Executive Management Travel and Entertainment Audit Report
Project # 2014-05
April 1, 2014

Reviewed by: Dr. Ricardo Romo
President
OBJECTIVE
Determine whether the travel and entertainment expenses of a sample of Executive Leadership Council (ELC) members were appropriate, accurate and complied with UTSA Financial Management Operational Guidelines on Travel and Entertainment.

CONCLUSION
Based on the procedures performed, travel and entertainment expenses were appropriate and accurate; however, the following isolated instances of noncompliance with UTSA Financial Management Operational Guidelines on Travel and Entertainment were noted:

- The attendance of a spouse or partner of a UTSA host did not appear to serve a bona fide business purpose, nor was the bona fide business purpose stated on the Business Expense Form.
- A purchase was made from the business of a spouse or partner of the purchaser and the relationship was not disclosed through UTSA’s conflict of interest process.
- A Business Expense Form was not submitted timely.

SCOPE
The scope of the audit included a review of Travel Reimbursement/Settlement Forms, Business Expense Forms and the relevant supporting documentation for a sample of travel and entertainment expenses that occurred in the fiscal year of September 1, 2012 through August 31, 2013 for eight Executive Leadership Council members or their direct reports.
BACKGROUND

The President’s Travel and Entertainment Expense Audit required by Regents’ Rules and Regulations 20205 has been expanded to include the travel and entertainment expenses of all executives across all UT System institutions. On a rotational basis, the Executive Leadership Council members or individuals that report to an Executive Leadership Council member, will have their travel and/or entertainment expenditures reviewed.

For travel expenses, sample selections were based on each Executive Leadership Council member’s level of expenditures during fiscal year 2013 (FY13). The sample selected for travel expenditures included:

- Dr. Julius Gribou, Executive Vice Provost,
- Dr. Rogelio Saenz, Dean of the College of Public Policy,
- Kenneth Pierce, Chief Information Officer, and
- Dr. Raul Reyna, Prefreshman Engineering Program Director.

For entertainment expenses, sample selections were based on a trend of fiscal years’ 2012 and 2013 expenditure data for each Executive Council Member and the departments that report to the Executive Leadership Council members. The sample selected for entertainment expenditures included:

- Orientation/Transition Programs - Lisa Alonzo (reports to George Norton, Associate Vice President, Admissions),
- Professional Excellence Center – Dr. Robert Lengel (reports to Dr. Gerry Sanders, Dean of the College of Business),
- Music Department – Dr. Robert Frego (reports to Dr. Dan Gelo, Dean of the College of Liberal and Fine Arts), and
- Dr. George Perry, Dean of the College of Sciences.

AUDIT RESULTS

Audit Objective: Determine whether the travel and entertainment expenses of a sample of Executive Leadership Council (ELC) members were appropriate, accurate and complied with UTSA Financial Management Operational Guidelines on Travel and Entertainment.

Executive Travel and Entertainment

Per UTSA’s Annual Financial Report for FY13, travel expenses were $10,809,122 or approximately 2.3 percent of total operating expenses. Additionally, entertainment expenses for FY13 were $2,828,447, which was less than one percent of total operating expenses.
Based on the work performed during the audit, the reimbursement of travel and entertainment expenses are generally in compliance with applicable guidelines. However, isolated instances of noncompliance with UTSA Financial Management Operational Guidelines on Travel and Entertainment were noted as follows:

- One instance in which the attendance of the partner of a UTSA host did not appear to serve bona fide business purpose, nor was the bona fide business purpose stated on the Business Expense Form.
- One instance in which a purchase was made from the partner of the purchaser; the relationship was not disclosed through UTSA’s conflict of interest process.
- One instance where the Business Expense Form was not submitted timely.

No trends were identified as a result of the issues noted during the audit. The findings were provided to the appropriate executive leadership member and/or direct supervisor.

**CONCLUSION**

Based on the work performed during the audit, executive travel and entertainment expenses are in compliance with applicable guidelines; however, there were isolated instances of noncompliance with UTSA Financial Management Operational Guidelines on Travel and Entertainment.

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This engagement was conducted in accordance with The Institute of Internal Auditors’ International Standards for the Professional Practice of Internal Auditing.