



**THE UNIVERSITY OF TEXAS SYSTEM AUDIT OFFICE**  
**Presidential Travel and Entertainment Expenses**  
**Audit Report – UTMDACC**  
**Fiscal Year 2022**

**SUMMARY**

**BACKGROUND:**

The University of Texas System (UT System) Board of Regents’ *Rules and Regulations*, Series 20205, “Expenditures for Travel and Entertainment by Chief Administrators and for the Maintenance of University Residences” (Rule 20205) requires an audit of these expenses to be performed periodically based on an assessment of risk factors. The System Audit Office performed this engagement at the president’s request for it to be performed annually.

**OBJECTIVE:**

The specific objective of this audit at The University of Texas MD Anderson Cancer Center (UTMDACC) was to determine whether travel and entertainment expenses incurred by the president and his spouse were appropriate, accurate, and in compliance with applicable institutional policies and Regents’ *Rules and Regulations*.

**CONCLUSION**

Overall, the travel and entertainment expenses incurred by the president and his spouse were appropriate, accurate, and in compliance with applicable institutional policies and Regents’ *Rules and Regulations*.

**OBSERVATIONS**

 **None**

The System Audit Office has completed an audit of presidential travel and entertainment expenses and found that adequate internal controls are in place and functioning as intended. This audit resulted in no reportable observations. However, some minor observations were communicated separately to management, including improvements to strengthen approval processes and enhance supporting documentation.

**OBSERVATION RATINGS**

|                 |
|-----------------|
| <b>Priority</b> |
| <b>High</b>     |
| <b>Medium</b>   |
| <b>Low</b>      |

There are no Priority- or High-rated audit observations.

The engagement methodology can be found at the end of this report.



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# METHODOLOGY

The System Audit Office conducted this engagement in accordance with the *International Standards for the Professional Practice of Internal Auditing* and generally accepted government auditing standards (GAGAS). Those standards require that we plan and perform the engagement to obtain sufficient, appropriate evidence to provide a reasonable basis for our observations and conclusions based on our objectives. We believe that the evidence obtained provides a reasonable basis for our observations and conclusions based on our objectives. The System Audit Office is independent per GAGAS requirements for internal auditors.

## SCOPE AND PROCEDURES

The scope of this audit included travel and entertainment expenses of the president and his spouse incurred from January 1, 2021 through December 31, 2021. UTMDACC does not have university residence maintenance expenses.

The audit procedures consisted of reviewing applicable institutional policies and procedures, assessing relevant internal controls, and obtained a summary of expenses provided by the Office of the President. UTMDACC spent approximately \$19,741 on presidential and spousal travel and entertainment during the audit scope. The president and his spouse did not have international travel expenses.

A sample of expenses was judgmentally selected based on dollar value, types of expenses, and other inherent risk factors. Substantive testing was performed to determine whether the expenses were properly approved, submitted timely, adequately supported, for an appropriate business purpose, mathematically accurate, within allowable limits, and not a prohibited item.

## CRITERIA

Guidance for travel and entertainment expenses is provided by various state laws, rules and regulations promulgated under those laws, and UT System and institutional travel and entertainment policies and procedures including, but not limited to, Rule 20205.

## REPORT DATE

August 3, 2022

## REPORT DISTRIBUTION

To: Peter WT Pisters, M.D., President, UTMDACC

Cc: John Zerwas, M.D., Executive Vice Chancellor for Health Affairs, UT System  
Omer Sultan, Senior Vice President and Chief Financial Officer, UTMDACC  
Mike Keneker, Vice President, Finance and Chief Accounting Officer,  
UTMDACC

Sherri Magnus, Vice President and Chief Audit Officer, UTMDACC  
UT System Administration Internal Audit Committee

External Agencies (State Auditor, Legislative Budget Board, Governor's Office)