

## Frequent Flyer Benefits Audit Follow-Up:

*Some recommendations from the 2011 audit of Frequent Flyer Benefits were implemented but risks remain*

### Background

In March 2011, the Auditor’s Office released a report on frequent flyer benefits. The audit contained six recommendations to strengthen controls over travel practices and ethics. At that time, Metro did not have a policy for employee collection of frequent flyer benefits. A sample of travel records showed that employees in several parts of the organization collected benefits. If those benefits were later used for personal benefit, it would violate state ethics laws, unless they were approved as part of an employee’s compensation.

### Key findings

→ Travel policy is out-of-date and training is not provided to all travelers. After the original audit, procedures and practices for travel were not clarified. Metro’s current travel policy is 13 years old and contains procedures that are no longer used. There is a separate travel policy for Metro’s visitor venues (MERC Venues). It was not clear which policies applied to travelers in some parts of the organization. During the follow-up audit, we found contradictory policies related to travel on Metro’s internal website. This increased the risk of inconsistent application of travel practices.

→ Marketing rewards policy clarified Metro’s position regarding travel benefits. In response to the original audit, the Chief Operating Officer (COO) and MERC approved a policy to clarify employee collection and use of frequent flyer benefits and other marketing rewards. State law prohibits public employees from receiving personal gain from their position. Rulings by the state ethics commission confirmed that personal use of frequent flyer benefits would violate state law, unless those benefits were approved as a as part of an employee’s compensation.

→ Some recommendations were implemented but risks remain. Two of the original recommendations were implemented (see #2 and #6 see below) but they had a relatively small effect in the absence of a clear travel policy. Metro combined all personnel polices into a single document and made it available on its internal website. Some monitoring for compliance with policies was being done. However, lack of a clear policy reduced the effectiveness of monitoring.

### Status of Recommendations

2011 Recommendations	Status
<b>To strengthen controls over travel practices and ethics, Metro should:</b>	
1. Develop a policy that clearly states Metro’s position in regard to travel procedures and practices.	NOT IMPLEMENTED
2. Consolidate all guidance into one document.	IMPLEMENTED
3. Train coordinators and employees on policies and procedures.	NOT IMPLEMENTED
4. Limit payment options for travel and only allow the use of personal credit cards under approved circumstances.	NOT IMPLEMENTED
5. Require employees to disclose any rewards that are received as a result of travel on Metro business.	No longer relevant
6. Monitor for compliance periodically.	IMPLEMENTED