

STATE TRAVEL EXPENDITURES



INFORMATIONAL REPORT
ISSUED MARCH 2, 2011

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LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

March 2, 2011

The Honorable Joel T. Chaisson, II,
President of the Senate
The Honorable Jim Tucker,
Speaker of the House of Representatives

Dear Senator Chaisson and Representative Tucker:

This report provides the results of our informational report on state travel expenditures, as well as recommendations to improve the monitoring of state travel expenditures. Appendix A contains the Division of Administration's response to this report. I hope this report will benefit you in your legislative decision-making process.

We would like to express our appreciation to the management and staff of the Division of Administration for their assistance during this audit.

Sincerely,

Daryl G. Purpera, CPA, CFE
Legislative Auditor

DGP/dl

STATE TRAVEL EXPENDITURES 2011

Office of Legislative Auditor

Daryl G. Purpera, CPA, CFE, Legislative Auditor



Informational Report: State Travel Expenditures

March 2011

Audit Control # 40100018

About This Informational Report

Legal Authority and Purpose. Louisiana Revised Statute 24:513(D)(4) directs the Office of Legislative Auditor to conduct performance audits, program evaluations, and other studies to enable the legislature and its committees to evaluate the efficiency, effectiveness, and operations of state programs and activities. We conducted an analysis on Louisiana state employee travel expenditures because of the focus on the budgetary conditions within the State of Louisiana. The purpose of the analysis was to review state employees' travel data and analyze the expenditures for fiscal years 2008 through 2010 to develop recommendations to help the state improve tracking and monitoring of Louisiana state employee travel expenditures.

Overall Results

We examined state agency travel expenses for fiscal years 2008 through 2010. During these three fiscal years, we found the following:

- State entities, excluding Higher Education, spent over \$99.8 million in travel expenditures.
- Travel expenses decreased by 41% over this time period (from \$40.4 million in fiscal year 2008 to \$23.7 million in fiscal year 2010).
- Approximately three-fourths of the travel expenses were for in-state travel and one-fourth for out-of-state travel.
- On average, the state incurred \$627 in travel expenses per each classified and non-classified state employee in the executive branch.
- We could not determine the breakdown of meals, lodging, and transportation during this time period because of limitations and data issues.
- There is no statute requiring the central monitoring of travel expenditures for all state entities.

Data Limitations. During fieldwork, we identified limitations and data issues associated with the Integrated Statewide Information System (ISIS).¹ Because of these limitations and data issues, we were unable to perform a detailed analysis. In addition, because of the ISIS limitations and data issues identified, we cannot provide assurance that the total travel expenditure amounts presented in this report are reliable and complete. Exhibit 1 summarizes the limitations and data issues we found with the Advanced Financial System (ISIS-AFS) and Human Resources (ISIS-HR), two modules used in ISIS to track travel expenditures.

Exhibit 1	
ISIS Limitations and Data Issues	
ISIS System	Limitations Encountered
ISIS-HR	<ul style="list-style-type: none"> • Not all state entities are required to use ISIS-HR to track specific travel expenditures. • There are no policies regulating consistency for data entry by all agencies.
ISIS-AFS	<ul style="list-style-type: none"> • ISIS-AFS does not have adequate controls in place to ensure entities enter the data consistently and correctly. • ISIS-AFS uses broad general categories and does not allow for detailed analysis by meals, lodging, mileage, etc. • Travel expenditures are not categorized by the funding source of payment. • Two accounting categories, Central Business Account and Professional Services, do not differentiate between in-state and out-of-state travel expenditures.
ISIS-HR and ISIS-AFS	<ul style="list-style-type: none"> • State agencies are not required to input travel data in the same system. As a result, data from separate travel systems may not correctly feed into ISIS-AFS, and the data may be incomplete. • ISIS-AFS and the ISIS-HR travel expenditure amounts do not match because ISIS-AFS tracks by payment and ISIS-HR tracks by date of the trip. • Since not all universities input data into the same system, it is not possible to determine the total travel expenditures or total number of employees who traveled and total number of employees for the category of Higher Education.
<p>Note: Because of these issues, we were unable to generate a uniform total travel amount for all exhibits and appendices. Various travel expenses could not be properly analyzed and/or allocated. The specific limitations are noted for each chart.</p>	

¹ See the Overview of Data Systems section for more detail on this system.

Because of the nature of this informational report and the limitations and data issues encountered, we did not assess the reliability of the two ISIS modules used to generate our analysis. The information presented in this report should be considered with these limitations and data issues in mind. We organized the results of our data analysis in a Question-Answer format. For this informational report, we answered the following six questions:

1. How much did state entities incur in travel expenses during fiscal years 2008 through 2010?
2. What was the trend in state travel expenditures from fiscal year 2008 to fiscal year 2010?
3. How much did state entities incur in travel expenses for in-state travel versus out-of-state travel from fiscal year 2008 through fiscal year 2010?
4. How much did state entities incur in travel expenses per state employee during fiscal years 2008 through 2010?
5. What were the average reimbursement amounts for state travel expenditures during fiscal years 2008 through 2010?
6. Who is responsible for monitoring state travel expenditures?

Some of our results are included in the body of this report and the remaining analyses are included in Appendices C and D.

