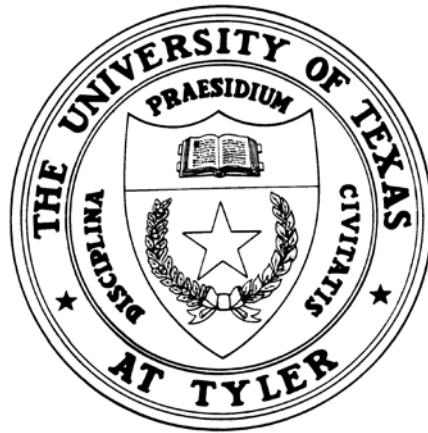


The University of Texas at Tyler
**Executive Management Travel and
Entertainment Expenses Audit Report**
Fiscal Year 2015



March 2015

OFFICE OF AUDIT SERVICES
3900 UNIVERSITY BLVD.
TYLER, TEXAS 75799

The University of Texas at Tyler
Executive Management Travel and Entertainment Expenses Audit
Fiscal Year 2015

Background

Since Fiscal Year (FY) 2013, the Chancellor of The University of Texas System (UT System) requested an annual audit be performed of the travel and entertainment expenses of all UT System Institutions' Executive Officers. The travel and entertainment expenses of the executives will be subject to review annually but may not necessarily be selected to be audited every year.

The University of Texas at Tyler (UT Tyler) makes reimbursements to, or payments on behalf of, employees for travel and entertainment expenses that they incur as part of their official duties. Guidance for the Executive Officers' expenses is provided by various state laws and rules and regulations promulgated under those laws, as well as UT Tyler policies and procedures included in the *Handbook of Operating Procedures, Management Responsibilities Handbook, and Travel Policies and Procedures*.

A travel authorization is required to be approved by an employee's supervisor prior to incurring any travel expenses. Reimbursements to an employee are required to be approved by a supervisor either through routing in the PeopleSoft accounting system or on a *Travel Reimbursement Request* form or *Request for Employee Reimbursement for Non-Travel Business Expense* form. Direct billed airfare and rental cars expenses are approved by the Financial Services Department. Employees may use university direct-billed travel cards for hotel, gas and meal expenses which require approval of the budget authority of the account paying the expenses. No additional approvals are required when the traveler is the budget authority. Quality Assurance Reviews (QAR) are conducted annually by the Compliance Office on a risk-based sample of departments. The QAR includes a review of a sample of travel and entertainment expenses to verify that university policies including amount, allowable items, supporting documentation, etc. are being followed.

Executive Officers selected for testing in FY 2015 included those who were recently appointed or that we considered higher risk because of factors including frequency and locations of travel. The selection was discussed with UT Tyler's President and Vice President of Administration and included the following:

- Interim Provost and Vice President for Academic Affairs,
- Vice Provost and Dean of the Graduate School,
- Assistant Vice President for Academic Innovation and Student Success,
- Dean of the College of Nursing and Health Sciences,
- Dean of the College of Business and Technology,
- Interim Dean of the College of Education and Psychology,
- University Attorney,
- Interim Director of the Houston Engineering Center, and
- Director of the Longview University Center.

Audit Objective, Scope and Methodology

The objective of the audit was to determine whether the travel and entertainment expenses reimbursed to, or directly paid on behalf of, the Executive Officers were appropriate and accurate, and that internal controls are functioning properly to ensure that applicable state laws and UT Tyler policies and procedures are being followed. The audit scope included activity for the period May 1, 2014 through December 31, 2014. The audit procedures involved selecting a sample of expenses to test controls to determine whether applicable policies and procedures were properly followed and to perform substantive tests to determine whether expenses were appropriate and accurate. When applicable, the sample included state, national, and international travel expenditures.

The audit was conducted in accordance with the guidelines set forth in The Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*.

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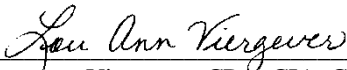
Results

We tested 47 payments representing 160 transactions totaling \$30,271. Based on testing performed, internal controls are functioning to ensure that applicable laws, UT System, and UT Tyler policies and procedures are being followed. We noted the Executive Officers' travel and entertainment expenses were appropriate, accurately recorded with supporting documentation, and properly approved with only isolated, immaterial exceptions. These exceptions have been discussed with responsible parties who agree to implement recommendations immediately.

Conclusion

Overall, the Executive Officers' travel and entertainment expenses are appropriate and accurate and the internal controls are properly functioning to ensure that applicable state laws and UT Tyler policies and procedures are being followed.

We would like to thank the staff from the Office of the President and the various departments of the Executive Officers for their support and assistance during this audit.



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Executive Director of Audit and Consulting Services