

CITY OF ALLENTOWN

Travel Advances and Expense Report Review

Date of Report: June 08, 2026

City of Allentown employees can be reimbursed for approved expenses incurred while conducting official business, such as attending meetings, seminars, or conferences.

Employees can request money before a trip to cover expected expenses. To do this, they must:

- Complete a Travel Request and Authorization (TRA) Form and
- Get the required approvals.

After the trip, employees must:

- Submit a Travel Expense Report (TER) Form,
- Include all required receipts and documentation, and
- Obtain approval to be reimbursed.

Some employees may use a PCard to directly pay for authorized travel expenses instead of paying out-of-pocket.

OBJECTIVE

The objectives of the review were to:

- Determine whether existing policies, procedures, and Administrative Instruction Memoranda (AIMs) are being followed, and whether internal controls are adequate to ensure that Travel Expense reimbursements, Travel Advances, and PCard travel transactions are submitted and approved in a timely manner, accurately recorded, and properly calculated and paid through appropriate methods.
- Assess the timeliness and appropriateness of internal reporting related to travel-related transactions.
- Verify that adequate supporting documentation for Travel Expenses, Travel Advances, and City PCard travel usage is maintained in accordance with established requirements.

PROCEDURES

This audit was conducted in accordance with Generally Accepted Government Auditing Standards (GAGAS) and employed a methodology that included staff interviews, review of relevant documents and reports, and examination of individual financial transactions.

The audit focused on transactions from calendar year 2025.

Our procedures included the following:

- Identifying the TERs for 2025.

- Reviewing a sample of TRA and TER forms to evaluate timeliness (aging), completeness of approvals and signatures, and adequacy of supporting documentation.
- Reviewing and performing an aging analysis on a sample of TER forms in which employees were overpaid to assess compliance with applicable policies and procedures.

FINDINGS, RECOMMENDATIONS AND RESPONSES

INTERNAL CONTROL WEAKNESSES

1. Lack of Centralized TRA/TER Process

The current TRA/TER process requires a TRA to be submitted for all travel regardless of whether a cash advance is requested.

The TRA is submitted by the employee, approved by the Bureau and Department, with final approval by Purchasing (Finance). Once the TRA is properly approved, it is returned to the department for processing of the advance, if requested.

If requested, an advance check is issued no more than 30 days prior to travel.

Upon returning from travel, employees are required to complete a TER within five (5) working days of returning to the office.

The TER, along with all supporting receipts, is prepared by the employee or their designee, approved by the employee's manager, and submitted to Purchasing (Finance) for verification and final approval.

After approval, the TER is returned to the department or directly to the employee for either reimbursement processing or repayment to the City when an overpayment of the original travel advance has occurred.

If the TER results in reimbursement to the employee, the TER must be entered into the MUNIS AP Module for payment processing.

If the TER results in overpayment to the employee, repayment to the City is the responsibility of the employee or department.

Currently, there is no formal follow-up process to verify whether employees have received reimbursement payments or repaid the City for outstanding overpayments. Additionally, we noted that not all departments are consistently informed of employee overpayments.

During our review, we identified one approved TER totaling **\$459.47** that had not been submitted for employee reimbursement. The TER was approved on June 23, 2025, but as of the time of our audit remained unpaid to the employee.

Recommendation

Administration should consider centralizing the TRA/TER process to ensure that:

- All TRAs are supported by a corresponding TER,
- All employee reimbursements are properly processed and paid, and
- All employee overpayments and outstanding travel advances are timely identified, tracked, and collected.

Administration's Response

We agree and will take under advisement.

2. Lack of TRA and TER Filing System

Although Purchasing previously agreed to file all TERs submitted on the shared drive, this was not effectively communicated to the current staff resulting in a lack of a centralized TER repository.

Of the 114 TERs identified by the Controller's Office:

- 79 (69%) were in the Purchasing Centralized File,
- 26 (23%) were identified by reviewing MUNIS account number 50034 and 50028,
- 8 (7%) were identified thru Timekeeping, and
- 1 (1%) was identified thru a TRA.

No formal process or agreement existed for the centralized filing of TRA forms.

Recommendation

A centralized filing system for TRA forms and TERs should be established and reviewed monthly to ensure that all TERs have been submitted, tracked, and properly accounted for.

SEE Recommendation for Issue #1.

