



THE UNIVERSITY OF TEXAS SYSTEM AUDIT OFFICE
Presidential Travel and Entertainment Expenses Audit Report
UTMDACC
Fiscal Year 2021

SUMMARY

OBJECTIVE:

The objective of this audit at The University of Texas MD Anderson Cancer Center (UTMDACC) was to determine if travel and entertainment expenses incurred by the president or 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 were appropriate, accurate, and in compliance with applicable institutional policies and Regents' *Rules and Regulations*.

OBSERVATIONS

 **None**

The University of Texas (UT) 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. However, some minor observations were communicated separately to management, including improvements to strengthen the Chief Business Officer (CBO) review and approval processes.

OBSERVATION RATINGS

Priority
High
Medium
Low

There are no Priority or High rated audit observations.

The UTMDACC President's Office implemented a process to address one observation from the prior presidential travel and entertainment expenses audit related to payment of state hotel occupancy taxes and will complete its planned actions to address the remaining observation regarding CBO approval of direct-billed expenses by July 31, 2021.

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



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METHODOLOGY

This engagement was conducted in accordance with the guidelines set forth in the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*.

BACKGROUND

The 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 to be performed periodically based on an assessment of risk factors. Although not initially selected for substantive testing, the System Audit Office performed this engagement at the president's request for it to be performed annually.

SCOPE AND PROCEDURES

The scope of this audit included expenses incurred from January 1, 2020 through December 31, 2020. UTMDACC did not have international travel or spousal expenses during the audit scope and does not have university residence maintenance expenses.

The audit procedures consisted of reviewing applicable institutional policies and procedures and assessing internal controls. In addition, substantive testing was performed on a sample of travel and entertainment expenses.

CRITERIA

Guidance for travel and entertainment 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

July 2, 2021

REPORT DISTRIBUTION

To: Peter Pistors, M.D., President, UTMDACC

Cc: John Zerwas, M.D., Executive Vice Chancellor for Health Affairs, UT System

Ben Melson, Senior Vice President and Chief Financial Officer, UTMDACC

Sherri Magnus, Vice President and Chief Audit Officer, UTMDACC

UT System Administration Internal Audit Committee

External Agencies (State Auditor, Legislative Budget Board, Governor's Office)