Overview of Travel Data Systems

The state uses two modules of ISIS to track travel expenditures, ISIS-HR and ISIS-AFS, as described below:

- **ISIS-HR** supports the state's central human resources and payroll requirements. This module tracks specific travel expenditure categories, but is not used by all state entities. We attempted to use ISIS-HR to determine details regarding state travel expenses; however, we were unable to complete this analysis because of the limitations and data issues described in Exhibit 1.
- **ISIS-AFS** is a complete financial management system specifically designed to support the functions performed by governments. ISIS-AFS supports the basic accounting functions of accounts payable and general ledger. ISIS-AFS is used to track all state entity travel expenditures. We used ISIS-AFS to determine the total amount of travel expenses the state incurred during fiscal years 2008 through 2010.

Legal Overview of Louisiana's Travel Policies

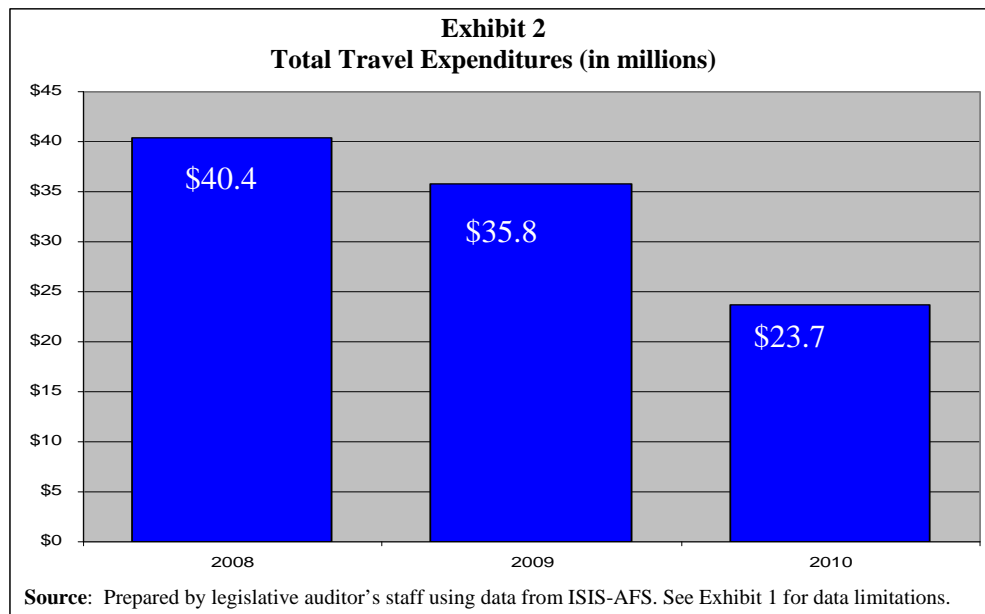
Title 39 of the Louisiana Revised Statutes of 1950 authorizes the commissioner of administration to prescribe the conditions under which each of the various forms of transportation may be used by state officers and employees and the conditions under which allowances will be granted for travel expenses. In accordance with Title 39, the Division of Administration (DOA) issues a statewide travel policy (Policy and Procedure Memorandum or PPM-49). This policy can be found in the Louisiana Administrative Code, and it states that each entity or department head has the authority to establish travel regulations within its respective entity.² The entity or department specific travel regulations must be approved by the commissioner of administration and must comply with PPM-49. Furthermore, no central state entity is required by the Louisiana Administrative Code to monitor the travel expenses of all state entities; however, the state travel regulations require that department and state entity heads find ways to minimize travel expenses.³

² Louisiana Administrative Code 4:1503(A)(1)

³ Louisiana Administrative Code 4:1503(A)(2)

1. How much did state entities incur in travel expenses during fiscal years 2008 through 2010?

Louisiana state entities incurred over \$99.8 million in travel expenses during fiscal years 2008 through 2010.⁴ Exhibit 2 shows approximate travel expenditures for these years. See Appendix C for total travel amount incurred by each state entity.



State entity travel expenses include all forms of travel conducted by state entities from daily work-related travel to out-of-state travel for conferences. Employee travel expenses also include all of the costs associated with travel, such as lodging and meal reimbursements.

In addition, according to DOA officials, there is no way to determine the funding source of travel expenditures (e.g., state general funds, federal funds, or a statutory dedication). Because each state entity's accounting policies determine whether travel expenses are tracked to specific funding sources, we were not able to determine the amount of specific travel expenditures paid through the state general fund to provide potential areas for cost-savings.

Recommendation 1: DOA should consider establishing data input controls for entering travel expenditure information consistently and completely into the various ISIS travel modules.

Summary of Management's Response: DOA agrees with this recommendation. Currently, all state agencies and higher education entities are not required to input travel expenditures into one system, and as a result, travel expenditure information entered may be inconsistent. DOA management is aware inconsistencies may exist and provides

⁴ This total does not include the travel expenses incurred from higher education because not all higher education systems use ISIS-AFS.

training and/or guidance by the DOA's Office of State Travel and the Office of Statewide Reporting and Accounting Policy in an attempt to prevent inconsistencies. DOA will continue to address this issue as opportunities become available to enhance the statewide ISIS travel modules.

Recommendation 2: DOA should consider requiring state entities to report uniform travel expenditure data so all travel information can be analyzed consistently.

