

AUDIT REPORT

TO: Jerry Long, Ph.D., Assistant Vice President, Business Affairs

FROM: Angela D'Anna, Chief Audit Executive, Internal Audit and Consulting Services *AD*

DATE: February 26, 2016

SUBJECT: Executive Officer Travel and Entertainment Expenditures (16-09)

EXECUTIVE SUMMARY

Internal Audit and Consulting Services has reviewed Executive Officer Travel and Entertainment Expenditures at The University of Texas Health Science Center at San Antonio for the period September 1, 2014 through August 31, 2015. The major objectives of the audit were 1) to determine whether travel and entertainment expenditures paid directly on behalf of, or reimbursed to, executive officers and leadership members of their teams were appropriate and accurate, and 2) to ascertain compliance with applicable laws, regulations, policies and procedures pertaining to travel and entertainment expenditures. This audit was performed at the request of the UT System Audit Office using a risk-based audit approach.

In general, travel and entertainment expenditures paid directly on behalf of, or reimbursed to, executive officers and leadership members of their teams were appropriate, accurate and in compliance with applicable laws, regulations, policies and procedures. This audit identified no reportable issues.

DETAILED REPORT

See attached.

AUDIT TEAM

Esther Villarreal, Intermediate Internal Auditor

AUDITING STANDARDS

This audit was conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing*.

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DETAILED AUDIT REPORT

PURPOSE AND SCOPE

Internal Audit and Consulting Services has reviewed Executive Officer Travel and Entertainment (T&E) Expenditures at The University of Texas Health Science Center at San Antonio (Health Science Center) for the period September 1, 2014 through August 31, 2015. This audit was performed at the request of the UT System Audit Office using a risk-based audit approach.

We reviewed certain travel and entertainment expenditures for forty-three (43) executive officers and leadership members of their teams. The major objectives of the review were as follows:

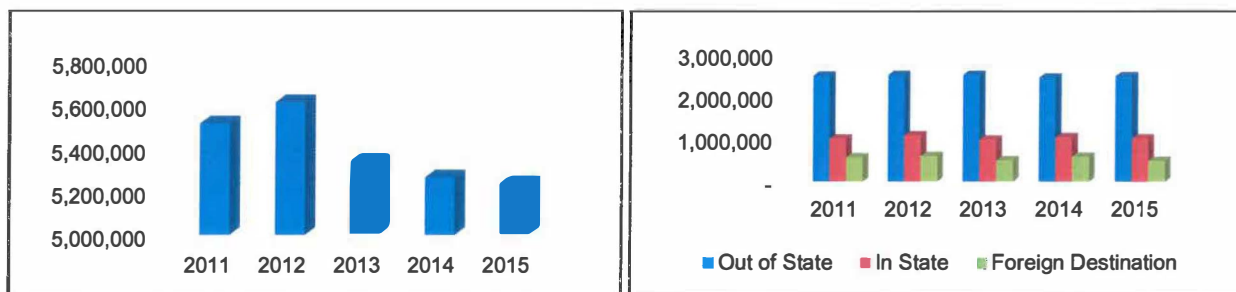
- Determine whether T&E expenditures paid directly on behalf of, or reimbursed to, executive officers and their leadership teams were appropriate and accurate.
- Ascertain compliance with applicable federal and State of Texas laws and regulations pertaining to entertainment and travel expense reimbursement.
- Determine compliance with T&E policies and procedures of the UT System and the Health Science Center.

BACKGROUND

Expenditures for T&E are governed by federal and State of Texas laws and regulations, the Texas Comptroller of Public Accounts, the UT System Board Regents' Rules and Regulations, and the Health Science Center policies and procedures, as well as restrictions by grantors and donors.

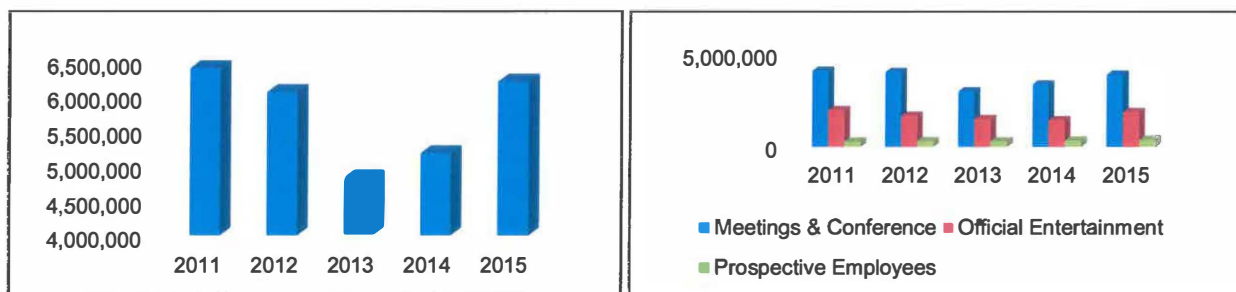
Total T&E expenses represented 1.5% of the \$787.7 million operating budget during fiscal year 2015 and have declined by 4% over the last five years. Since 2011, total travel expenditures have decreased by 5%. Although total entertainment expenditures have decreased by 3% since 2011, they have increased by 29% over the last three years. The trends are depicted below:

Total Travel Expenditures by Fiscal Year



Note: Executive travel reimbursements represented approximately 9% of total FY15 travel expenditures.

Total Entertainment Expenditures by Fiscal Year



Note: Executive entertainment reimbursements represented approximately 4% of total FY15 entertainment expenditures.

RESULTS

In general, T&E expenditures paid directly on behalf of, or reimbursed to, executive officers and leadership members of their teams were appropriate, accurate and in compliance with applicable laws, regulations, policies and procedures. This audit identified no reportable issues.