

18-108 Executive Travel & Entertainment

We have completed our review of Executive Travel and Entertainment (T&E) for fiscal year 2018. Our review was performed at the request of the UTHealth Audit Committee and was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing*.

BACKGROUND

The UTHealth Audit Committee requested an audit of travel and entertainment expenses incurred on behalf of the institution's executives. The process for reimbursing the executive's expenses begins with a review of the request and supporting documentation by appropriate personnel in the department. They are responsible for verifying mathematical accuracy and overall compliance with institutional policies and procedures with regards to travel and entertainment reimbursement limitations. The Expense Reimbursement Team (ERT) is responsible for the Financial Management System (FMS) Travel Procurement/Payable module, travel policies and procedures, and review and approval of expense reimbursements.

OBJECTIVE

The objective of this work was to review executive travel and entertainment for appropriateness, reasonableness, mathematical accuracy 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, deans, Medical School department chairs and key personnel from each of the schools.

SCOPE PERIOD

The scope period was 09/01/2017 - 08/31/2018

METHODOLOGY

The following procedures were performed:

- Obtained a listing of the Executive Management Team that directly reports to Dr. Giuseppe Colasurdo or Kevin Dillon and the Medical School Department Chairs.
- Ran FMS queries to obtain the expenses made by or on behalf of the executive management employee.
- Judgmentally selected a sample of expenditures from the query and performed test work on expenditures for executives who have in excess of \$2,000 in expenditures or those with unusual expenditures or foreign travel.
- Reviewed selected vouchers for appropriateness, reasonableness, mathematical accuracy and compliance with applicable policies, statutes, rules, and regulations.

18-108 Executive Travel & Entertainment

AUDIT RESULTS

For the first two quarters, a judgmental sample of 31 expenditures dated between September 1, 2017 and February 28, 2018 representing a total of \$71,122 was selected for testing. This represented approximately 32% of the expenditures from the period.

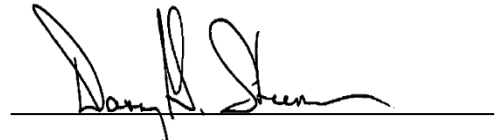
For the final two quarters, a judgmental sample of 34 expenditures dated between March 1, 2018 and August 31, 2018 representing a total of \$67,693 was selected for testing. This comprised 30% of the total executive travel and entertainment expenditures for the period.

Executive travel and entertainment expenditures are appropriate and reasonable, and are in compliance with applicable policies, statutes, rules, and regulations.

NUMBER OF PRIORITY & HIGH FINDINGS REPORTED TO UT SYSTEM

None

We would like to thank the staff and management within the university who assisted us during our review.



Daniel G. Sherman, MBA, CPA, CIA
Assistant Vice President

MAPPING TO FY 2018 RISK ASSESSMENT

Risk (Rating)	None
----------------------	------

DATA ANALYTICS UTILIZED

Data Analytic #1	Run a duplicate reimbursement testing on the population of Executive reimbursements from 09/01/2017 to 08/31/2018
-------------------------	---

AUDITING & ADVISORY SERVICES ENGAGEMENT TEAM

Audit Manager	Nathaniel Gruesen, MBA, CIA, CISA, CFE
Auditor Assigned	Diarra Boye, CIA, CFE Vy Ngo
End of Fieldwork Date	10/29/2018
Issue Date	10/30/2018

Copies to:
Audit Committee