Summary of Management's Response: DOA agrees with this recommendation. DOA management relies on processes in place within individual state agencies and higher education entities to justify, analyze, and monitor travel expenditures. In addition, DOA's Office of Planning and Budget looks at travel expenditures of state entities at the macro level for budget development purposes. DOA management agrees that accumulating all travel information through a uniform data report would allow for a more comprehensive analysis of travel, and will consider the benefits of a more comprehensive analysis when implementing new policies to address future changes to the statewide travel modules.

Recommendation 3: DOA should consider requiring all state entities to document and report travel expenditures by funding source.

Summary of Management's Response: DOA agrees with this recommendation. The current Information Technology system does not allow for documentation of expenditures by means of financing or funding source, but the new LaGov system that is currently being implemented is capable of reporting expenditures by means of financing and funding source. As phases of the LaGov system are implemented throughout the state, DOA management will address reporting travel expenditures by funding source in guidance and training that is offered to state agencies and higher education entities.

2. What was the trend in state travel expenditures from fiscal year 2008 to fiscal year 2010?

Overall, state entities decreased travel expenditures by 41% from fiscal year 2008 to fiscal year 2010. As a comparison, state revenues decreased by 9% during this time.

While the state revenues decreased by 9% during fiscal years 2008 through 2010, six of the 25 (24 %) state entities did not reduce their travel expenditures by at least the same amount. The remaining 19 of 25 (76 %) state entities were able to reduce their travel expenditures by more than the state revenue decrease of 9% during the same time period. Exhibit 3 shows the breakdown of state entities' increase or decrease in total travel during fiscal years 2008 through 2010.

Exhibit 3 Percent Increase (Decrease) in Total Travel Fiscal Years 2008 Through 2010		
Rank	State Entity	Percent Change
1	Department of Public Service	32%
2	Department of Veterans Affairs	17%
3	Other Requirements ⁵	12%
4	Department of Transportation and Development	-4%
5	Special Schools and Commissions	-4%
6	Department of Justice	-6%
	State Budget*	-9%
7	Capital Outlay	-9%
8	Department of Wildlife and Fisheries	-14%
9	Department of Economic Development	-14%
10	Louisiana Workforce Commission	-17%
11	Ancillary Funds ¹	-17%
12	Department of Health and Hospitals	-18%
13	Department of Treasury	-27%
14	Department of Education	-29%
15	Department of State	-29%
16	Department of Insurance	-35%
17	Department of Public Safety and Corrections	-37%
18	Department of Civil Service	-41%
19	Department of Children & Family Services**	-42%
20	Department of Culture, Recreation and Tourism	-44%
21	Department of Environmental Quality	-45%
22	Department of Natural Resources	-48%

⁵ According to the fiscal year 2010 Louisiana Executive Budget, "Other Requirements" includes 19 budget units, including Local Housing of State Adult Offenders, Sales Tax Dedications, Interim Emergency Board, and Louisiana Health Insurance Association.

Exhibit 3		
Percent Increase (Decrease) in Total Travel		
Fiscal Years 2008 Through 2010		
Rank	State Entity	Percent Change
23	Department of Agriculture and Forestry	-48%
24	Department of Revenue and Taxation	-55%
25	Office of the Governor (Various Entities) ⁶	-80%
	State Average***	-41%
<p>*We calculated the state budgetary decrease using the total state budget since all funding sources can possibly be used to fund travel. The total state budget includes Higher Education.</p> <p>**Formerly Department of Social Services.</p> <p>***State average is not inclusive of Higher Education.</p> <p>Source: Prepared by legislative auditor's staff using data from ISIS-AFS. See Exhibit 1 for data limitations.</p>		

Because this is an informational report, we did not identify the causes for the increases or decreases in travel for these entities. Appendix C provides additional breakdown by entity.

⁶ According to R.S. 36:4(B), the Office of the Governor includes functional units such as the Division of Administration, Governor's Office of Homeland Security and Emergency Preparedness, etc. See Appendix E for additional functional units within the Office of the Governor.

3. How much did state entities incur in travel expenses for in-state travel versus out-of-state travel from fiscal year 2008 through fiscal year 2010?

During fiscal years 2008 through 2010, state entities incurred approximately \$74.5 million of in-state travel expenses and \$23.6 million of out-of-state travel expenses. As stated in the previous section, state revenues experienced about a 9% decrease from fiscal years 2008 through 2010. During these years, state entities had a reduction of 43% for in-state travel expenses and a reduction of 37% for out-of-state travel expenses. Exhibit 4 breaks down the in-state versus out-of-state travel expenses and Appendix D summarizes each entity's in-state versus out-of-state travel expenses.⁷

