

**LIMITED REVIEW OF THE  
CENTRAL FLORIDA REGIONAL  
TRANSPORTATION AUTHORITY'S  
(d.b.a. LYNX)  
TRAVEL EXPENDITURES**

**Report by the  
Office of County Comptroller**

**Martha O. Haynie, CPA  
County Comptroller**

County Audit Division

J. Carl Smith, CPA  
Director

Christopher J. Dawkins, CPA  
Deputy Director

Scott H. Dezort, CPA, Audit Supervisor  
In-Charge Auditor

Jaqueline Bedoya, Senior Auditor  
Staff

**Report No. 322  
December 2002**

## TABLE OF CONTENTS

Transmittal Letter.....	1
Executive Summary .....	2
Action Plan.....	5
Introduction .....	8
Background.....	9
Scope, Objectives, and Methodology .....	9
Overall Evaluation.....	11
Recommendations for Improvement - LYNX .....	12
1. LYNX Officials Attending Dinners Provided by Outside Firms Should Request Guidance From the Florida Commission on Ethics .....	13
2. LYNX Should Revise Travel Policies to Require Travelers to Attend Sessions During Normal Business Hours .....	15
3. LYNX Ethics Policy Should Be Enhanced.....	16
4. LYNX Should Develop a System to Track the Number of Employees Attending Training Conferences.....	19
5. LYNX Should Include Training Attendance Estimates in Annual Budget Preparations .....	20
6. LYNX Should Enhance Enforcement of its Travel Policy.....	20
Recommendation for Improvement – Orange County .....	23
1. The County Should Consider Including Additional Provisions in its LYNX Agreement.....	24

December 11, 2002

Richard T. Crotty, County Chairman  
And  
Board of County Commissioners

We have conducted a limited review of the Central Florida Regional Transportation Authority's (d.b.a. LYNX) travel expenditures. The limited review consisted of an examination of LYNX travel vouchers and an evaluation of the authority's travel, gift, meal, and ethics policies. The period audited was October 1, 2001 through September 30, 2002. Our limited review was conducted in accordance with generally accepted government auditing standards, and included such tests as we considered necessary in the circumstances.

Responses to our Recommendations for Improvement were received from the Executive Director of LYNX and are incorporated herein. In addition, during our review, we made a Recommendation for Improvement to the County. As such, a response was requested and received from the County's Director of Fiscal Management and it is incorporated herein.

We appreciate the cooperation of the personnel of LYNX during the course of the review.

Martha O. Haynie, CPA  
County Comptroller

c: Ajit Lalchandani, County Administrator  
Russ Hauck, Mayor of the City of Altamonte Springs, Chairman of  
The LYNX Board of Directors  
Byron Brooks, Executive Director, LYNX

# EXECUTIVE SUMMARY

## Executive Summary

We have conducted a limited review of the Central Florida Regional Transportation Authority's (d.b.a. LYNX) travel expenditures. The period audited was October 1, 2001 through September 30, 2002. The limited review consisted of an examination of LYNX travel vouchers and an evaluation of the authority's travel, gift, meal, and ethics policies.

Based on the results of our testing, we found that LYNX's travel expenses complied with Statute Statutes and existing travel policies. Improvements, including those related to "code of conduct" are needed as follows:

Certain LYNX officials accepted limousine transportation and attended dinners sponsored by contractors during the American Public Transportation Association's (APTA) annual conference in Las Vegas, Nevada in September 2002. Questions have arisen whether the acceptance of these gratuities violated statutory prohibitions against gift acceptance by public employees. The Florida Commission on Ethics (COE) investigates and issues reports regarding complaints of breaches of public trust by public officials and employees. Obtaining an opinion from the COE is the only authoritative means to establish whether an ethics violation occurred. LYNX should provide the facts of this trip and request an opinion from the COE.

Local media attending the APTA's conference alleged certain LYNX officials gambled at the casino during conference hours. Revised travel policies should require that all LYNX employees and board members attend training sessions offered during normal business hours.

