April 29, 2015

Ricardo Romo, Ph.D., President
Office of the President, The University of Texas at San Antonio
One UTSA Circle
San Antonio, Texas 78249

Dear President Romo:

As required by The University of Texas (UT) System Board of Regents’ Rules and Regulations, Rule 20205, titled “Expenditures for Travel and Entertainment by Chief Administrators and for the Maintenance of University Residences” (Rule 20205), the UT System Audit Office has completed the audit of presidential travel, entertainment, and university residence maintenance expenses. These audits have historically been performed by the respective institutional audit departments. At their August 2013 meeting, the UT System Board of Regents (Board) amended Rule 20205 so that these audits are now conducted by the UT System Audit Office.

The overall objective of this audit was to determine whether travel, entertainment, and university residence maintenance expenses paid on behalf of, and reimbursed to, the presidents and their spouses were appropriate, accurate, and in compliance with applicable institutional policies and Board Rules and Regulations. Each of the presidents is subject to the annual audit; however, the determination to perform substantive testing of their expenses was based both on an analysis of risk and an element of rotation to ensure complete coverage over a period of time.

The scope of the audit included travel, entertainment, and university residence maintenance expense activity of the presidents and their spouses for the period September 1, 2012 to November 30, 2013. The audit methodology consisted of reviewing applicable institutional policies and procedures, assessing internal controls, and analyzing the institutions’ quarterly expense reports submitted to UT System. Based on the determined risk as a result of these audit procedures at UT San Antonio, additional substantive testing was performed on a sample of travel and entertainment expenses. The audit was conducted in accordance with the guidelines set forth in The Institute of Internal Auditors’ International Standards for the Professional Practice of Internal Auditing.

Based upon our audit work at UT San Antonio, we found that the travel and entertainment expenses paid on behalf of, and reimbursed to, the president and his spouse appeared appropriate and accurate and that adequate internal controls are in place and functioning to ensure that the expenses are processed in accordance with applicable policies and procedures.

We appreciate the assistance provided by the offices of the president and internal audit in conducting this audit.

Sincerely,

[Signature]

J. Michael Peppers, Chief Audit Executive

cc: Kathryn Funk-Baxter, Vice President for Business Affairs, UT San Antonio
J. Richard Dawson, Chief Audit Executive, UT San Antonio
Pedro Reyes, Ph.D., Executive Vice Chancellor for Academic Affairs, UT System