



THE UNIVERSITY OF TEXAS SYSTEM AUDIT OFFICE
Presidential Travel and Entertainment Expenses Audit
Report – UT Medical Branch
Fiscal Year 2025

SUMMARY

BACKGROUND:

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

OBJECTIVE:

The objective of this audit at The University of Texas Medical Branch (UT Medical Branch) was to determine whether travel and entertainment expenses incurred by the president 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 appeared appropriate, accurate, and in compliance with applicable institutional policies and Regents' *Rules and Regulations*.

OBSERVATIONS

 **None**

The System Audit Office completed an audit of the 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, minor issues were communicated separately to management to strengthen approval processes and enhance supporting documentation.

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 president incurred from September 1, 2023 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 the financial system (PeopleSoft). UT Medical Branch spent approximately \$78k on presidential 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

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 7, 2025

REPORT DISTRIBUTION

To: Jochen Reiser, M.D., Ph.D., President, UT Medical Branch

Cc: John Zerwas, M.D., Chancellor *ad interim* and Executive Vice Chancellor for Health Affairs, UT System

Jamie D. Bailey, Executive Vice President and Chief Financial Officer, UT Medical Branch

Desolyn Foy, Vice President & Chief Audit Executive, UT Medical Branch
UT System Administration Internal Audit Committee

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