

MEMORANDUM

January 16, 2025

TO: Karla Aspinall
Executive Director, Finance - Accounts Payable & Travel

FROM: Ann Lovelady *Ann Lovelady*
Associate Vice President & Chief Audit Officer *ad interim*

SUBJECT: MDA25AS0024 - Guest Travel and Business Expenses Audit

Internal Audit has completed a review of Guest Travel and Business Expenses for the period of September 1, 2023, through August 31, 2024. Our objective was to determine whether travel and other expenses paid on behalf of individuals deemed as institutional guests were in accordance with applicable policies, including fund expenditure guidelines.

Our review covered a sample of Guest Travel and Business Expenses totaling \$358,163 (out of \$1,077,320) for 134 guests, or approximately 33% of coverage. Our methodology included an assessment of:

- Adequacy of business purpose,
- Accuracy of expense reimbursements,
- Appropriateness of expenses, and
- Sufficiency of supporting documentation.

Overall, Guest Travel and Business Expenses were adequately documented with business purpose, appropriate approval and in accordance with applicable policies, including fund expenditure guidelines. Also, the following observation was identified:

Establish a Guest Travel and Business Expense Policy**Ranking: MEDIUM**

The scope of the institutional travel policy currently applies to all faculty, trainees, students, and other members of the MD Anderson workforce. However, it does not explicitly extend to guest travelers. Establishing a Guest Travel and Business Expense Policy is essential to provide clear guidelines and promote adherence to institutional travel requirements. Furthermore, implementing such policy will enhance consistency and promote accountability in the review and reimbursement of guest travel and business expenses.

Recommendation:

We recommend that management establish a Guest Travel and Business Expense Policy to provide clear guidance and requirements for guest travel.

Please note that this document contains information that may be confidential and/or exempt from public disclosure under the Texas Public Information Act. Before responding to requests for information or providing copies of these documents to external requestors pursuant to a Public Information Act or similar request, please contact the University of Texas MD Anderson Cancer Center Internal Audit Department.

Management Action Plan:

Due Date: 09/01/2025

Responsible Executive: Omer Sultan

Department/Division Executive: Michael Keneker, Christian Harrison

Owner: Karla Aspinall

Plan: We accept the recommendation and will collaborate with the respective stakeholders to establish both travel and business expense policies for our Guests.

We sincerely appreciate the courtesy and cooperation extended by the Accounts Payable and Travel Department.

cc: Omer Sultan
Michael Keneker
Christy Harrison
Karen Kennedy
Tomas Guajardo

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Appendix A

Objective, Scope, and Methodology

The objective of the review was to determine whether travel and other expenses paid on behalf of individuals deemed as institutional guests were in accordance with applicable policies, including fund expenditure guidelines. The review covered the period of September 1, 2023, through August 31, 2024, and any related periods.

Our procedures included, but were not limited to, the following:

- Reviewed relevant organizational policies to gain an understanding of the Guest Travels and Business Expense process.
- Reviewed a sample of Guest Travel and Business Expenses in Concur to ensure adequate supporting documentation, proper approvals, appropriate fund group allocation, and valid business justification.
- Interviewed key personnel to gain an understanding of the Guest Travel and Business Expense processes and to validate the testing results.

Our internal audit was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing*. The internal audit function at MD Anderson Cancer Center is independent per the *Generally Accepted Government Auditing Standards (GAGAS)* requirements for internal auditors.