Administration's Response

We agree and will review/assess further.

3. Lack of Invoice Naming Convention

During our review of MUNIS transactions for accounts 50034 and 50028, we noted that there is no standardized naming convention used to identify TRA forms and TERs.

Effective internal controls and records management practices require consistent and standardized naming conventions to ensure transactions can be easily identified, tracked, and retrieved.

As a result, identifying TRA and TER documents is currently a highly manual and labor-intensive process. This reduces assurance that all relevant documents have been identified and increases the risk of incomplete reviews and potential oversight.

Additionally, some TRAs and TERs are processed using a general refund vendor #99990, rather than an individual employee name, further complicating the identification and

tracking process. This practice increases the complexity and time required to locate and reconcile supporting documentation.

Recommendation

Administration should establish and implement a standardized naming convention for TRA forms and TERs within MUNIS. The naming convention should include key identifying elements, such as document type (TRA or TER), employee name or employee ID, and transaction date, to improve consistency, efficiency, and traceability.

In addition, consideration should be given to establishing a dedicated refund vendor specifically for TRA and TER transactions to improve the accuracy and efficiency of document identification, tracking, and reconciliation.

Administration's Response

We agree and will take under advisement.

4. Unpaid Travel Advance Overpayments

In October 2025, an audit report regarding Unpaid Travel Advance Overpayments was issued covering the period from 2024 through July 2025.

We reviewed Travel Advance Overpayments for the period August 2025 through December 2025 and identified 11 additional travel advance overpayments. Our review of these travel advance overpayments identified the following deficiencies:

- One overpayment from October 2025 totaling **\$104.04** was not refunded until May 2026, when it was identified during the audit review, approximately seven months after the overpayment occurred.
- One overpayment from August 2025 totaling **\$51.06** was issued to a Deputy Director who is no longer employed by the City. Although numerous requests for reimbursement were documented, the former employee did not respond, and the overpayment was not deducted from the employee's final payroll check.

Recommendation

Administration should pursue repayment of all outstanding Travel Advance overpayments and implement procedures to ensure overpayments are identified and collected in a timely manner.

In addition, Administration should establish formal collection procedures, including defined follow-up timelines, escalation protocols, and coordination with Payroll and Human Resources to ensure outstanding balances are resolved prior to an employee's separation from the City whenever possible.

Administration's Response

We agree and will review/assess further.

5. TERs Not Consistently Submitted for PCard Travel Expenses

Per AIM 3.1.01,

“The TER form described in AIM 3-1-02 must be completed by employees.”

Per the Solicitor's Opinion in 2026, 2009 and 2001, the Mayor and Elected Officials are not considered employees and therefore are not required to comply with the AIMS.

During our review, we noted instances where employees did not submit a TER following City business travel in which a PCard was used.

Failure to submit TER forms limits Finance's ability to verify and monitor PCard expenditures, confirm compliance with applicable travel regulations and policies, and ensure that all travel-related expenses are properly supported and authorized. This lack of documentation increases the risk of unverified or inappropriate expenditure and reduces accountability over travel-related transactions.

Recommendation

Administration should enforce compliance with AIM 3.1.01 by requiring all employees, , to submit a TER for all City business travel involving PCard usage.

Finance should implement monitoring procedures to ensure TERs are submitted timely and completely and should follow up on any missing or delinquent reports to ensure adherence to established travel policies and accountability requirements.

Administration's Response

We agree and will review/assess further.

6. TER Aging Weakness

Per AIM 3-1-02,

“Section 7.0 PROCEDURE:

7.2 TER Form (TER)

7.2.1 Completion. The TER Form (TER) will be completed by the employee within five (5) working days after completion of the work-related travel.”

We reviewed 106 TERs (TERs) for the period January through December 2025 and noted that 27 (26%) were completed between 14 and 180 days after the employee's return to the office.

Although Purchasing Card (PCard) expenses were incurred, we also identified 2 TERs that were never completed or submitted.

The delayed submission of TERs reduces the timeliness of financial reconciliation and weakens internal controls over travel expenditures. Additionally, the absence of submitted TERs for PCard activity prevents Finance from verifying that expenditures were properly supported, authorized, and in compliance with applicable policies.

Recommendation

Purchasing (Finance) should develop and implement a process to notify Bureaus in a timely manner when employees fail to submit TERs within the required timeframe.