We had these concerns regarding LYNX's revised ethics policy:

- The policy does not specifically apply to the authority's board members;
- Accepting meals other than those included in a conference registration is not prohibited;
- Employees and board members are not required to sign the policy acknowledging they have read and understand it;
- Policies and procedures addressing corporate governance issues are not available in a single, easily accessible document; and
- LYNX board approval of all procedures relating to rules of conduct is not required.

Twenty-one individuals from LYNX attended the APTA's Las Vegas conference. A centralized system to monitor the number of individuals approved to attend the conference and to compare current year attendance totals to prior years totals did not exist.

Current budget procedures only provide for each department to request a non-itemized travel amount in their annual budget request. The authority's annual budget process should include an evaluation of each position, by department, that has requested to attend a scheduled training event during the upcoming year.

During our review of travel expenditures, we noted that payments to vendors and reimbursements to employees were not always supported by travel authorizations, expense statements or invoices. Further, detailed mileage logs documenting local travel are not prepared.

LYNX concurred with all the review recommendations for improvements and corrective actions are underway.

During our review, we also made a recommendation to the County that they consider adding additional provisions to future agreements with Lynx. The County concurred with this recommendation.

# ACTION PLAN

LIMITED REVIEW OF LYNX TRAVEL EXPENDITURES  
ACTION PLAN

NO.	MANAGEMENT RESPONSE			IMPLEMENTATION STATUS		RECOMMENDATIONS
	CONCUR	PARTIALLY CONCUR	DO NOT CONCUR	UNDERWAY	PLANNED	
1.	X			X		We recommend LYNX officials request an opinion from the Florida Commission on Ethics to determine if any improper gifts were received by those attending the dinners and transportation provided at the 2002 APTA Conference.
2.	X			X		We recommend LYNX revise its travel policies to require employees and Board members to attend training sessions offered during normal business hours.
3.	X					We recommend the policies be revised to include the following:
A)	X			X		Specifically requiring Board members to adhere to all travel and rules of conduct polices;
B)	X			X		Restricting an employee or Board member from only accepting meals that are paid as part of the conference registration;
C)	X			X		Requiring employees and Board members to sign the ethics policy to acknowledge they have read it and understand it;
D)	X			X		Including rules of conduct polices in a single document/manual; and
E)	X			X		Requiring all rules and procedures relating to the rules of conduct to be approved by the Board.
4.	X			X		We recommend that LYNX implements a process to monitor the number of individuals approved for conference and seminar travel.



LIMITED REVIEW OF LYNX TRAVEL EXPENDITURES  
ACTION PLAN

NO.	MANAGEMENT RESPONSE			IMPLEMENTATION STATUS		RECOMMENDATIONS
	CONCUR	PARTIALLY CONCUR	DO NOT CONCUR	UNDERWAY	PLANNED	
5.	X			X		We recommend that, as part of its annual budget preparation, LYNX incorporates employee attendance estimates at scheduled training events into travel and training cost determinations.
6.						We recommend that LYNX enhances enforcement of its travel policy by performing the following:
A)	X			X		Ensure that payments are only made for expenses supported by travel authorizations signed by the appropriate parties. Authorizations should be attached to corresponding checks held on file;
B)	X			X		Ensure that payments are only made for travel expenses supported by an expense statement;
C)	X			X		Ensure vendor invoices or receipts support all travel expense payments.
D)	X			X		Consider the use of a mileage log for employees to record local trips. Also, LYNX should consider developing a chart of standard mileages for frequently traveled destinations; and
E)	X			X		Limit the number of personnel authorized to approve travel requests and discontinue the use of signature stamps.
<b>RECOMMENDATION FOR IMPROVEMENT – ORANGE COUNTY</b>						
1.	X				X	We recommend the County considers adding provisions in its agreement with LYNX to provide greater accountability.

# INTRODUCTION

**Background**

The Central Florida Regional Transportation Authority (d.b.a. LYNX) was formed in May 1972, as the Orange-Seminole-Osceola Transportation Authority. Today, LYNX serves the 1.3 million people of the tri-county area by providing 70,000 rides daily through 61 routes linking the region's over 2,500 square miles. In addition to its seven days a week fixed route bus service, LYNX provides specialty services such as the free downtown circulator, Lymmo and A+ Link door-to-door van service for physically challenged customers.

