



CENTRAL WASHINGTON UNIVERSITY

To: Bill Vertrees, Interim Vice President for Business and Financial Affairs
Dr. James Gaudino, President

From: Margaret Smith, CIA *Margaret Smith*
Director, Internal Audit

Date: November 13, 2009

Subject: Review of Corporate Travel Card Use

Memo #: 399

This memorandum presents the results of my limited review of the use of the corporate travel card by individual card holders. This review was conducted to evaluate to what degree card holders abide by the policies and procedures governing the use of the card. Because all exceptions were reported to card holders' supervisors for appropriate action, no response is requested at this time. I appreciated the cooperation and courtesies extended to me by card holders and their supervisors during this review.

Background

The corporate travel card is available to employees whose work requires them, as authorized by their supervisor, to travel on official university business. The card is issued to the individual employee. When the employee uses his/her corporate travel card he/she is billed directly, is responsible to pay all charges, and applies for travel reimbursement through the travel voucher process. Card use is regulated by state and university travel regulations and meal and light refreshments guidelines. There is a risk that the university would be liable if the card holder does not pay the charges incurred on the card.

Scope and Objectives

This limited review was designed to examine corporate travel card activity and determine the degree to which activity was in compliance with policies and procedures regarding the use of the card. Audit procedures included

examination of card activity, verification of a sample of transaction by the card holders, review of policies, procedures and regulations, interviews with card holders and correspondence with supervisors. The corporate travel card program administrator monitored payment status.

I examined one year's detail activity from September 2008 through September 2009. This included 46 card holders with 1,641 transactions totaling \$146,337.33. I selected ten card holders for the individual verification procedure. These ten card holders charged \$55,618.07 including charges in Ellensburg and other unusual activity.

Results of the Review

Compliant Corporate Card Use

The review disclosed that most card holders (41 employees) appeared to follow university policies and procedures limiting the use of the card to official university travel. Card activity included infrequent transactions associated with a common destination and occasional local meal purchases related to candidate interviews or meals with official meetings.

The activity appeared reasonable and was consistent with university related business. Nothing came to my attention that would warrant further verification. The verification procedure supported this conclusion as six of the ten card holders verified all the activity was official university business.

Exceptions to Corporate Travel Card Use Policy

The review disclosed that five card holders used their corporate travel card for personal related transactions including meals, light refreshments, gasoline, air fare and hotel expenditures. The ten card holders selected for verification were asked to identify if any personal transactions appeared in the detail of activity provided for their review. Four card holders acknowledged that there were personal transactions included in the activity history. All four employees agreed to follow acceptable use guidelines in the future; two employees agreed to terminate their card agreements; and supervisors and human resources staff were notified of these exceptions.

One card holder that appeared to use the card for personal activity was on leave. The activity on her card will be verified when she returns to work. Her supervisor verified that some of the travel details were outside the scope of her work assignments or authorized travel and therefore, appeared to be personal.