



The University of Texas at Brownsville

FY 2013 Audit of the President's Travel and Entertainment Expenses

December 12, 2012



OFFICE OF INTERNAL AUDITS

The University of Texas at Brownsville

Norma L. Ramos, CIA, CGAP

Director of Internal Audits

December 12, 2012

Dr. Juliet V. Garcia, President
The University of Texas at Brownsville
80 Fort Brown
Brownsville, Texas 78520

Dear Dr. Garcia:

As part of our Audit Plan for fiscal year 2013, we completed the **FY 2013 Audit of the President's Travel and Entertainment Expenses** at The University of Texas at Brownsville. The objectives of this audit were to:

- Determine the reliability and integrity of travel and entertainment expenses for the President of the University of Texas at Brownsville and spouse, if applicable; and
- Determine compliance with the applicable policies, procedures, laws, and regulations.

Our examination was conducted in accordance with guidelines set forth in The University of Texas System's Policies UTS 129 and the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing (Standards)*. The *Standards* set criteria for internal audit departments in the areas of independence, professional proficiency, scope and performance of audit work, and management of internal auditing department. UTS 129 requires that we adhere to the *Standards*.

The recommendations in this report represent, in our judgment, those most likely to provide a greater likelihood that management's objectives are achieved. The recommendations differ in such aspects as difficulty of implementation, urgency, visibility of benefits, and required investments in facilities and equipment, or additional personnel. The varying nature of the recommendations, their implementation costs, and their potential impact on operations should be considered in reaching your decision regarding courses of action.

We appreciate the assistance provided by UTB's management and other personnel. We hope the information and analyses presented in our report are helpful.

Sincerely,

A handwritten signature in cursive script that reads "Norma L. Ramos".

Norma L. Ramos, CIA, CGAP
Director of Internal Audits

cc: *The University of Texas at Brownsville*

Dr. Alan F. J. Artibise, Provost and Vice President for Academic Affairs

Dr. Ruth Ann Ragland, Associate Provost

Ms. Rosemary Martinez, CPA, Vice President for Business Affairs

Dr. Hilda Silva, Vice President for Student Affairs

Mr. Irvine W. Downing, Vice President for Institutional Advancement and Economic Development and Community Services

Dr. Luis Colom, Vice President for Research

Dr. Clair Goldsmith, Vice President for Information Technology Services and CIO

Dr. Marilyn Woods, Chief of Staff, President's Office

UT System Administration

Dr. Pedro Reyes, Executive Vice Chancellor for Academic Affairs, *Ad Interim*

Mr. J. Michael Peppers, Chief Audit Executive, UT System Audit Office

Ms. Paige Buechley, Assistant Director, UT System Audit Office



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Executive Summary

The 2013 approved audit plan included the Audit of President's Travel and Entertainment Expenses at the University of Texas at Brownsville. Our audit was limited to interviews with departmental employees, and review of departmental records.

The objectives of the audit were:

- Determine the reliability and integrity of travel and entertainment expenses for the President of the University of Texas at Brownsville and spouse, if applicable; and
- Determine compliance with applicable policies, procedures, laws, and regulations.

Internal Audits concluded that the President's travel and entertainment expenses were in compliance with applicable policies and regulations of the University, UT System, and the State of Texas.

The expenses had an adequate and appropriate business purpose, were timely processed, properly approved, and supported by appropriate documentation



Background Information

The University of Texas System (UT System) Board of Regents' Rules and Regulations Series 20205 *Expenditures for Travel, Entertainment, and Housing by Chief Administrators* was approved on May 11, 2006. The purpose of this *Rule* is to "prescribe, clarify, and provide uniformity in the approval, review, and audit process for travel, entertainment, and housing expenses incurred by the Chancellor and presidents." Further, the *Rule* states that an audit of the travel, entertainment, and housing expenses of the president must be performed within 90 days after the end of each fiscal year and the results submitted to the System Audit Office, appropriate Executive Vice Chancellor and the Audit, Compliance, and Management Review Committee. This report includes the results of that audit.

Audit Objectives

The objectives of the audit were to:

- Determine the reliability and integrity of travel and entertainment expenses for the President of the University of Texas at Brownsville and spouse, if applicable; and
- Determine compliance with the applicable policies, procedures, laws, and regulations.

Scope of Work

The nature and extent of our audit tests were as follows:

- We reviewed applicable policies and procedures, laws and regulations.
- We interviewed key personnel.
- The verification of selected travel, entertainment, and work order expenses through inspection of supporting documentation.
- Traced selected travel and entertainment expenses to appropriate quarterly reports when applicable.

Our examination was conducted in accordance with guidelines set forth in The University of Texas System's Policies UTS 129 and the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing (Standards)*. The *Standards* set criteria for internal audit departments in the areas of independence, professional proficiency, scope and performance of audit work, and management of internal auditing department. UTS 129 requires that we adhere to the *Standards*



Audit Results

The audit scope included a review of a sample of presidential travel and entertainment expenses for a total of \$41,832.50. In addition, we reviewed 100% of work order requests from the President's Office for fiscal year 2012 (September 01, 2011 to August 31, 2012). Our audit included specified procedures requested by UT System Administration.

Based on our review of travel expenses, we noted one instance reimbursement for Dr. Garcia's travel was not timely submitted within 90 days as required by Regent Rule 20205 Sec. 6. A \$57 taxi cab receipt for a business trip taken in April 2011 (FY 2011), was submitted for reimbursement in September 2011 (FY 2012). This finding was identified in the FY 2011 Audit of the President's Expenses which has been addressed by the President's Office staff; therefore no recommendation will be given.

Regent Rule 20205

Sec. 6 Timeliness of Requests for Reimbursements.

A chief administrator must request any reimbursement for travel, entertainment, or housing expenses within 90 days of the date on which the expense was incurred.

All other expenses met the following:

- The approval process is in compliance with applicable rules, laws and regulations.
- Adequate supporting documentation was maintained for expenditures tested.
- An adequate and business purpose was well documented.
- Expenditures were mathematically accurate and properly recorded.
- Expenditures were within allowable limits.
- Quarterly reports are accurate and being completed on a timely basis and filed with the Executive Vice Chancellor for Academic Affairs.

Conclusion

Internal Audits concluded that the President's travel and entertainment expenses were in compliance with applicable policies and regulations of the University, UT System, and the State of Texas.

The expenses had an adequate and appropriate business purpose, were timely processed, properly approved, and supported by appropriate documentation