commission, Greater Orlando Aviation Authority and MetroPlan Orlando). Lynx management may also wish to obtain and review the policies of other governmental organizations to determine possible revisions. From our review, we suggest the following areas where improvements may be possible:

- Specifically addressing the prepayment of airfare and hotel in the policy. Provisions of this nature are

important to explain to the traveler the process to properly and economically procure these items in advance. This is especially true for in-state lodging tax exemptions. Some policies we reviewed explained that sales tax on lodging could only be avoided when the lodging facility receives payment directly from the government, not from the employee of the government.

- Specifically addressing the requirements for reimbursement of rental car costs. These provisions should include pre-approval by the Executive Director, restrictions on vehicle type (sub-compact, compact, full size, etc.), or what insurance charges are reimbursable. We noted one instance during our review in which a rented vehicle appeared to be costly, \$85 daily rate, and included a \$15 daily charge for insurance.
- Specifying the proper timeframe for completion of the Travel Expense Statement after return from the travel. We found that not requiring a time limit to prepare and submit the Travel Expense Statement has resulted in non-clearance of advances for extended periods. We noted some advances (totaling \$1,127) that date as far back as September 2000 and have not yet been cleared. We noted some policies that allow the government to deduct outstanding travel advances from employee's paychecks and state that any individual with an outstanding travel advance will not be given another travel advance.
- Requiring pre-approval by the Executive Director of any anticipated business entertainment.
- Increasing the current meal per diem rates in the policy and restricting employees to only request reimbursement for meals not provided in registration fees, on airplane flights or provided as a gratuity in accordance with policy. The current rates are: \$3 for breakfast, \$6 for lunch, and \$12 for dinner. Some of the other governments we reviewed have higher per diem rates.

These rates may better compensate travelers for the actual cost of meals.

Recommendation 8. We recommend that Lynx consider amending the Interim Travel Policy, addressing the items noted above.

Response We concur. Lynx staff will re-examine the Interim Travel Policy to consider the items noted in this report when all audits and the internal inquiry are completed.

Use of Signature Stamp

During the course of our review, we did note another issue not directly related to our review but which we believe management should be aware of and consider strengthening. Specifically, the Executive Director's Administrative Assistant has an ink stamp of the Executive Director's signature which the Administrative Assistant utilizes to sign documents (letters, Travel Requests, Purchase Orders, checks, etc.) in the absence of the Director or when the Director is not readily available. The stamp is maintained in a locked drawer of the Assistant's desk with only the Assistant and her assistant having access. This situation creates a significant control issue in that the Administrative Assistant, or her assistant, has the ability to authorize travel, purchases, checks, etc. without the knowledge of the Executive Director. We noted that the signature stamp was used to approve some individuals' Travel Requests for the APTA Annual Meeting travel.

Use of the signature stamp for authorizing, commitment and payment documents should be immediately discontinued and alternative processes explored, e.g., use of a signature plate and dual signature requirements. The stamp should be restricted to letters and memos and other non-authorizing documents. In the interim, the Executive Director should delegate signing authority to the Chief Financial Officer whenever the Director is unavailable.

Recommendation 9. We recommend that Lynx immediately discontinue the use of the signature stamp for Travel Requests/Authorizations, Purchase Orders, and payment documents and that alternative processes be explored.

Response We concur. Effective immediately, this signature stamp will not be used for Travel Requests/Authorizations, Purchase Orders, or payment documents.
