

June 21, 2018

MEMORANDUM

TO: Karla Browne
Director, Finance, Accounts Payable & Travel

FROM: Sherri Magnus *Sherri Magnus*
Vice President & Chief Audit Officer

SUBJECT: Review of Executive Travel and Business Entertainment Expenditures
Audit Control Number 2018 – 207

We have completed a review of Executive Travel and Business Entertainment Expenditures for the period of January 1, 2017 through December 31, 2017, as required by the Audit Committee. Our objective was to review the expenditures for proper approval, supporting documentation, accuracy, business purpose, allowability, and timeliness, in accordance with established policies.

We tested Concur and travel card expenditures in the amount of approximately \$588,000 for 13 executives. This represented 29 percent of executive travel and business entertainment expenses for the period. No significant exceptions were identified. However, we noted the following regarding sponsor reimbursable expenses:

In two instances totaling \$2,900, the Institution paid for a traveler's airfare. The traveler was then reimbursed by a sponsor. However, the traveler did not submit the reimbursement to the Institution until Internal Audit brought it to their attention. This resulted in the Institution paying for travel expenses covered by another party.

We also noted that the current institutional policy does not include guidance for the remittance to the institution of sponsor-reimbursed expenses. Without proper guidance in place, there is risk that the Institution will not be reimbursed as expected.

Recommendation:

Travel Services' management should consider revising the Employee Travel Management Policy (ADM0145) to include guidance on remitting sponsor reimbursements to the Institution when travel expenses are initially paid by the Institution.

Management's Action Plan:

Responsible Executive: Mike Keneker

Owner: Karla Browne

Due Date: Implemented

Host paid travel is listed as a drop down item in the *Trip Purpose* section on the Concur Travel Request. Once the trip is designated as host paid, airfare expenses are not paid by the Institution, instead there is the requirement to place the said charges on a personal credit card. In the two instances noted above, the *Trip Purpose* were both listed as, "Conference", hence there was no indication to alert the travel agency to request a personal credit to secure the airfares. The faculty member, the one up manager, and his assistant, has since been notified of the proper way to submit host paid travel requests.

The Travel Guidelines have been updated with the verbiage below, additionally, there is no need to revise ADM0145, as purchasing airfare for host paid travel on the MDA ghost card is not an option.

Host paid and host reimbursed travel require pre-trip approval. In instances where Corporate Travel Planners is booking the airfare on behalf of the Host, the airfare must be secured with a personal credit card.

We appreciate the courtesy and cooperation extended to us during this project.

SM/jms/sbs/rbr

cc: Christy Harrison
Michael Keneker
Ben Melson