The American Public Transportation Association (APTA) held its annual conference in Las Vegas, Nevada on September 21, 2002 through September 26, 2002. Twenty-one LYNX board members and employees attended the conference that included education sessions, forums and a trade show presented by members of the public transportation sector.

LYNX's fiscal year 2001-02 total budget was approximately \$75,000,000, of which \$173,000 was budgeted for travel. LYNX reported actual travel expenses of \$133,000 for the year.

Newspersons from television station WKMG Channel 6 of Orlando attended the conference and filmed some LYNX attendees at a casino during periods allegedly while education sessions were being held. Also, LYNX board members were filmed accepting limousine rides and a dinner provided by a vendor that had previously contracted with LYNX. The station reported its findings in a series of newscasts in November 2002.

**Scope, Objectives,  
and Methodology**

The review was limited to an examination of LYNX travel vouchers and an evaluation of the authority's travel, gift, meal, and ethics policies. In addition, certain specifics relating to the September 2002 American Public Transportation Association Conference were also reviewed. The period audited was October 1, 2001 through September 30, 2002.

The audit objectives were:

- A) To determine if LYNX's travel expenditures conformed to agency policies, statutory requirements, ethics regulations and generally accepted business practices for governmental and quasi-governmental entities; and
- B) To determine if LYNX's travel policy, gift, meal policy and code of ethics (code of conduct) adequately define parameters for acceptable management and employee behavior.

To determine if LYNX's travel expenditures conformed to agency policies, statutory requirements, ethics regulations and generally accepted business practices we examined the agency's general ledger to determine the population of travel expenditures during the review period. From this population, we selected a sample and verified the following:

- Documentation supporting each expenditure was adequate;
- Travel was approved in advance;
- Each expenditure's purpose was reasonable and appropriate;
- Reimbursements to employees were accurate; and
- The total travel costs had been accurately calculated.

To determine if LYNX's travel policy, gift, meal policy and code of ethics adequately define parameters for acceptable management and employee behavior we compared the agency's proposed policies to policies for Orange County and other local governmental entities, State ethics rules and other accepted guidance, when appropriate.

A review to determine whether the number of persons attending the 2002 APTA conference was appropriate was not performed.

---

## INTRODUCTION



Limited Review of LYNX Travel  
Expenditures

---

### Overall Evaluation

Based on the results of our testing, we found that LYNX's travel expenditures complied with Florida Statutes and existing travel policies. Improvements, including those related to "code of conduct" are needed as noted in this report.

# RECOMMENDATIONS FOR IMPROVEMENT - LYNX

**1. LYNX Officials Attending Dinners Provided by Outside Firms Should Request Guidance From the Florida Commission on Ethics**

We noted that certain LYNX officials attended several dinners while at the APTA conference in Las Vegas, including limousine transportation, sponsored by contractors that had previously done business with LYNX and/or potentially could do business with LYNX in the future. For example, a vendor, HDR Engineering, informed us that seven members of the Lynx Board and Management team (total includes some spouses) attended one of the dinners sponsored by HDR on Monday, September 23, 2002. The vendor stated the total cost of the dinner was \$45 and \$110 for the meal, cocktail hour and limousine transportation per person.

In addition, another firm, Parsons Brinckerhoff informed us that nine members of the Lynx Board and Management team (total includes some spouses) attended a dinner sponsored by them on Tuesday, September 24, 2002. The per person cost of this event was \$123.

After this matter was reported, several of the members that attended the dinners have since repaid the companies for their cost of the dinner. Two Florida Statutes specifically apply to the receipt of a gift or item of value by a public official as follows:

- A) Section 112.313(4) Unauthorized Compensation states,

No public officer, employee of an agency, or local government attorney or his or her spouse or minor child shall, at any time, accept any compensation, payment, or thing of value when such public officer, employee, or local government attorney knows, or, with the exercise of reasonable care, should know, that it was given to influence a vote or other action in which the officer, employee, or local

government attorney was expected to participate in his or her official capacity.