This process should include defined escalation steps, periodic monitoring of outstanding TERs, and timely communication to Department leadership to ensure prompt follow-up and resolution. This will help improve compliance with reporting requirements and strengthen internal controls over travel-related expenditures.

Administration's Response

We agree and will review/assess further.

7. Reimbursement thru Petty Cash

Per AIM 3.1.02 and AIM 3.1.03, travel expenses and mileage reimbursements under \$100 are permitted to be paid through Petty Cash.

We noted that this practice creates several control and tracking limitations, including:

- Finance is unable to consistently verify and track payments by individual trip, reducing transparency over travel-related expenditures.
- Employees in non-City Hall bureaus may receive reimbursement directly from their bureau prior to receiving required approvals from Department leadership or Finance.
- Due to the timing and nature of Petty Cash replenishment, it is difficult to reliably match and reconcile reimbursements to corresponding TERs.

These conditions weaken the ability to ensure that all travel-related payments are properly authorized, supported, and accurately recorded in a timely manner.

Recommendation

Administration should consider requiring that all TER reimbursements be processed through Accounts Payable rather than Petty Cash to improve oversight, approval compliance, tracking, and reconciliation of travel-related expenditures.

Administration's Response

We agree and will review/assess further.

8. Lack of TRA Submission

Per AIM 3-1-02,

“Section 7.0 PROCEDURE:

7.1 TRA Form (TRA).

7.1.1 General. This form is used **by an employee to request approval** for overnight travel while conducting City business. The form must be completed with all approvals obtained prior to making any travel reservations...”

Of the 114 TERs identified, 12 (10.3%) did not have a corresponding TRA.

The absence of a matching TRA for these TERs indicates a breakdown in the required pre-approval and documentation process. This limits Finance's ability to confirm that travel was properly authorized in advance and reduces the effectiveness of internal controls over travel expenditures.

Recommendation

Administration should ensure compliance with existing requirements to ensure that all TERs are supported by a corresponding approved TRA prior to travel.

Administration should also strengthen monitoring controls to verify that TRA documentation is completed and retained for all travel instances and follow up on exceptions to ensure corrective action is taken and consistent adherence to policy requirements is maintained.

Administration's Response

We agree and will review/assess further.

9. Time Coding

In Eden, “MSC” is the labor code for Meeting, Conference, School and should be used when attending a conference or seminar.

We reviewed 2025 labor entries coded as “MSC” and noted that 80 of the 106 TERs (TERs) reviewed (75.5%) were not coded as “MSC” when applicable.

The inconsistent use of the “MSC” labor code reduces the accuracy and reliability of labor reporting in Eden and limits the City’s ability to properly track and analyze training, conference, and professional development expenditures. This may also impact reporting transparency and the allocation of labor costs to the appropriate categories.

Recommendation

Administration should enforce compliance with Eden labor coding requirements by ensuring that the “MSC” code (Meeting, Conference, School) is consistently used for all applicable TERs (TERs) involving conferences, seminars, and similar training activities.

Administration should also implement periodic monitoring and review procedures to verify correct labor coding, provide guidance or refresher training to employees as needed, and follow up on instances of noncompliance to ensure accurate and reliable labor reporting.

Administration’s Response

We agree and will review/assess further.

10. Contradictory AIM

Per AIM 3-1-02,

“Section 7.0 PROCEDURE:

7.1 TRA Form (TRA).

7.1.1 General. This form is used by an employee to request approval for overnight travel while conducting City business. The form must be completed with all approvals obtained **prior to making any travel reservations...**”

7.1 TRA Form (TRA).

7.1.3 Advance Billing. **Payments of certain costs, such as registration fees and air travel, should be paid in advance on a City issued p-card whenever possible.** These costs are still required to be documented on the Travel Request Authorization Form.

We noted that these provisions may appear contradictory, as Section 7.1.3 allows for advance payment of travel costs prior to completion of certain transactions, while Section 7.1.1 emphasizes that the TRA must be fully approved before any travel arrangements are made. This creates potential ambiguity regarding the sequencing of approvals and payments.

Recommendation

Clarification of the policy is recommended to ensure consistent interpretation and application, particularly regarding the timing of approvals versus advance payments made via PCard.

Administration's Response

We agree and will review/assess further.