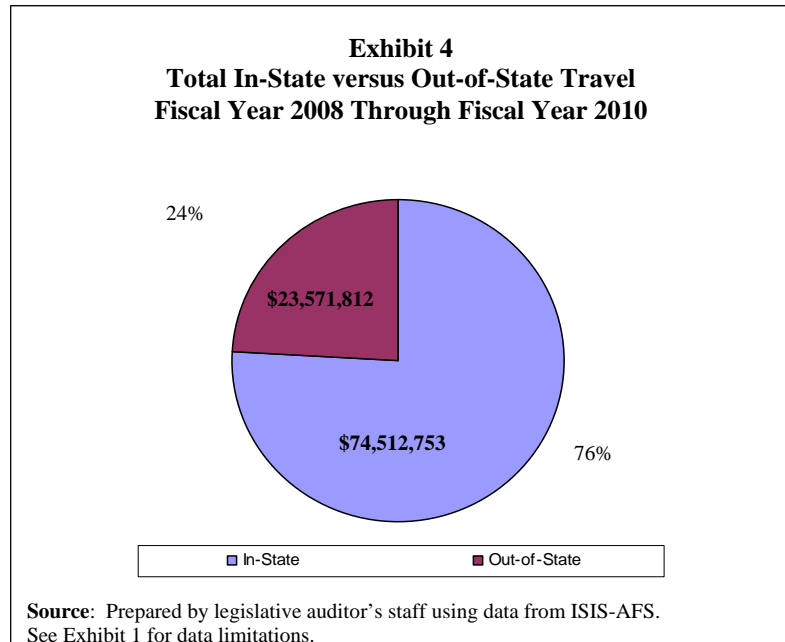


Exhibit 5 summarizes the five entities with the highest total travel expenses during fiscal years 2008 through 2010 and the in-state and out-of-state travel expenses for these entities.

Exhibit 5
In-State versus Out-of-State Travel, Top Five State Entities*
Fiscal Years 2008 Through 2010

State Entity	In-State Travel	Percentage of In-State Travel	Out-of-State Travel	Percentage of Out-of-State Travel	Total Travel*
Department of Health and Hospitals	\$17,341,987	84%	\$3,263,610	16%	\$20,605,597
Office of the Governor (Various Entities)**	17,308,640	85%	2,964,357	15%	20,272,997
Department of Children & Family Services***	8,536,279	92%	741,970	8%	9,278,249
Department of Education	5,906,866	71%	2,452,758	29%	8,359,624
Department Public Safety and Corrections	5,764,266	69%	2,532,915	31%	8,297,181
See Appendix D for the information on the remaining state entities.					
State Total****	\$74,512,753	76%	\$23,571,812	24%	\$98,084,565

*A total of \$1,736,704 coded to the categories of Central Business Account and Professional Services travel could not be attributed to either in-state or out-of state travel and were not included in the total travel figures in this analysis.
 **See Appendix E for additional functional units within the Office of the Governor.
 ***Formerly Department of Social Services.
 ****The state totals are not inclusive of Higher Education and may not equal 100% due to rounding.
Source: Prepared by legislative auditor's staff using data from ISIS-AFS. See Exhibit 1 for data limitations.

⁷ Because of ISIS-AFS limitations and data issues listed in Exhibit 1, we could not determine the amount of in-state and out-of-state travel expenses incurred for two accounting categories, the Central Business Account and Professional Services.

4. How much did state entities incur in travel expenses per state employee during fiscal years 2008 through 2010?

During fiscal years 2008 through 2010, state entities incurred in travel expenses, on average, \$627 per classified and non-classified state employee in the executive branch.⁸ Exhibit 6 summarizes the travel expenditures per employee for these years. During this period, the state reduced its average travel expenditure per employee by 39%.⁹

Exhibit 6			
Statewide Travel Expenditures Per Employee			
Fiscal Years 2008 Through 2010			
Fiscal Year	2008	2009	2010
Number of State Employees*	51,085	51,096	47,755
Total Travel**	\$38,581,264	\$33,326,133	\$22,056,171
Average Travel Expenditure per Employee	\$755	\$652	\$462
<p>*These totals include classified and non-classified employees in the executive branch and do not include the number of state employees under Higher Education.</p> <p>**Because we could not obtain the number of state employees for Ancillary Funds, Capital Outlay, Other Requirements, Special Schools and Commissioners, we subtracted the expenditures for these entities from our calculations. In addition, we excluded the expenditures classified as Professional Services since they are not incurred by state employees, and the state totals are not inclusive of Higher Education and may not equal 100% due to rounding.</p> <p>Source: Prepared by legislative auditor's staff using data from ISIS-AFS and ISIS-HR. See Exhibit 1 for data limitations.</p>			

Exhibit 7 shows the average travel expense incurred by each state entity on all its employees and the percent increase/decrease in the average travel expenditure per employee for the same period.

⁸ This is a weighted-average due to the variations in total number of employees per state entity per fiscal year.

⁹ In the November 12, 2009, performance audit report *Department of State Civil Service: Staffing and Personnel Issues in State Entities*, we identified inaccuracies in the total number of employees reported by state entities. In addition to these limitations, the results of our analysis included in this report are also affected by such limitations and other data issues with the two ISIS modules used as described in Exhibit 1.