A "public officer" includes any person elected or appointed to hold office in any agency, including any person serving on an advisory body.

B) Section 112.3148(4), Florida Statutes, states,

A reporting individual ...or any other person on his or her behalf is prohibited from knowingly accepting, directly or indirectly, a gift from a ...lobbyist who lobbies the reporting individual's or procurement employee's agency...if he or she knows or reasonably believes that the gift has a value in excess of \$100...

Section 112.3148(1)(b)1. defines a lobbyist as,

any natural person who, for compensation, seeks, or sought during the preceding 12 months, to influence the governmental decision making of a reporting individual or procurement employee or his or her agency or seeks, or sought during the preceding 12 months, to encourage the passage, defeat, or modification of any proposal or recommendation by the reporting individual or procurement employee or his or her agency.

COE No. 96-21 held that a lobbyist can be a person who works for a firm, and on behalf of that firm, lobbied the agency to attempt to obtain a contract with the agency during the previous 12 months. LYNX has informed us that the vendors reported to have provided this dinner have not attempted to obtain business during the preceding 12 months. Further, during our review, nothing came to our attention to contradict this assertion. As such, these vendors would likely not meet the definition of a lobbyist.



The COE is the state agency charged with investigating and issuing public reports on complaints of breaches of the public trust by public officers and employees. Obtaining an opinion from the COE is the only authoritative means to establish whether an ethics violation occurred, although in this case, it appears a violation may not have occurred. As a final resolution to this issue, LYNX should provide the facts of this trip and request an opinion from the COE.

**We Recommend** LYNX officials request an opinion from the Florida Commission on Ethics to determine if any improper gifts were received by those attending the dinners and transportation provided at the 2002 APTA Conference.

**Management's Response:**

In an abundance of caution and in accordance with this recommendation, LYNX will request an official opinion from the Commission on Ethics. However, there appears to be no basis to potentially define attendance by LYNX employees at sponsored dinners as a form of unauthorized compensation as defined by Florida Statutes Section 112.313(4). Further, as the Orange County auditors recognize, attendance at such sponsored dinners is a prevalent practice in government. LYNX personnel will fully comply with State reporting standards on this.

**2. LYNX Should Revise Travel Policies to Require Travelers to Attend Sessions During Normal Business Hours**

Outside media reported and documented certain officials and employees of LYNX who traveled to the APTA meeting in Las Vegas, Nevada, in September of 2002, participating in what appeared to be personal activities during conference hours. We reviewed media reports of this event and noted that on some occasions certain Board members were reportedly observed gaming in the casino during conference hours. In addition, the news reports alleged that one LYNX Board member spent two entire afternoons in the casino. It appeared there were conference events that could have

been attended for at least part of each of the afternoons. Travel policies should address situations such as this to prevent it from occurring in the future. For instance, the policy could require all attendees (including Board members) to attend sessions (if offered) during normal business hours or reimburse LYNX for the cost of the trip.

**We Recommend** LYNX revise its travel policies to require employees and Board members to attend training sessions offered during normal business hours.

**Management's Response:**

We concur. LYNX is currently working on its travel policy, and this recommendation will be incorporated in the final policy presented to the Board.

**3. LYNX Ethics Policy Should Be Enhanced**

On several occasions at the 2002 APTA Conference, LYNX employees and Board members accepted meals and transportation from companies that do business with LYNX or have the potential to do business with LYNX. In addition, some LYNX Board members acknowledged attending the casinos during time periods when events of transit interest were occurring during regular business hours. Notwithstanding Recommendation No. 1 above, LYNX contends that no ethics laws were violated. While this is possible, errors in judgment may have occurred. As such, LYNX has revised its current ethics policy by issuing an interim policy detailing gifts that can and cannot be obtained during the regular course of business. Relating to this, we had the following concerns:

- A) The policy does not specifically apply to Board members, although it does state the policy applies to "others authorized to act on behalf of LYNX". The policy should specifically apply to Board members. Board members are the highest ranking, most visible members of the LYNX team. Furthermore, there is frequently a difference in what an employee or Board

member in business (not government) views as “acceptable practice.” Government employees and appointees are frequently held to a higher standard than their private sector counterparts. Requiring Board members to adhere to the same policy will ensure LYNX sets an appropriate “tone at the top” in their corporate governance.

