



UTHealth

The University of Texas
Health Science Center at Tyler

Office of Internal Audit

March 4, 2019

Dr. Kirk A. Calhoun, President
UT Health Science Center at Tyler
11937 U. S. Hwy 271
Tyler, TX 75708

Dr. Calhoun,

We have completed the Executives' Travel and Entertainment Expenses Audit that was part of our Fiscal Year (FY) 2019 Audit Plan as a required audit. The objective of this audit was to determine whether travel and entertainment expenses paid by the Institution on behalf of executive leaders were appropriate and in compliance with applicable laws, UT System and Institutional policies and procedures. The scope of the audit was from September 1, 2017 through August 31, 2018 and included all Institutional leaders whose titles included Executive Vice President, Senior Vice President, Vice President, Associate Vice President, and Dean, during the audit period.

This audit was conducted in accordance with guidelines set forth in The Institute of Internal Auditor's *International Standards for the Professional Practice of Internal Auditing*. We appreciate the assistance provided by management and other personnel and hope the information presented in our report is helpful.

Sincerely,

Stephen Ford
AVP, Chief Audit Executive

Enclosure

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**Executives' Travel and Entertainment
Expenses Audit**

March 4, 2019

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TYLER, TX 75708**

**UT Health Science Center at Tyler
Executives' Travel and Entertainment Expenses Audit
FY 2019**

TABLE OF CONTENTS

Background 5

Objective..... 5

Scope and Methodology..... 5

Audit Results..... 5

**UT Health Science Center at Tyler
Executives' Travel and Entertainment Expenses Audit
FY 2019**

Report

Background

The Executive's Travel and Entertainment Expenses Audit was completed as part of the Fiscal Year (FY) 2019 Audit Plan as a required audit. The "UT System Board of Regents' Rule 20205: Expenditures for Travel and Entertainment by Chief Administrators and for the Maintenance of University Residences" audit requirements were expanded in 2013 to include an audit of the Executive Travel and Entertainment (T&E) expenses incurred by each Institution's executives. All executive leaders are subject to review bi-annually. The last audit in this area was performed as part of the FY 2017 Audit Plan and two (2) prior audits were completed in FY 2015 and FY 2013. Minimal findings were discovered as a result of these three (3) prior audits.

Objective

The objective of this audit was to determine whether travel and entertainment expenses paid by the Institution on behalf of executive leaders were appropriate and in compliance with applicable laws, UT System and Institutional policies and procedures.

Scope and Methodology

The scope of the audit was from September 1, 2017 through August 31, 2018 and included all Institutional leaders whose titles included Executive Vice President, Senior Vice President, Vice President, Associate Vice President, and Dean, during the audit period.

To achieve the audit objective we:

- Reviewed applicable laws, UT System and Institutional policies and procedures;
- Met with key process owners to gain a better understanding of the travel and entertainment procedures and controls; and
- Selected a limited sample of travel and entertainment expenditures for all executive leaders included in our scope and reviewed applicable supporting documentation for certain high risk attributes.

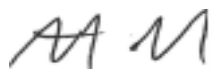
The audit was conducted in accordance with the guidelines set forth in The Institute of Internal Auditor's *International Standards for the Professional Practice of Internal Auditing*.

Audit Results

We tested a sample of 25 travel vouchers totaling \$13,046 and 18 entertainment expense transactions totaling \$6,189 that were paid on behalf of the 15 different executive leaders included in the audit.

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Executives' Travel and Entertainment Expenses Audit
FY 2019

The tested travel vouchers and entertainment expenses that were paid by the Institution in FY 2018 on behalf of executive leaders were found to be appropriate and substantially in compliance with applicable guidelines, policies and procedures. Although all expenses tested were appropriate business expenses and were substantially in compliance with applicable guidance, we identified some minor calculation errors and Institutional policy deviations. These minor deficiencies were communicated to Accounts Payable management and the executive leaders in order to avoid future reoccurrence of similar deficiencies.



Stephen Ford
AVP, Chief Audit Executive