Exhibit 7
Average Total Travel Expenditure Per Employee
Fiscal Years 2008 Through 2010

Rank	State Entity	Average Travel Expenditure Per State Employee*	Percent Change Between Fiscal Year 2008 to 2010
1	Department of Economic Development	\$4,816	-2%
2	The Office of the Governor (Various Entities)**	1,927	-81%
3	Department of Insurance	1,633	-23%
4	Department of Revenue and Taxation	1,166	-48%
5	Department of Justice	1,132	-3%
6	Department of Treasury	944	-30%
7	Department of Natural Resources	905	-29%
8	Department of Public Service	882	42%
9	Department of Education	766	-19%
10	Louisiana Workforce Commission	760	-37%
11	Department of Civil Service	724	-46%
12	Department of Children & Family Services***	636	-37%
13	Department of Environmental Quality	602	-40%
14	Department of Culture, Recreation and Tourism	519	-35%
15	Department of Health and Hospitals	517	-11%
16	Department of Wildlife and Fisheries	514	-20%
17	Department of Transportation and Development	506	-1%
18	Department of Public Safety and Corrections	269	-32%
19	Department of State	267	-28%
20	Department of Veterans Affairs	254	12%
21	Department of Agriculture and Forestry	173	-36%
22	Ancillary Funds****	N/A	N/A
23	Capital Outlay*****	N/A	N/A
24	Other Requirements*****	N/A	N/A
25	Special Schools and Commissions*****	N/A	N/A
	State Average	\$627	-39%

*We calculated this number by dividing the state entities total travel amount by the total number of paid employees for the last pay period of each fiscal year. We did not calculate these numbers with Professional Services travel amounts because these amounts are paid to contractors and not state employees.

**See Appendix E for additional functional units within the Office of the Governor.

***Formerly Department of Social Services.

****Based on the lack of information in the payroll report, we could not calculate the state entity's number of employees.

Source: Prepared by legislative auditor's staff using data from ISIS-AFS and ISIS-HR. See Exhibit 1 for data limitations.

5. What were the average reimbursement amounts for state travel expenditures during fiscal years 2008 through 2010?

We could not determine the specific reimbursement amounts to state employees for meals, lodging, and transportation during fiscal years 2008 through 2010 because not all state entities are required to use ISIS-HR to track travel expenditures. In addition, we could not determine the top destination, average duration, and travel purpose/reason for state employee travel during these same years because that data is not consistently entered in a manner that allows for analysis. ISIS-AFS does not categorize the travel expenditure data in these categories as shown in Exhibit 1.

Because of these limitations, we selected for analysis a judgmental sample of two agencies that use ISIS-HR to track travel expenditures, the Department of Health and Hospitals (DHH) and the Department of Education (DOE). We selected these two state entities from the top five state entities with the highest travel expenditure amounts in ISIS-HR for fiscal years 2008 through 2010. However, once we started analyzing the ISIS-HR data for the two entities, we determined that these two state entities do not consistently enter data into the system. As a result, we could not determine the expenses incurred specifically for meals, lodging, and transportation. In addition, we could not determine the average duration, top destination, and travel purpose/reason for employee travel (including conference travel) because of the inconsistency or unavailability of the data.

We were unable to categorize travel expenses incurred and the duration of employees' travel because of the limitations and data issues in the way the travel data is entered into ISIS-HR. While some data does exist for the limited number of state entities that use ISIS-HR to track travel expenditures, there are no policies regulating how the data is entered to ensure consistency. For example, some employees input the travel duration as an entire month rather than by the actual time spent traveling. As a result, there is no way to determine how much time is spent traveling during the week or month as these trips include weekends and holidays that skew the actual time spent traveling upward. Another example is vague destination data such as "LA" or large metropolises such as "Baton Rouge." As a result, we were unable to determine the actual destination and reason for all reimbursed trips. There is also no way to determine if multiple employees were reimbursed for the same trip.

Recommendation 4: DOA should consider creating controls and processes to ensure that all state entities using ISIS-HR enter travel data consistently and completely into this system.

Summary of Management's Response: DOA agrees with this recommendation. DOA will emphasize the benefits of using ISIS-HR for tracking travel expenditures to state agencies and higher education entities in an effort to encourage the entities to use the ISIS-HR system.

6. Who is responsible for monitoring state travel expenditures?

Currently, there is no statute regulating the central monitoring of travel expenditures for all state entities. While DOA is given the authority to establish the travel policies for the state, the commissioner of administration is not required by law to monitor the travel expenses of other state entities. The Office of Planning and Budget (OPB) within DOA does review travel expenditures as part of the state budget review process and monitors these expenditures on a quarterly basis at minimum, but not at the detailed level contained in ISIS-HR. DOA should consider including in its travel policies a monitoring process relating to travel expenditures for all state entities to follow. Monitoring travel would help ensure that the travel data in the accounting systems is more accurate and reliable. In addition, by monitoring travel expenses, the state would be better able to identify and realize potential cost savings. Monitoring would also allow for the identification of the top performing entities to be used as benchmark comparisons. These best practices could be included in the annual travel policy updates and be replicated across all state entities.

Recommendation 5: DOA should consider establishing a process for state entities to monitor travel expenses and generate travel expenditure reports detailing trends and yearly travel cost as stated in Recommendation 3.

Summary of Management's Response: DOA agrees with this recommendation. As stated in their response to Recommendation 2, DOA management relies on processes in place within individual state agencies and higher education entities to justify, analyze, and monitor travel expenditures. In addition, state entities are able to generate reports from the travel systems, including AFS, to assist them in monitoring their travel activity and travel expenditures.

Recommendation 6: DOA should consider reviewing travel expenditure reports at a statewide level to make management decisions and implement cost savings where necessary.

Summary of Management's Response: DOA agrees with this recommendation. As indicated in their response to Recommendation 2, DOA management agrees that accumulating all travel information within one system or through a uniform data report would allow for a more comprehensive analysis of travel, and will consider the benefits of a more comprehensive analysis when implementing new policies to address future changes to the statewide travel modules.

