

August 13, 2013

**To:** Audit Committee  
UTHealth

**From:** Daniel G. Sherman, CPA, CIA  
Assistant Vice President



**Re:** Interim Review of Executive Travel and Entertainment - #13-108D

We have completed our review of Executive Travel and Entertainment for the third quarter of fiscal year 2013. This work was performed at the request of the UTHealth Audit Committee.

The objective of this work was to review executive travel and entertainment expenditures for appropriateness, reasonableness, and compliance with applicable policies, statutes, rules, and regulations. The population selected for review was all employees who have a direct reporting relationship to the president or chief operating and financial officer and all Medical School department chairs.

A judgmental sample of 17 expenditures dated between March 1, 2013 and May 31, 2013, was selected for testing, which represents a total of \$40,471. This represents 29% of the total executive travel and entertainment expenditures for this period. We reviewed supporting documentation and tested for proper approval, adequate support, mathematical accuracy, adequate and appropriate business purpose, properly recorded expenditures, expenditures within allowable limits, lack of prohibited items, and timeliness of the reimbursements. Five vouchers did not have adequate written approval. These were communicated to the respective departments.

Based on our test work, executive travel and entertainment expenditures are appropriate and reasonable, and in compliance with applicable policies, statutes, rules, and regulations.