


**MEMORANDUM**

**TO:** Owen J. Murray, DO  
Vice President, Offender Care Services

**FROM:** Kimberly K. Hagara, CPA, CIA, CISA, CRMA   
Vice President, Audit Services

**DATE:** May 24, 2016

**SUBJECT:** Texas Department of Criminal Justice (TDCJ) and Texas Juvenile Justice Department (TJJJD) Contract Travel Expenditures  
Audit Engagement Number 2016-024

---

As part of the Texas Department of Criminal Justice (TDCJ) and Texas Juvenile Justice Department (TJJJD) contractually required internal audit hours, Audit Services evaluated Correctional Managed Care (CMC) travelers' compliance with State of Texas and University of Texas Medical Branch (UTMB Health) travel policies and procedures. Our engagement was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing* as promulgated by the Institute of Internal Auditors.

**Background**

Numerous State rules and University of Texas Medical Branch (UTMB Health) policies including the Institutional Handbook of Operating Procedures (IHOP) Policy 4.3.1--Travel Policy, IHOP 4.4.2--Official Function Expenditures, Travel Guide, and Accounts Payable Guide provide guidance for reimbursement of travel and entertainment expenses incurred by institutional employees.

**Engagement Results**

Audit Services downloaded CMC employee travel expense reimbursement vouchers for the period September 1, 2015 through February 12, 2016, and extracted from the total population all reimbursement vouchers greater than or equal to \$100. This extraction resulted in 1,566 vouchers totaling \$576,072.

We both randomly and judgmentally selected 186 vouchers totaling \$90,858 for testing. During our testing we identified 26 vouchers worth \$4,749 (14% and 5%, respectively) lacking sufficient documentation fully supporting the expenditure. The issues identified included the following:

- Use of a Non-Contract Travel Agency - Six instances totaling \$3,299 were identified without sufficient supporting documentation for the use of a non-contract travel agency in the procurement of airfare. Reserving airline tickets through one of UTMB Health's contracted travel agencies is mandatory unless certain circumstances apply, e.g., emergency situations; travel paid for by a third party; or, documented savings to UTMB Health of \$100 or more if reserved through a non-contract agency. Audit Services

review of other supporting information related to the six travel vouchers indicated the travel was valid.

- Inadequate Supporting Documentation - Three voucher line items totaling \$724 did not include adequate supporting documentation such as the hotel invoice, MapQuest mileage calculation, or an approved travel reimbursement form. Additionally, one of the three vouchers contained scanned documents that were illegible.
- Travel on Leave - Seventeen instances totaling \$726 were identified where an employee's travel mileage reimbursement occurred on a date their KRONOS timecard detail indicates they incurred a full day of vacation, sick, or holiday leave.

**Recommendation 2016-024-01-PL:**

The Vice President, Offender Care Services, or his designee should ensure all employees are aware of and comply with institutional travel policies. To enhance compliance, both the travel reimbursement form submitter and approver should thoroughly review submitted documentation to ensure it sufficiently supports the requested reimbursement.

**Management's Response:**

CMC employees will be reminded of institutional travel policies and the importance and necessity of compliance through written communication via the CMC Web and RELAY notes. Review of the key policy requirements will be done at the July meeting of the CMC Operations Council Leadership monthly meeting.

**Implementation Date:**

Post on the CMC Web and RELAY notes by June 20, 2016.  
July 21, 2016 Operations Council Meeting (no June meeting).

**Recommendation 2016-024-02-PL:**

The Vice President, Offender Care Services, or his designee should research the instances where mileage reimbursement appeared to have been incorrectly claimed and, if appropriate, request reimbursement from the employees as required under Texas Gov't Code 660.017, which specifies any excess amounts paid to an employee by UTMB must be repaid.

**Management's Response:**

The claims in question will be reviewed and action taken as appropriate.

**Implementation Date:**

June 30, 2016

**Conclusion**

Generally, CMC employees are in compliance with policies and procedures for travel expenditures. Opportunities for improvement include ensuring employees are aware of institutional travel reimbursement policies related to the provision of adequate documentation supporting expenses incurred and supervisory review and approval.



We greatly appreciate the assistance provided by CMC Operations personnel. We hope that the information presented in our report is beneficial.

Cc Deborah A. McGrew  
Sandra Ferrara