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APPENDIX A: MANAGEMENT'S RESPONSE



BOBBY JINDAL
GOVERNOR

PAUL W. RAINWATER
COMMISSIONER OF ADMINISTRATION

State of Louisiana
Division of Administration
Office of the Commissioner

February 4, 2011

Mr. Daryl Purpera, CPA
Legislative Auditor
1600 North Third Street
Post Office Box 94397
Baton Rouge, LA 70804-9397

Re: Response to Informational Report on State Travel Expenditures

Dear Mr. Purpera:

The State of Louisiana Division of Administration would like to thank you and your staff for conducting a review of statewide travel and providing recommendations to improve the monitoring of statewide travel expenditures.

We have reviewed the recommendations and offer the following comments:

1. *DOA should consider establishing data input controls for entering travel expenditure information consistently and completely into the various ISIS travel modules.*

Response: DOA agrees with the recommendation that data input controls should be established for entering travel expenditure information consistently and completely into the various ISIS travel modules. Currently, all state agencies and higher education entities are not required to input travel expenditures into one system, and as a result, travel expenditure information entered by state agencies and higher education entities may be inconsistent. Because DOA management is aware that inconsistencies may exist, training and/or guidance is provided by the DOA's Office of State Travel and the Office of Statewide Reporting and Accounting Policy on how to use contracts and online booking for incurring travel expenditures as well as how to report and account for travel in an attempt to prevent inconsistencies. DOA will continue to address this issue as opportunities become available to enhance the statewide ISIS travel modules.

2. *DOA should consider requiring state entities to report uniform travel expenditure data so all travel information can be analyzed consistently.*

Response: DOA agrees with the recommendation that state entities should report uniform travel expenditure data so all travel information can be analyzed consistently. DOA management relies on processes in place within individual state agencies and higher

education entities to justify, analyze, and monitor travel expenditures. In addition, DOA's Office of Planning and Budget looks at travel expenditures of state entities at the macro-level for budget development purposes. DOA management agrees that accumulating all travel information through a uniform data report would allow for a more comprehensive analysis of travel, and will consider the benefits of a more comprehensive analysis when implementing new policies to address future changes to the statewide travel modules.

3. *DOA should consider requiring all state entities to document and report travel expenditures by funding source.*

Response: DOA agrees with the recommendation that state entities should document and report travel expenditures by funding source. The current Information Technology system does not allow for documentation of expenditures by means of financing or funding source, but the new LaGov system that is currently being implemented is capable of reporting expenditures by means of financing and funding source. As phases of the LaGov system are implemented throughout the state, DOA management will address reporting travel expenditures by funding source in guidance and training that is offered to state agencies and higher education entities.

4. *DOA should consider creating controls and processes to ensure that all state entities utilizing ISIS-HR enter travel data consistently and completely into this system.*

Response: DOA agrees that entities using ISIS-HR should enter travel data consistently and completely into the ISIS-HR system. DOA will emphasize the benefits of using ISIS-HR for tracking travel expenditures to state agencies and higher education entities in an effort to encourage the entities to use the ISIS-HR system.

5. *DOA should consider establishing a process for state entities to monitor travel expenses and generate travel expenditure reports detailing trends and yearly travel cost as stated in Recommendation #3.*

Response: DOA agrees that state entities should monitor travel expenditures and generate travel expenditure reports detailing trends and yearly travel costs. As stated in our response to Recommendation #2, DOA management relies on processes in place within individual state agencies and higher education entities to justify, analyze, and monitor travel expenditures. In addition, state entities are able to generate reports from the travel systems, including AFS, to assist them in monitoring their travel activity and travel expenditures.

6. *DOA should consider reviewing travel expenditure reports at a statewide level in order to make management decisions and implement cost savings where necessary.*

Response: As indicated in our response to Recommendation #2, DOA management agrees that accumulating all travel information within one system or through a uniform

Mr. Daryl Purpera, CPA
Legislative Auditor
February 4, 2011
Page 3

data report would allow for a more comprehensive analysis of travel, and will consider the benefits of a more comprehensive analysis when implementing new policies to address future changes to the statewide travel modules.

We appreciate the efforts of your office to make recommendations for improving the operations of state government, and we will carefully consider the recommendations for opportunities to improve management of statewide travel expenditures.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul W. Rainwater", with a long horizontal flourish extending to the right.

Paul W. Rainwater
Commissioner of Administration

CC: Mark Brady
Dirk Thibodeaux
Ed Driesse
Denise Lea
Steven Procopio
Barry Dusse'
Afranie Adomako
Marianne Patin
Marsha Guedry

APPENDIX B: PROJECT SCOPE AND METHODOLOGY

This informational report provides data regarding total travel expenditures incurred by state entities, as defined in ISIS. Because this is an informational report, we did not conduct this project in accordance with all governmental auditing standards. The report primarily focuses on the travel expenditures per agency for fiscal years 2008 through 2010. We also looked at percentage increases and decreases in travel and averages by agency and employee.

