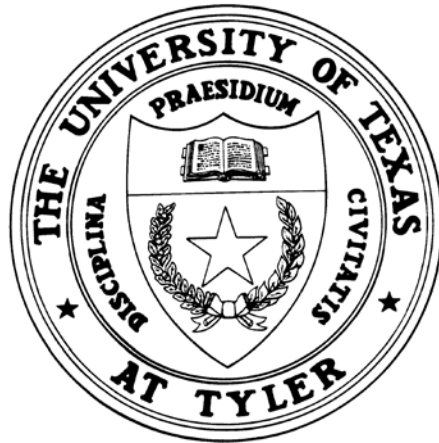


The University of Texas at Tyler

**Executive Travel & Entertainment Audit
Fiscal Year 2016**



August 2016

THE UNIVERSITY OF TEXAS AT TYLER
OFFICE OF AUDIT AND CONSULTING SERVICES
3900 UNIVERSITY BOULEVARD
TYLER, TEXAS 75799

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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 Executives 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*.

AUDIT OBJECTIVES

The objectives of the audit were to determine if the travel and entertainment expenses reimbursed to, or directly paid on behalf of, the executives were appropriate, accurate, and in compliance with applicable policies and procedures.

SCOPE AND METHODOLOGY

This audit was included in the FY 2016 Annual Audit Plan and approved by the Institutional Audit Committee. The scope of the audit included transactions from September 1, 2015 through February 29, 2016. Executives selected for testing in FY 2016 included the following thirteen executives:

- Provost and Vice President for Academic Affairs,
- Vice President for Research and Technology Transfer,
- Vice President for Business Affairs, Chief Business Officer,
- Vice President for Information Technology, Chief Information Officer,
- Vice President for Student Affairs,
- Vice President for University Advancement,
- Vice Provost and Dean of the Graduate School,
- Dean of the College of Arts and Sciences,
- Dean of the College of Business and Technology,
- Dean of the College of Education and Psychology,
- Dean of the College of Nursing and Health Sciences,
- Dean of the College of Pharmacy, and
- Dean of the College of University College.

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

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PROCEDURES

Our procedures included performing analytical reviews of transactions obtained from the UT System Data Analytics Specialist, for downloads of accounts related to the selected executives' travel and entertainment. Airfare downloads were obtained by personnel in the Financial Services area. We also reviewed the sub-certification responses for any items of concern. The audit procedures involved selecting a judgmental sample of 63 transactions to test to determine whether policies and procedures were properly followed and whether expenses were appropriate and accurate. When applicable, the sample included state, national, and international travel expenditures.

AUDIT RESULTS

According to The University of Texas System Audit Office, "*A Priority Finding is defined as an issue identified by an internal audit that, if not addressed timely, could directly impact achievement of a strategic or important operational objective of a UT institution or the UT System as a whole. Non-Priority Findings are ranked as High, Medium, or Low, with the level of significance based on an assessment of applicable Qualitative, Operational Control, and Quantitative risk factors and probability of a negative outcome occurring if the risk is not adequately mitigated.*" This audit resulted in no reportable findings. We noted some isolated issues from the detailed testing which were separately communicated to the responsible parties.

CONCLUSION

Based on the results of the audit procedures performed, the expenses were generally appropriate, accurate and in compliance with applicable policies and procedures. Additionally the internal controls in place are properly functioning to ensure that applicable 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.