

SUMMARY

A Review of State Travel

INTRODUCTION

Members of the General Assembly requested the Legislative Audit Council (LAC) to conduct an audit of state travel. We reviewed state agency travel including lodging, one-day meals, airfares, subsistence, and video conferencing. We also identified other travel practices that South Carolina could adopt.

The state spent approximately \$63 million on travel in FY 03-04. This was less than 1% of total state expenditures. During the three-year period, FY 01-02 to FY 03-04, state travel expenditures *decreased* by approximately 7% while total state expenditures *increased* by approximately 11%.

STATE TRAVEL EXPENDITURES

FY 01-02	\$67,270,216
FY 02-03	\$65,722,980
FY 03-04	\$62,724,027

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CENTRAL STATE TRAVEL OFFICE

There is no centralized office that is responsible for managing travel by South Carolina state agencies to ensure that travel expenditures are efficient and cost effective. This makes it difficult for the state to use its volume of travel to reduce costs, improve communication and training about travel policies, and develop expertise in travel practices. Other states, such as Louisiana and Mississippi, and the federal government, have central travel coordinators or offices.

LODGING PRACTICES

State regulations do not limit the amount of reimbursement for lodging obtained by employees while traveling on official business. The state spent at least \$10 million for lodging in FY 03-04. To reduce travel expenditures, other states and the federal government have implemented lodging reimbursement limits. During our review, we found several examples of expenses which were significantly higher than the federal lodging limits.

- A consultant stayed three nights in Phoenix at \$375 per night to attend a conference.
- A university employee stayed four nights in Miami at \$199 per night for meetings regarding an ongoing project. The federal lodging limit is \$98.

We also found that some state agencies have policies addressing employees sharing rooms, staying at less expensive hotels and commuting to conference sites, eliminating overnight stays when employees travel in the state, and limiting out-of-state travel.

MEALS FOR ONE-DAY TRIPS

In FY 03-04, the state spent \$345,549 for one-day meals, down 57% from the \$802,576 spent in FY 01-02. Due to budget cuts during that period, a number of agencies reduced or eliminated paying for one-day meals, and the cost savings have been significant.

Without a statewide policy for one-day meals, the expenditures could return to, or exceed, the amount in FY 01-02. Eliminating the reimbursement of one-day meals could save the state as much as \$800,000 a year in direct expenses.

SAVINGS FROM REDUCTIONS IN ONE-DAY MEAL EXPENDITURES

AGENCY	FY 01-02	FY 03-04	DECREASE
Dept. of Transportation	\$98,857	\$1,647	98%
State Law Enforcement Division	\$84,506	\$3,533	96%
Dept. of Social Services	\$163,638	\$8,030	95%
Dept. of Probation, Parole and Pardon Services	\$23,813	\$5,268	78%

Source: Comptroller General

AUDITS BY THE LEGISLATIVE AUDIT COUNCIL CONFORM TO GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS AS SET FORTH BY THE COMPTROLLER GENERAL OF THE UNITED STATES.

FOR MORE INFORMATION

Our full report, including comments from relevant agencies, and this document are published on the Internet at

www.state.sc.us/sclac

Copies can also be obtained by calling

(803) 253-7612

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CONTRACT AIRFARES

The state should use its bulk purchasing power to obtain contracts with airlines for discounted airfares. Other states and the federal government utilize these types of contracts. We found several examples where South Carolina could have saved a significant amount had there been an airfare contract. In FY 03-04, we estimate that South Carolina state agencies spent at least \$6.5 million on airfare. If the state obtained discounts similar to other states, we estimate the state could save \$1.6 million annually.

SUBSISTENCE FOR COMMISSIONERS

Subsistence payments for Public Service, Employment Security, and Workers' Compensation commissioners should be discontinued. Commissioners should be reimbursed for actual travel expenditures like other state employees. To collect subsistence, commissioners do not have to expend any funds for lodging or meals and do not have to provide receipts. For example, a commissioner who lived in Richland County and traveled into work in Lexington County received \$35 per day without having to prove that he actually incurred any expenses. Subsistence payments are in addition to the commissioners' salaries, which range from \$77,834 to \$104,199.

VIDEO CONFERENCING

Video conferencing can significantly reduce travel expenditures by limiting transportation and lodging costs as well as reducing instructor fees and employees' time spent away from their official headquarters. However, the state has not exercised oversight to ensure that video conferencing capabilities are not duplicated between state agencies. We found that there are agencies in the same geographical area that operate similar facilities. Beginning with the FY 93-94 appropriations act, the General Assembly created the Video Resources Oversight Council and made it responsible for seeing that the state's objectives are met concerning the state's digital satellite video transmission system. However, the council has never formally met. The General Assembly should expand the council's mission to include approval and coordination of all video conferencing services and facilities.

OTHER TRAVEL PRACTICES

We also reviewed and made recommendations concerning other travel practices. The recommendations include:

- The Comptroller General's office, when implementing the South Carolina Enterprise Information System, should ensure that the system requires the reason for travel.
- The B&CB should examine whether there is a continuing need for a corporate travel card. The B&CB should also examine the feasibility of combining the procurement card and corporate travel card in order to maximize ease of use and benefits to the state.
- The Budget and Control Board's Office of Materials Management should revise its procedure to allow state agencies direct feedback on its contracts. Any complaints regarding state contracts, such as the car rental contract, should be considered when renewing or making new awards.
- Agencies that use volunteers to transport clients should implement policies, such as requiring odometer readings or using standard mileage between cities, to verify mileage submitted by those volunteers.
- The General Assembly should amend S.C. Code §8-11-130 to restrict moving expenses to a maximum of \$5,000, with an exception for transfers outside the continental United States.