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**NEWS RELEASE**

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FOR RELEASE

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The Office of Auditor of State today released a report on a review of employee travel expenses for the personnel and elected officials of Cass County, Iowa for the period July 1, 2014 through June 30, 2016. The travel expenses reviewed were either submitted on an employee travel reimbursement or were charged directly to the County's credit card. The review was conducted as a result of citizen concerns regarding the frequency of the County Treasurer's travel and certain purchases made using a County credit card.

The review determined County-issued credit cards were used to purchase items not related to County business. Specifically, the County Treasurer, Tracey Marshall, used the County credit card assigned to her to make purchases for the National Association of County Collectors, Treasurers and Finance Officers (NACCTFO) and the National Tax Lien Association (NTLA). Of the \$16,972.07 of payments on Ms. Marshall's County credit card, \$3,982.91 were issued directly to the credit card vendor by NACCTFO for purchases made on its behalf, and Ms. Marshall issued a payment directly to the credit card vendor totaling \$513.24 for purchases she made on behalf of NTLA. In addition, the Executive Director of the County's Veterans Affairs Commission, Mitchell Holmes, used his County credit card for personal purchases; however, he issued payment directly to the credit card vendor for those purchases. The County's credit card policy specifies County credit cards are not to be used for purposes other than County expenses such as fuel, meals during overnight travel, lodging, and equipment purchases.

The review also determined supporting documentation is not always provided or required for employee travel expenses submitted for reimbursement. According to the County Auditor, the Board of Supervisors advised he was to approve and process any reimbursement request submitted by a department head whether supporting documentation was provided or not. However, the Board of Supervisors and other elected County officials have a responsibility to ensure all County expenditures, including employee reimbursements, serve a public purpose and benefit the County and its constituents.

Of the \$42,847.83 of travel expenses reviewed, \$1,334.39 of improper and unsupported disbursements were identified. Of that amount, \$590.53 is considered to be improper disbursements and includes \$251.00 of personal hotel expenses, \$175.00 of guest registration

fees for the County Attorney's family at County Attorneys Spring Training Conferences, and \$132.40 for excess miles claimed by certain County personnel. The remaining \$743.86 is considered to be unsupported disbursements and includes primarily lodging expenses and mileage reimbursements for which the destination and/or the purpose of the trip were not documented.

In addition, the review determined a significant portion of Ms. Marshall's travel for the period reviewed related to out-of-state travel for participation in conferences held by various national professional organizations, such as NACCTFO and the National Association of Counties. Upon further inquiry, Ms. Marshall explained she served as Treasurer for NACCTFO during the period reviewed and currently serves as the 1<sup>st</sup> Vice President. However, through discussions with various County officials and personnel, the review determined an employee within the Treasurer's Office processed numerous financial transactions and maintained accounting records for NACCTFO during regular business hours at Ms. Marshall's instruction. Because the use of an employee within the County Treasurer's Office to fulfill certain duties committed to by Ms. Marshall does not provide a direct benefit to the County, it is not the best use of County resources.

The report includes recommendations to strengthen the County's internal controls and overall operations, such as ensuring County-issued credit cards are used only for County business, ensuring all County purchases are properly supported with original, detailed receipts or invoices, and ensuring the Board of Supervisors reviews supporting documentation for expenditures on a periodic basis.

Copies of the report have been filed with the Cass County Board of Supervisors, and a copy of the report is available for review in the Office of Auditor of State and on the Auditor of State's website at <https://auditor.iowa.gov/reports/1610-0015-BE00>.

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