



THE UNIVERSITY OF TEXAS SYSTEM AUDIT OFFICE
Presidential Travel and Entertainment Expenses
Audit Report – UTMB
Fiscal Year 2022

SUMMARY

BACKGROUND:

The System Audit Office performed this engagement because The University of Texas System (UT System) Board of Regents’ *Rules and Regulations*, Series 20205, “Expenditures for Travel and Entertainment by Chief Administrators and for the Maintenance of University Residences” (Rule 20205) requires an audit of these expenses after the first full fiscal year that a new president assumes office.

OBJECTIVE:

The specific objective of this audit at The University of Texas Medical Branch at Galveston (UTMB) was to determine whether travel and entertainment expenses incurred by the president and his spouse were appropriate, accurate, and in compliance with applicable institutional policies and Regents’ *Rules and Regulations*.

CONCLUSION

Overall, the travel and entertainment expenses incurred by the president appeared appropriate, accurate, and in compliance with applicable institutional policies and Regents’ *Rules and Regulations*.

OBSERVATIONS

 **None**

The System Audit Office has completed an audit of presidential travel and entertainment expenses and found that adequate internal controls are in place. This audit resulted in no reportable observations. We separately communicated to management one minor suggestion to update the institution’s Business Entertainment Policy for additional clarification.

OBSERVATION RATINGS

Priority
High
Medium
Low

There are no Priority- or High-rated audit observations.

The engagement methodology can be found at the end of this report.



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METHODOLOGY

The System Audit Office conducted this engagement in accordance with the *International Standards for the Professional Practice of Internal Auditing* and generally accepted government auditing standards (GAGAS). Those standards require that we plan and perform the engagement to obtain sufficient, appropriate evidence to provide a reasonable basis for our observations and conclusions based on our objectives. We believe that the evidence obtained provides a reasonable basis for our observations and conclusions based on our objectives. The System Audit Office is independent per GAGAS requirements for internal auditors.

SCOPE AND PROCEDURES

The scope of this audit included travel and entertainment expenses of the president and his spouse incurred from January 1, 2021 through December 31, 2021. UTMB does not have university residence maintenance expenses.

The audit procedures consisted of reviewing applicable institutional policies and procedures, assessing relevant internal controls, and obtaining a summary of expenses provided by the Office of the President. The System Audit Office reviewed the internal controls and expenses for reasonableness, in addition to relying on work performed by UTMB Office of Audit Services. UTMB spent approximately \$10,090 on presidential travel and entertainment during the audit scope. The president did not have international travel or spousal expenses. Therefore, the overall audit risk was determined to be low, and limited substantive testing procedures were performed.

CRITERIA

Guidance for travel, entertainment, and university residence maintenance expenses is provided by various state laws, rules and regulations promulgated under those laws, and UT System and institutional travel and entertainment policies and procedures including, but not limited to, Rule 20205.

REPORT DATE

June 22, 2022

REPORT DISTRIBUTION

To: Ben Raimer, M.D., President, UTMB
Cc: John Zerwas, M.D., Executive Vice Chancellor for Health Affairs, UT System
C. Aaron LeMay, Interim Chief Financial Officer and Vice President, UTMB
Desolyn Foy, Vice President, Audit Services & Chief Audit Executive, UTMB
UT System Administration Internal Audit Committee
External Agencies (State Auditor, Legislative Budget Board, Governor's Office)