

THE UNIVERSITY OF TEXAS

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Travel and Business Entertainment Expenses Audit

**Audit Control No. 2022-116
August 8, 2022**

**Audit Team:
Randy Ray
Rachel Bourns
Anthony Buancore**

MEMORANDUM

August 8, 2022

TO: Karla Aspinall
Director, Finance - Accounts Payable & Travel**FROM:** Sherri Magnus *Sherri Magnus*
Vice President & Chief Audit Officer**SUBJECT:** 22-116 Travel and Business Entertainment Expenses Audit

Internal Audit has completed the review of the Travel and Business Entertainment Expenses for the period of January 1, 2021 through December 31, 2021. Our objectives were to: (1) review these expenses for proper approval, supporting documentation, business purpose, allowability, and timeliness, in accordance with institutional policies and University of Texas System rules, and (2) review international trips during the period for compliance with the UTS 190 International Travel Policy (updated with new requirements on July 29, 2021).

We reviewed domestic travel and business entertainment expenditures totaling approximately \$165,000 for 30 individuals.¹ Note that due to the restrictions on travel and gatherings in place during much of 2021, the potential population for review was much smaller than prior to the pandemic. Our methodology included an assessment of:

- accuracy of expense reimbursements,
- appropriateness of expense purposes,
- confirmation of approvals,
- adequacy of supporting documentation, and
- evaluating allowability.

The exceptions noted for these areas were statistically small and were not financially significant.

In addition, we reviewed nine international trips that occurred after July 29, 2021 for compliance with the updated UT System Policy (UTS) 190. Our review resulted in the following observation:

Enhance International Travel Review Process**RANKING: MEDIUM**

UT System Policy (UTS) 190 establishes processes to protect staff who travel internationally. The policy requires that each institution establish an International Oversight Committee (IOC) to approve travel to areas of "High Risk"². Additionally, all international trips, regardless of the destination's risk

¹ Identified a total population of \$1,454,487 in Travel Expenses and a total of \$4,466,885 in Business Entertainment Expense for calendar year 2021.

² UTS 190 Section 5.3 defines "High Risk" as locations where: US State Department has issues a Level 3 or level 4 Travel Advisory, the CDC has issued a Travel Health Notice Warning Level 3, the CDC has issued a COVID-19 Travel Health Notice Level 3 or Level 4, countries where the WHO has declared a global pandemic, and locations where the IOC has deemed health, safety, or security risks are present.

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level, are to be registered with the UT System's emergency assistance provider (EAP)³ prior to departure. The institution set up a temporary IOC whose approval is communicated via email. Management informed us that a permanent committee was established in May 2022, and that the updated Concur approval workflow will demonstrate IOC approval. Additionally, for travel booked with the institution's contract travel agency, registration with the EAP is an automatic process, while for travel booked independently, the EAP must be manually notified.

We reviewed the entire population of nine international trips during our audit period to determine compliance with the policy and identified the following:

- Formally documented IOC approval could not be obtained for five trips, or 56%, prior to departure. As a result, there is no evidence that the health, safety, and security risks of these international trips were carefully weighed against the purpose of the trip, placing the institution at increased reputational risk if a significant event should have occurred.
- Registration with the emergency assistance provider could not be verified for one trip booked outside the institution's contract travel agency. Without appropriate registration, UT System's emergency assistance provider, is unable to provide appropriate oversight to promote the health, safety, and security of UT System travelers abroad.

Recommendation:

We acknowledge that management has already taken steps to improve compliance with UT System Policy 190 by establishing the permanent International Oversight Committee (IOC) and incorporating IOC approval documentation into the Concur workflow. Management should continue to ensure that formal documentation of IOC approval is obtained prior to departure. In addition, management should ensure that a process is implemented to ensure that any international travel not booked with the institution's contract travel agency is registered with UT System's emergency assistance provider.

Management's Action Plan:

In March 2, 2020, we were instructed to halt international travel with immediate effect. We were advised that exceptions must be routed to the President's Office and would be reviewed, and action taken by Fatima Sheriff. Under Dr. Pisters' guidance, Dr. Welela Tereffe was appointed to be the final approver for mission critical, faculty travel and Ms. Sheriff would oversee classified employee requests. As a result, several requests to visit VIP patients were authorized via a blanket approval by Dr. Tereffe. We acknowledge that Dr. Tereffe is not a member of the International Oversight Committee and has already mitigated such with the formation of the more comprehensive IOC that was recently established.

On a monthly basis, a committee which has representation from the President's Office, Finance, Internal Audit, and Communications meet to discuss travel and expense related topics. We will discuss how to identify trips not registered with UTS security provider. These are typically host paid trips booked outside of the contracted travel management company. Once identified, we will determine what steps are needed to remedy such.

³ The Emergency Assistance Provider provides a variety of services such as Medical, Tele-counseling, Security, and Travel Services.

Executive Leadership Team Member: Omer Sultan
Division/Department Executive: Michael Keneker
Owner: Karla Aspinall
Implementation Date: 03/31/2023

Our internal audit was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing*. The internal audit function at MD Anderson Cancer Center is independent per the *Generally Accepted Government Auditing Standards (GAGAS)* requirements for internal auditors.

We sincerely appreciate the courtesy and cooperation extended by each individual and the Accounts Payable and Travel Department.

cc: Omer Sultan
Michael Keneker
Christy Harrison
Karen Kennedy