



Travel and Entertainment Expenditures Audit

Internal Audit Report 19:42

January 9, 2020

Executive Summary

Background

The University of Texas Southwestern Medical Center (UT Southwestern) makes reimbursements to, and payments on behalf of, employees for travel and entertainment (T&E) expenses that are incurred as part of their official duties. Federal and state regulations, UT System Board of Regents Rules and Regulations, and UT Southwestern policies and procedures govern T&E expenditures.

Guidance on allowable T&E expenses is provided by various UT Southwestern policies and procedures, including:

- Handbook of Institutional Policies and Operating Procedures FIM-106 Travel
- Handbook of Institutional Policies and Operating Procedures FIM-107 Business Entertainment
- Accounting Administration Office's Prior Approval of Expenditures Policy Matrix

Scope and Objectives

The audit scope included fiscal year 2019 T&E for the President's direct reports and selected non-direct reports. Audit procedures included a review of the President's Office T&E process for direct reports; T&E process discussions within the direct reports area; and non-direct reports T&E substantive testing on the top four highest spenders based on dollar amounts and transaction counts.

The audit objective was to assess compliance with federal and state laws and regulations, UT System Board of Regents' Rules and Regulations, and UT Southwestern policies and procedures by senior leadership reporting directly to the UT Southwestern's President and by non-direct employees with high dollar travel expenses and a large volume of travel transactions.

We conducted our audit in accordance with guidelines set forth by The University of Texas System Policy 129 Internal Audit Activities, the Regents Rules and Regulations, and the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*.

Executive Summary

Conclusion

Overall, based on the audit work performed, T&E expenditures comply with UT Southwestern policies and procedures. T&E processes are operating effectively and transactions have appropriate records and adequate support.

We would like to take the opportunity to thank the departments and individuals included in this audit for the courtesies extended to us and for their cooperation.

Sincerely,

Valla F. Wilson, Vice President for Internal Audit, Chief Audit Executive

Audit Team:

Melinda Lokey, Director
Robin Irvin, Manager
Elias Dib, Senior Internal Auditor

cc: Sharon Corcoran, Director, General Accounting
Arnim E. Dontes, Executive Vice President, Business Affairs
Kay Hardgrave, Assistant Director, Office of the President
Julia Kanellos, Director, Office of the President
Sharon Leary, Assistant Vice President, Accounting and Fiscal Services
Michael Serber, Vice President, Finance & Institutional Chief Financial Officer