- B) The policy allows LYNX employees to accept meals at conference activities; it does not restrict an employee from only accepting meals that are paid as part of the conference registration. As such, it does not specifically prohibit an employee from accepting gratuities that are offered as an exclusive benefit. For instance, the dinners LYNX employees and Board members received while on the Las Vegas trip could potentially be allowed under the revised rules. To avoid the appearance of any improprieties, LYNX employees and Board members should be prohibited from accepting meals that are offered on an “invitation” basis.
- C) The ethics policy does not require employees and Board members to sign and attach a statement to acknowledge they have read and understand it. Affirmative confirmation that an employee or Board member has read and understands a policy is essential to ensuring compliance.
- D) Various policies and internal procedures within LYNX address certain areas essential to a strong corporate governance. These policies are not included in a single document that is easy to access by employees, Board members, and agents of LYNX. Specific areas that should be referenced in this document include the following:
- Conflict of Interest
  - Employees and Board members doing business with LYNX
  - Political Activity

---

## RECOMMENDATIONS FOR IMPROVEMENT



Limited Review of LYNX Travel  
Expenditures

---

- Use of equipment, personnel or facilities for private gain
- Endorsements
- Non-work activities performed during working hours

Addressing these issues in a single comprehensive document (as well as any other relevant issues) helps ensure that employees' and Board members' behavior meets a standard that would be above reproach.

- E) LYNX's procedures do not require all rules and procedures relating to the rules of conduct to be approved by the Board. The Board should approve all policies relating to the rules of conduct. Board approval helps ensure that an appropriate "tone-at-the-top" is set and helps ensure the Board members are familiar with the rules.

**We Recommend** the policies be revised to include the following:

- A) Specifically requiring Board members to adhere to all travel and rules of conduct policies;
- B) Restricting an employee or Board member to only accepting meals that are paid as part of the conference registration;
- C) Requiring employees and Board members to sign the ethics policy to acknowledge they have read it and understand it;
- D) Combining the rules of conduct policies in a single document/manual; and
- E) Requiring all rules and procedures relating to the rules of conduct to be approved by the Board.

**Management's Response:**

We concur. The LYNX Board is developing rules and polices for Board adoption that will govern travel, gifts and a code of ethics, and will be reviewing policies of other governing boards to incorporate best practices. The policies governing employees will be finalized and presented for Board approval. All rules and policies will be contained in the organization's Administrative Rules and Policies Manual.

**4. LYNX Should Develop a System to Track the Number of Employees Attending Training Conferences**

Twenty-one individuals from LYNX attended the APTA's Las Vegas conference. Seven attendees' travel authorizations were approved by the executive director's signature or signature stamp; eleven were approved by the operations director, and three by other LYNX personnel. A centralized system to monitor the number of individuals approved to attend the conference did not exist. If a system had existed, comparisons between the number of travelers attending this year's conference to past years APTA attendance totals could have been performed, and appropriate adjustments made.

**We Recommend** that LYNX implements a process to monitor the number of individuals approved for conference and seminar travel.

**Management's Response:**

We concur. LYNX has set up a process to track the number of participants at all out of area conferences and seminars. Further, additional planning in this area will take place through line item detail control of the LYNX annual budget process.

**5. LYNX Should Include Training Attendance Estimates in Annual Budget Preparations**

LYNX budget procedures only provide for each department to request an amount for travel in their annual budget request. Specific positions with estimated travel is not provided. The budget process should include an evaluation of each position, by department, requested to attend a scheduled training event (or approximation) during the upcoming fiscal year. This evaluation should be performed during the authority's annual budget process. Scheduling individuals for training events pertinent to their duties would enable LYNX to efficiently allocate its training budget while increasing the effectiveness of training provided to employees.

**We Recommend** that, as part of its annual budget preparation, LYNX incorporates employee attendance estimates at scheduled training events into travel and training cost determinations.

