



THE UNIVERSITY OF TEXAS SYSTEM AUDIT OFFICE
Chief Administrator Travel and Entertainment
Expenses Audit Report – UTIMCO
Fiscal Year 2025

SUMMARY

BACKGROUND:

The University of Texas/Texas A&M Investment Management Company (UTIMCO) is a 501(c)(3) corporation that was formed to manage investments for The University of Texas and The Texas A&M University Systems. UTIMCO is a separate legal entity and is not a state agency.

The System Audit Office performed this engagement in keeping with the spirit of The University of Texas System (UT System) Board of Regents' *Rules and Regulations*, Series 20205, "Expenditures for Travel and Entertainment by Chief Administrators" which requires an audit of these expenses after the first full fiscal year that a new chief administrator assumes office.

OBJECTIVE:

The objective of this audit was to determine whether travel and entertainment expenses incurred by the chief administrator (specifically, the President, Chief Executive Officer, and Chief Investment Officer at UTIMCO) were appropriate, accurate, and in compliance with applicable policies and procedures.

CONCLUSION

Overall, the travel and entertainment expenses incurred by the chief administrator appeared appropriate, accurate, and in compliance with applicable policies and procedures.

OBSERVATIONS

 **None**

The System Audit Office has completed an audit of the chief administrator's travel and entertainment expenses and found that adequate internal controls are in place and functioning as intended. This audit resulted in no reportable observations.

OBSERVATION RATINGS

Priority
High
Medium
Low

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 Global Internal Audit Standards 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 UTIMCO President, Chief Executive Officer, and Chief Investment Officer (chief administrator) incurred from February 1, 2024 through February 28, 2025.

The audit procedures consisted of reviewing applicable policies and procedures, assessing relevant internal controls, and obtaining a population of expenses from management. UTIMCO spent approximately \$82k on chief administrator travel and entertainment during the audit scope.

A sample of expenses was judgmentally selected based on the dollar amount, types, and dates 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

- UTIMCO Travel Guidelines, effective 2/1/2024
- UTIMCO Business-Related Entertainment Expenses Guidelines, effective 2/1/2024

REPORT DATE

June 2, 2025

REPORT DISTRIBUTION

To: Richard Hall, President, Chief Executive Officer, and Chief Investment Officer,
UTIMCO

Cc: Jonathan Pruitt, Executive Vice Chancellor for Business Affairs and Chief
Operating Officer, UT System

Joan Moeller, Senior Managing Director and Chief Operating Officer, UTIMCO

UT System Administration Internal Audit Committee

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