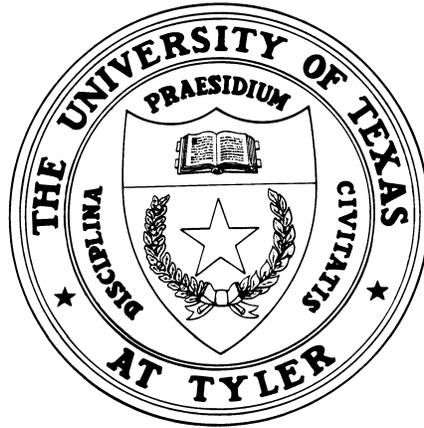


**The University of Texas at Tyler**

**Audit of the President's Travel, Entertainment,  
and Housing Expenditures**

**Fiscal Year 2013**



**November 2012**

THE UNIVERSITY OF TEXAS AT TYLER AUDIT OFFICE  
3900 UNIVERSITY BLVD.  
TYLER, TEXAS 75703



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***EXECUTIVE SUMMARY***

The objective of the audit was to evaluate the adequacy of internal controls over President's travel, entertainment, housekeeping and other expenses paid on his behalf and to test for proper approval, supporting documentation and compliance with University of Texas System (UT System) Board of Regents' Rules, University of Texas at Tyler (UT Tyler) policies, State of Texas and other applicable policies and procedures. Adequate testing procedures have been performed to conclude that the Office of the President is in compliance with all UT System, UT Tyler, and State policies.

***BACKGROUND***

This audit was included in the UT Tyler Fiscal Year 2013 Audit Plan as required by UT System Board of Regents Rule 20205. Dr. Rodney Mabry has served as president of UT Tyler since July 1998. UT Tyler does not provide housing for the President; however, he occasionally uses his residence to host events on behalf of UT Tyler.

***ENGAGEMENT OBJECTIVES***

The purpose of the audit was to ensure the President's Office is in compliance with UT System's Regents' Rules regarding expenditures made by, or on behalf of, the Office of the President. The objective was also to assess the adequacy and effectiveness of internal controls in relation to criteria as outlined in the *UT Tyler Management Responsibilities Handbook*.

***SCOPE & METHODOLOGY***

To accomplish the audit objective noted above, the following procedures were performed related to expenditures for the period of September 1, 2011 thru August 31, 2012:

- All accounts assigned to the President's Office were reviewed for expenditures related to travel, entertainment and residence expenses.
- Inquiry was made to members of management to determine if any expenditure was paid to, or on behalf of, the President or his spouse.
- Inquiry was made to the physical plant department to determine if any services were provided for the President's residence.
- A sample of travel, maintenance and operations, and wage expenditures including entertainment and housekeeping, paid to, or on behalf of, the President or his spouse, was selected and tested for validity, accuracy, appropriate approvals, appropriateness, and supporting documentation.
- A sample of transactions was traced to the required quarterly reports submitted to UT System to verify completeness of the reports.
- A sample of transactions from the quarterly reports was traced to the population of expenditures tested to verify completeness of the population.
- Expenditures paid from the Office of University Development to, or on behalf of, the President or his spouse were reviewed for appropriateness on the quarterly reports submitted to UT System.

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



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***ENGAGEMENT RESULTS***

According to The University of Texas System Policy 129, System-wide Internal Audit Charter, "there are two types of audit findings and recommendations: reportable and significant. A "reportable" audit finding/recommendation should be included in an audit report if it is material to the operation, financial reporting, or legal compliance of the audited activity, and the corrective action has not been fully implemented. "Significant" audit findings and recommendations are reportable audit findings and recommendations that are deemed significant at the institutional level. A significant recommendation is one that may be material to operations, financial reporting, or legal compliance. This would include an internal control weakness that does not reduce the risk of irregularities, illegal acts, errors, inefficiencies, waste, ineffectiveness, or conflicts of interest to a reasonably low level.

Based on the audit procedures conducted, there were no reportable or significant findings. The Office of the President is in compliance with UT System Regent's Rules, UT Tyler policies and procedures, and applicable state and federal guidelines.

During our examination, we found the records to be well organized and all expenditures appeared appropriate with adequate approvals and supporting documentation.

***CONCLUSION***

Dr. Mabry and his administrative staff are to be commended for the excellent record keeping and pro-active "best practice" compliance activities in the Office of the President.

*Lou Ann Viergever*

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