To complete this project, we performed the following tasks:

- Researched Louisiana's statewide travel policy
- Researched state law and the administrative code for statutes governing travel by state employees
- Researched best practices on other states' travel policies
- Researched Louisiana's state budget for fiscal years 2008 through 2010
- Obtained ISIS data as of October 2010
- Obtained the number of classified and non-classified state employees in the executive branch by running ZP50 reports in ISIS-HR
- Analyzed ISIS-AFS and ISIS-HR data on travel expenditures incurred by state employees, including in-state and out-of-state
- Interviewed various staff from the Office of State Purchasing and Travel
- Interviewed various staff from the Office of Information Services
- Interviewed staff from the Office of Statewide Reporting and Accounting Policy
- Obtained information from the legislative auditor's Information Technology audit staff

Because of the nature of this project and time limitations, we did not assess the reliability of the ISIS data we used to generate our analyses.

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APPENDIX C: TOTAL TRAVEL EXPENSES INCURRED BY STATE ENTITY

Total Travel by State Entity Fiscal Year 2008 Through 2010						
Rank	State Entity*	2008	2009	2010	Percent Decrease or Increase Between 2008 to 2010	Total Travel
1	Office of the Governor (Various Entities)**	\$11,168,788	\$7,797,712	\$2,239,513	-80%	\$21,206,013
2	Department of Health and Hospitals	7,377,111	7,761,357	6,016,581	-18%	21,155,049
3	Department of Children and Family Services***	3,698,109	3,434,185	2,150,592	-42%	9,282,886
4	Department of Education	3,138,263	3,045,438	2,241,291	-29%	8,424,992
5	Department Public Safety and Corrections	3,398,878	2,809,086	2,135,484	-37%	8,343,448
6	Department of Transportation and Development	2,344,600	2,488,995	2,257,031	-4%	7,090,626
7	Department of Revenue and Taxation	1,442,564	1,190,239	648,852	-55%	3,281,655
8	Special Schools and Commissions	1,058,549	1,065,205	1,011,902	-4%	3,135,656
9	Louisiana Workforce Commission	889,409	885,708	740,607	-17%	2,515,724
10	Department of Economic Development	696,240	710,836	596,314	-14%	2,003,390
11	Department of Justice	621,297	597,610	582,914	-6%	1,801,821
12	Department of Environmental Quality	674,485	601,650	369,747	-45%	1,645,882
13	Department of Culture, Recreation and Tourism	625,896	629,419	349,002	-44%	1,604,317
14	Department of Insurance	561,555	536,116	362,613	-35%	1,460,284
15	Department of Wildlife and Fisheries	531,191	365,362	458,302	-14%	1,354,855
16	Department of Natural Resources	637,479	371,450	333,377	-48%	1,342,306
17	Ancillary Funds ¹⁰	335,284	342,989	278,169	-17%	956,442
18	Department of State	271,089	235,297	192,804	-29%	699,190
19	Department of Agriculture and Forestry	285,192	223,355	148,598	-48%	657,145
20	Department of Veterans Affairs	181,807	241,859	213,504	17%	637,170

¹⁰ According to the Louisiana Executive Budget, "Ancillary Funds" includes 15 budget units, including Office of Group Benefits, Office of Risk Management, and Office of Telecommunications Management.

STATE TRAVEL EXPENDITURES

Total Travel by State Entity Fiscal Year 2008 Through 2010						
Rank	State Entity*	2008	2009	2010	Percent Decrease or Increase Between 2008 to 2010	Total Travel
21	Department of Civil Service	\$218,294	\$197,717	\$128,556	-41%	\$544,567
22	Department of Public Service	79,882	77,100	105,833	32%	262,815
23	Department of Treasury	99,496	87,323	72,895	-27%	259,714
24	Capital Outlay	46,357	56,915	42,062	-9%	145,334
25	Other Requirements ¹¹	3,108	3,400	3,480	12%	9,988
	State Grand Total****	\$40,384,923	\$35,756,324	\$23,680,023	-41%	\$99,821,270

*State entities include all state departments and other non-department entities. According to OSRAP's *Control Entities Policies and Procedures Manual*, additional classes ("departments") were established for non-state entities.
 **See Appendix E for additional functional units within the Office of the Governor.
 ***Formerly Department of Social Services.
 ****These totals are not inclusive of Higher Education and the totals may not equal 100% due to rounding.
Source: Prepared by legislative auditor's staff using data from ISIS-AFS. See Exhibit 1 for data limitations.

¹¹ According to the Louisiana Executive Budget, "Other Requirements" includes 18 budget units, including Local Housing of State Adult Offenders, Sales Tax Dedications, Interim Emergency Board, and Louisiana Health Insurance Association.

