

# **CALIFORNIA DEPARTMENT OF PUBLIC HEALTH**

Review Report

## **CALIFORNIA AUTOMATED TRAVEL EXPENSE REIMBURSEMENT SYSTEM TRAVEL REIMBURSEMENT PROGRAM**

*July 1, 2016, through June 30, 2017*



**BETTY T. YEE**  
California State Controller

October 2019



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**California State Controller**

October 30, 2019

Karen L Smith, M.D., M.P.H., Director  
California Department of Public Health  
1616 Capitol Ave  
Sacramento, CA 95814

Dear Ms. Smith:

The State Controller's Office (SCO) has completed the review of the California Department of Public Health's (CDPH) California Automated Travel Expense Reimbursement System (CalATERS) Travel Reimbursement Program. The review period was July 1, 2016, through June 30, 2017.

We reviewed the CalATERS Travel Reimbursement Program to determine whether CDPH has effective internal controls to ensure that travel expense claims (TECs) are legal, proper, and in accordance with CalATERS Travel Reimbursement Program guidelines; and to determine whether CDPH maintains adequate documentation to support the CalATERS TECs submitted to the SCO.

We found that CDPH has effective internal controls to ensure that TECs are legal, proper, and in accordance with CalATERS Travel Reimbursement Program guidelines, and maintains sufficient supporting documentation to support the TECs submitted to the SCO.

If you have any questions, please contact Andrew Finlayson, Chief, State Agency Audits Bureau, by telephone at (916) 324-6310.

Sincerely,

*Original signed by*

JIM L. SPANO, CPA  
Chief, Division of Audits

JLS/as

cc: Sophia Lim, Deputy Chief  
Internal Audits, Office of Compliance  
California Department of Public Health

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# Review Report

## Summary

The State Controller's Office (SCO) has completed the review of the California Department of Public Health's (CDPH) California Automated Travel Expense Reimbursement System (CalATERS) Travel Reimbursement Program. The review period was July 1, 2016, through June 30, 2017.

Our review found that CDPH has effective internal controls to ensure that travel expense claims (TECs) are legal, proper, and in accordance with CalATERS Travel Reimbursement Program guidelines. CDPH maintains adequate documentation to support CalATERS TECs submitted to the SCO.

## Review Authority

We conducted the review pursuant to Government Code (GC) section 12410, which states, "The Controller shall superintend the fiscal concerns of the state. The Controller shall audit all claims against the state, and may audit the disbursement of any state money, for correctness, legality, and for sufficient provision of law for payment." In addition, GC section 12411 states that "The Controller shall suggest plans for the improvement and management of the public revenues."

## Background

CalATERS is the statewide travel reimbursement system used by the State of California. The system is administered by the California Department of Human Resources (CalHR), the California Department of General Services (DGS) and the SCO. Rules and regulations are passed from the *California Code of Regulations* through CalHR, which disseminates them to state agencies to enforce. DGS is responsible for establishing each state agency's access to CalATERS, in addition to procurement, as DGS dictates how rental cars and hotels are procured. The SCO is responsible for reimbursing employees based on their TECs entered into CalATERS. State employees who travel on official state business are reimbursed for expenses incurred while traveling.

In CalATERS, every employee has a unique log-on identity and password. Two levels of review are required for every TEC. The first level is the claimant's supervising manager or approver as assigned by the agency. Only department-assigned staff can be approvers, and they must be granted access in the CalATERS system to be able to approve TECs. Approvers not only approve the TEC in the system, but also physically sign a hard copy of the CalATERS transmittal page with supporting documentation. This signature confirms that the approver has reviewed the documents contained in the supporting package, and that the package includes all necessary supporting documentation.

Once the authorized approver has approved the TEC, it is electronically submitted to each department's assigned accounting staff; the signed hard copy is also forwarded to the department's accounting staff. The departmental accounting staff then compares the hard copy support to the electronic TEC, validates that all necessary supporting documentation has

been submitted, and approves the TEC. The departmental accounting staff has the ability to issue TEC payments of acceptable amounts if required supporting documentation is not received; however, staff members cannot add any additional dollar amounts to TECs.

## **Objectives, Scope, and Methodology**

The review period was July 1, 2016, through June 30, 2017. Our review assessed CDPH's CalATERS Travel Reimbursement Program to gain reasonable assurance that payments are legal, proper, and are supported by sufficient documentation. The review objectives were to determine whether CDPH:

- Has effective internal controls to ensure that TECs are legal, proper, and in accordance with CalATERS Travel Reimbursement Program guidelines; and
- Maintains adequate documentation to support CalATERS TECs submitted to the SCO.

To achieve our objectives, we:

- Reviewed CDPH's policies and procedures for the CalATERS Travel Reimbursement Program;
- Interviewed CDPH management and key personnel to gain an understanding of the operations and activities within their respective divisions and units; and
- Used statistical random sampling with the attribute methodology to determine the sample size. The sample included 100 transactions totaling \$32,018 out of 19,257 transactions totaling \$6,528,493. Performed tests to determine whether CalATERS TECs were in compliance with program guidelines.

## **Conclusion**

Our review found that CDPH has effective internal controls to ensure that TECs are legal, proper, and in accordance with CalATERS Travel Reimbursement Program guidelines. CDPH maintains adequate documentation to support CalATERS TECs submitted to the SCO.

## **Follow-up on Prior Audit and Review Findings**

We have not previously conducted an audit or review of CDPH's CalATERS Travel Reimbursement Program.

## **Views of Responsible Officials**

We discussed our review results with CDPH's representatives during an exit conference conducted on January 31, 2019. Vi Tran, State and Federal Units Chief; Sophia Lim, Deputy Chief, Internal Audits, Office of Compliance; and Makeda Blackwell, Accounting Manager – Travel Unit, agreed with the review results. Ms. Lim declined a draft review report and agreed that we could issue the review report as final.

**Restricted Use**

This review report is solely for the information and use of CDPH and the SCO; it is not intended to be and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this review report, which is a matter of public record, and is available on the SCO website at [www.sco.ca.gov](http://www.sco.ca.gov).

*Original signed by*

JIM L. SPANO, CPA  
Chief, Division of Audits

October 30, 2019

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