**Management's Response:**

We concur. LYNX has historically gathered this sort of general information through the annual budget process, but additional detail will be collected on this to provide better control for the LYNX Board and LYNX management.

**6. LYNX Should Enhance Enforcement of its Travel Policy**

During our review of the travel expenditures, we noted the following:

- A) Individuals who request travel approval complete an authorization form signed by the traveler and the appropriate supervisor. Thirty-one percent (28 of 89) of the applicable expenditures reviewed were not supported by a travel authorization. Additionally, four authorizations present had not been approved by a supervisor.

---

## RECOMMENDATIONS FOR IMPROVEMENT



Limited Review of LYNX Travel  
Expenditures

---

- B) Employees complete and sign an expense statement itemizing the total cost of each trip. Six percent (7 of 109) of the expenditures reviewed were not supported by a travel statement.
- C) Payments for approved travel expenses properly documented by the traveler are made directly to vendors or reimbursed to employees. Twelve percent (38 of 308) of the line item costs comprising the expenditures reviewed were not supported by an invoice or receipt. Additionally, invoices attached to LYNX checks were not always consistent with the expense being paid.
- D) Employees who use their personal vehicles for business related activities are reimbursed for mileages driven. However, we noted that mileages were routinely not itemized on travel expense statements. Instead, a mileage total with no locations identified or a description such as "local trips" was provided. As a result, we were unable to determine the reasonableness of the trips taken or if reimbursements provided to employees were accurate. A mileage log identifying the origin, destination, purpose and miles traveled would improve accountability for local travel requests. Also, the authority does not have a schedule of uniform distances to frequently traveled destinations. Using standardized mileages would help ensure that employee reimbursements were accurate and equitable.
- E) Travel authorizations for four attendees to the APTA's Las Vegas conference were approved with the executive director's signature stamp. A signature stamp compromises assurance that the named individual is the person who actually reviewed the travel requests. Authority to approve requests should be restricted to a limited number of management personnel. Checks should not be issued unless supported by an authorization with a handwritten approval.

---

**RECOMMENDATIONS  
FOR IMPROVEMENT**



**We Recommend** that LYNX enhances enforcement of its travel policy by performing the following:

- A) Ensure that payments are only made for expenses supported by travel authorizations signed by the appropriate parties. Authorizations should be attached to corresponding checks held on file;
- B) Ensure that payments are only made for travel expenses supported by an expense statement;
- C) Ensure vendor invoices or receipts support all travel expense payments.
- D) Consider the use of a mileage log for employees to record local trips. Also, LYNX should consider developing a chart of standard mileages for frequently traveled destinations; and
- E) Limit the number of personnel authorized to approve travel requests and discontinue the use of signature stamps.

**Management's Response:**

We concur. These recommendations will be fully complied with.



**RECOMMENDATION FOR  
IMPROVEMENT – ORANGE COUNTY**

**1. The County Should Consider Including Additional Provisions in its LYNX Agreement**

The County's agreement with LYNX details the authority's responsibilities in terms of the operational aspects of providing public transportation. Facets such as bus routing and scheduling, ridership reporting and passenger revenue and cost data generation are included in the agreement. However, travel, dealing with fraud allegations, and ethics issues included as part of the overall corporate governance of the authority are not addressed. Additional provisions to the agreement as described below could be included in the contract agreement with LYNX by the County:

- A) Require LYNX to submit an annual travel budget for all board members and senior management personnel with the funding request.
- B) Require LYNX to adopt a code of ethics and a fraud policy.
- C) Require LYNX's quarterly operations reports to include detailed information about travel expenditures.
- D) Require LYNX to provide training to new board members and employees regarding its travel policy and procedures.

Contract provisions that institute controls to prevent and detect abuses of travel help the County as a grantor to have assurance that monies provided to LYNX have been spent for the intended purpose and taxpayer interests have been best served.

**We Recommend** the County considers adding provisions in its agreement with LYNX to provide greater accountability.

**Management's Response:**

We concur and will consider such changes during the contracting process.