

MEMORANDUM

TO: Ben G. Raimer
President, UTMB Health

FROM: Desolyn Foy
Vice President, Audit Services

DATE: September 23, 2021

SUBJECT: FY21 Executive Travel and Entertainment Expenses Audit
Engagement Number 2021-003

Attached is the final audit report regarding the FY21 Executive Travel & Entertainment Expenses Audit. This audit will be presented at the October 4, 2021 Institutional Audit Committee meeting.

Thank you for your cooperation and assistance during the course of this review. If you have any questions or comments regarding the audit, please feel free to contact me at (409) 747-3277.

c: Cheryl Sadro
Lynn McGinley



The University of Texas Medical Branch
Audit Services

Audit Report

FY21 Executive Travel and Entertainment Expenses

Engagement Number 2021-003

September 2021

The University of Texas Medical Branch
Audit Services
301 University Boulevard, Suite 4.100
Galveston, Texas 77555-0150

FY21 Executive Travel and Entertainment Expenses

Engagement Number: 2021-003

Background

State rules and institutional policies provide guidance for reimbursement of travel and entertainment (T&E) expenses. These include the University of Texas Medical Branch (UTMB Health) Institutional Handbook of Operating Procedures (IHOP) Policy 4.3.1--*Travel Policy*, IHOP 4.4.2--*Official Function Expenditures*, and Accounts Payable and Travel guidelines.

Additionally, the University of Texas System (UT System) Board of Regents' Rule and Regulation 20205 (Regents' Rule 20205), *Expenditures for Travel and Entertainment by Chief Administrators and for the Maintenance of University Residences*, provides additional guidance for institutional presidents T&E and housing. The audit responsibility related to the Regents' Rule 20205 (Rule) is assigned to the UT System Audit Office who perform their audits on a risk basis. The FY21 risk determinant was whether the chief administrator was newly assigned. Separately, the UTMB Health Leadership requested an audit of our T&E activities under the Rule.

The FY21 travel and entertainment expenses for the President and his direct reports totaled \$29,063 for 113 expense reports. Internal service center requests for catering and other expenses totaled \$29,177 for 52 requests. There are no University-owned residences and therefore no expenditures.

Objective, Scope and Methodology

Objective

The primary objective of this audit was to provide assurance on compliance with institutional T&E policies and the Regents' Rule 20205.

Scope of Work and Methodology

The audit scope focused on travel and entertainment expense payments during FY21. The work performed included data analytics and substantive testing. Specifically, we performed the following.

- Tested a sample of the President and direct report transactions for appropriate business purpose, compliance with state, UT System and UTMB Health stipulations and appropriate approvals.
- Confirmed the accuracy of information submitted to the Chief Financial Officer for the President's Annual Travel and Expenditure Report to UT System.

Results Summary

President and Direct Reports Expenditures

Travel and entertainment expenses supported a business purpose, complied with state, UT System and UTMB Health rules and were appropriately approved.

FY21 Executive Travel and Entertainment Expenses
Engagement Number: 2021-003

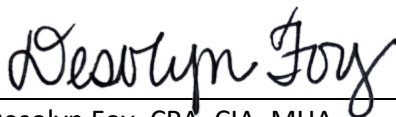
President's Annual Travel and Expenditure Report

There were no travel and entertainment expenses that met the \$1,000 minimum threshold as included on the annual report submitted to the CFO for signature and reporting to UT System.

Conclusion

Travel and entertainment expenditures complied with requirements and the information submitted to the CFO for the President's Annual Travel and Expenditure Report was accurate. We greatly appreciated the assistance provided by staff of both the President's office and Accounts Payable.

The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing as promulgated by the Institute of Internal Auditors.

Handwritten signature of Desolyn Foy in black ink.

Desolyn Foy, CPA, CIA, MHA
Vice President, Audit Services

Handwritten signature of Lisa H. Lee in black ink.

Lisa H. Lee, CPA, CISA, CFE
Manager, Audit Services