APPENDIX D: STATE ENTITIES IN-STATE VERSES OUT-OF-STATE TRAVEL

In-State versus Out-of-State Travel*					
Fiscal Year 2008 Through 2010					
State Entity	In-State Travel	Percentage of In-State Travel	Out-of-State Travel	Percentage of Out-of-State Travel	Total Travel*
Department of Health and Hospitals	\$17,341,987	84%	\$3,263,610	16%	\$20,605,597
Office of the Governor (Various Entities)**	17,308,640	85%	2,964,357	15%	20,272,997
Department of Children & Family Services***	8,536,279	92%	741,970	8%	9,278,249
Department of Education	5,906,866	71%	2,452,758	29%	8,359,624
Department Public Safety and Corrections	5,764,266	69%	2,532,915	31%	8,297,181
Department of Transportation and Development	5,698,006	80%	1,392,619	20%	7,090,625
Department of Revenue and Taxation	1,674,120	51%	1,610,141	49%	3,284,261
Special Schools and Commissions	2,574,674	85%	449,953	15%	3,024,627
Louisiana Workforce Commission	1,886,357	75%	629,397	25%	2,515,754
Department of Economic Development	547,055	27%	1,456,335	73%	2,003,390
Department of Justice	1,029,965	57%	771,480	43%	1,801,445
Department of Environmental Quality	831,799	51%	814,083	49%	1,645,882
Department of Culture, Recreation and Tourism	605,888	38%	998,428	62%	1,604,316
Department of Insurance	520,291	36%	929,701	64%	1,449,992
Department of Wildlife and Fisheries	784,272	58%	570,584	42%	1,354,856
Department of Natural Resources	793,284	59%	546,798	41%	1,340,082
Ancillary Funds	504,081	53%	451,220	47%	955,301
Department of State	546,378	78%	151,240	22%	697,618
Department of Agriculture and Forestry	401,724	63%	241,455	38%	643,179
Department of Veterans Affairs	530,516	83%	106,655	17%	637,171
Department of Civil Service	346,124	64%	198,443	36%	544,567
Department of Public Service	100,972	38%	161,844	62%	262,816
Department of Treasury	123,887	48%	135,827	52%	259,714

STATE TRAVEL EXPENDITURES

In-State versus Out-of-State Travel*					
Fiscal Year 2008 Through 2010					
State Entity	In-State Travel	Percentage of In-State Travel	Out-of-State Travel	Percentage of Out-of-State Travel	Total Travel*
Capital Outlay	\$145,334	100%	-	0%	\$145,334
Other Requirements	9,989	100%	-	0%	9,989
State Total****	\$74,512,753	76%	\$23,571,812	24%	\$98,084,565
<p>*A total of \$1,736,704 coded to the categories of Central Business Account and Professional Services travel could not be attributed to either in-state or out-of-state travel and were not included in the total travel figures in this analysis.</p> <p>**See Appendix E for additional functional units within the Office of the Governor.</p> <p>***Formerly Department of Social Services.</p> <p>****The state totals are not inclusive of Higher Education and may not equal 100% due to rounding.</p> <p>Source: Prepared by legislative auditor's staff using data from ISIS-AFS. See Exhibit 1 for data limitations.</p>					

APPENDIX E: OFFICE OF THE GOVERNOR¹²

Louisiana Revised Statute 36:4 states the Office of the Governor has authority over the following state entities:

- Division of Administration, including:
 - Office of Facility Planning and Control
 - Office of Information Technology, including the Louisiana Geographic Information Systems Council
 - Office of Contractual Review
 - Office of the State Register
 - Cash Management Review Board
 - Patient's Compensation Fund Oversight Board
 - Registrar of the State Land Office and the State Land Office
 - Office of Group Benefits
 - Group Benefits Policy and Planning Board within the Office of Group Benefits
 - Board of Commissioners of Camp Moore Confederate Cemetery
 - Louisiana Tax Commission (As of July 2, 2010)
- Division of State Buildings
- Occupational Forecasting Conference
- Governor's Office of Homeland Security and Emergency Preparedness
- Louisiana Commission on Law Enforcement and Administration of Criminal Justice, with jurisdiction over:
 - Council on Peace Officer Standards and Training
 - Crime Victims Reparations Board
 - Louisiana Sentencing Commission
- Louisiana Architects Selection Board
- Louisiana Engineers Selection Board
- Louisiana Landscape Architects Selection Board
- Military Department, including the Ansel M. Stroud, Jr. Military History and Weapons Museum
- Hurricane Katrina Memorial Commission
- Board of Tax Appeals
- Ozarks Regional Commission
- Law Enforcement Executive Management Institute and its board

¹² This list is not intended to be exhaustive and reflect the entirety of the law. This list only includes those state entities found within R.S. 36:4.

- Louisiana Stadium and Exposition District, Board of Commissioners
- Mental Health Advocacy Service and its board of trustees
- Louisiana Commission on HIV and AIDS
- Public Buildings Board
- Office of Life-Long Learning
- Office of Elderly Affairs and the Louisiana Executive Board on Aging
- Office of Disability Affairs
- Children's Cabinet and Children's Cabinet Advisory Board
- Louisiana Commission on Human Rights
- Office of the Coordinator of Faith-Based Programs
- Louisiana Tax Commission (As of July 2, 2010)
- Louisiana Public Defender Board, as an independent agency
- Juvenile Justice Reform Act Implementation Commission
- Office on Women's Policy
- Governor's Office of Indian Affairs
- Office of the State Inspector General
- Drug Policy Board
- Office of Rural Development, including Louisiana Broadband Advisory Council
- Witness Protection Services Board
- Louisiana State Interagency Coordinating Council for Child Net: Louisiana's Early Intervention Program for Infants and Toddlers with Special Needs and Their Families
- Louisiana Technology Innovations Council
- Louisiana Governor's Mansion Commission
- Louisiana Animal Welfare Commission
- Pet Overpopulation Advisory Council
- Governor's Advisory Commission on Coastal Protection; Restoration and Conservation; and the Coastal Protection and Restoration Authority and the Office of Coastal Protection and Restoration
- Latino Commission
- Office of Civil Rights, if established by the governor