



COUNTY OF PLACER

OFFICE OF AUDITOR-CONTROLLER

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December 16, 2013

Dr. Richard Burton, Director
Placer County Health and Human Services Department
3091 County Center Drive, Suite 290
Auburn, CA 95603

Re: Countywide Taxable Meal Reimbursements Review – FY 12/13

Dear Dr. Burton:

The Internal Audit Division of the Auditor-Controller's Office performed a Countywide review of taxable meal reimbursements. As part of that review, we examined the taxable meal reimbursements processed by the Health & Human Services Department (Department) during fiscal year 2012-2013. The objectives of our review were to determine whether (a) proper department internal controls regarding taxable meal reimbursements have been designed to safeguard County assets and detect fraud and/or abuse and prevent it from occurring, and that internal controls have been placed into operation and are operating as designed; and (b) taxable meal reimbursement procedures continue to be followed in accordance with the Placer Administration Manual and specific Memorandums of Understanding.

Based on our review which consisted of inquiries of accounting staff regarding current processes and procedures employed by the Department, and physical inspection of supporting taxable meal reimbursement documentation, except as noted below, it appears the internal controls are operating as designed within the Department.

Our finding and recommendation are as follows:

Incorrect Per Diem Rate

During our review, we noted one instance where an employee was reimbursed for a meal incurred during travel to conduct County business using the incorrect per diem rate. The per diem rates for meal reimbursements are determined by the Federal Domestic Per Diem Rate and administered based on the primary location the employee must travel to conduct County business. In this instance, the employee was reimbursed at a rate using the incorrect location and should have been reimbursed at a lower per diem rate.

We recommend a Prior Pay Period Time & Labor Adjustment form be prepared to correct the amount of the employee's taxable meal allowance and the form be submitted to the Auditor-Controller's Office – Payroll Division for processing.

Department's Response:

Health and Human Services agrees with the findings of the Internal Audit Division, and has submitted a Prior Pay Period Adjustment to the Payroll Division for adjustment of this overpayment, in addition to contacting the employee so he will be aware of this action. We have also advised the staff who prepared this claim about the importance of confirming the appropriate per diem amounts for each travel destination. If a Prior Pay Period Adjustment is not allowed by the Auditor due to the amount of time that has elapsed since the original payment, HHS will either collect the overpayment from the employee or deduct this amount from the employee's next travel claim.

The Department's response to our recommendation identified in our review is included above. We did not audit their response and, accordingly, we do not express an opinion on it.

We appreciate the courtesy and cooperation of the Department's staff throughout the course of this review.

Respectfully,



Nicole C. Howard, CPA
Assistant Auditor-Controller

cc: Rebecca Mellott, Director, Administrative Services, Health and Human Services
Doreen Drake, Senior Administrative Services Officer, Health and Human Services
Placer County Audit Committee