



Report to the Audit and Compliance Committee of  
the UHS Board of Regents on:

**UNIVERSITY OF HOUSTON – VICTORIA  
TRAVEL EXPENSE  
AR2023-12**

**UNIVERSITY of HOUSTON SYSTEM**

**INTERNAL AUDITING DEPARTMENT**

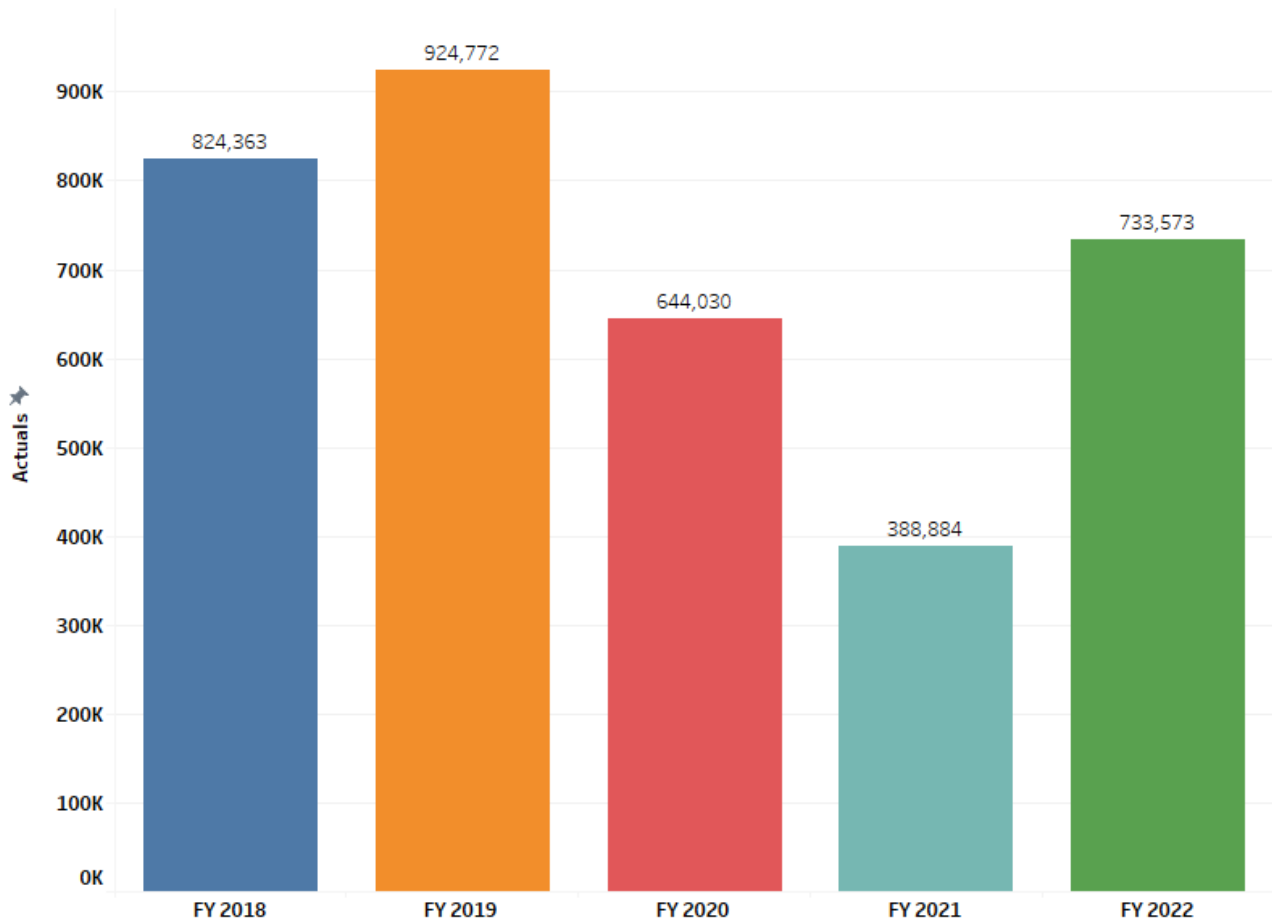
# EXECUTIVE SUMMARY

## Overview and Scope Summary

This is a performance audit of University of Houston-Victoria’s (“UHV”) current travel policies, procedures, and expenses. The purpose of the audit is to determine efficiency and effectiveness of the controls, processes, and compliance with policies.

The scope is UHV travel related expenditures for Fiscal Year (FY) 2018 through FY 2022.

UHV Travel Expense by Fiscal Year



## Overall Audit Opinion

The audit identified opportunities to improve the effectiveness and efficiency of the travel processes.

## **Summary of Recommendations:**

1. Develop travel policies and procedures to:
  - Ensure compliance with SAM 01.C.05, Executive Travel.
  - Restrict the use of peer-to-peer payment services to instances where peer-to-peer is the **ONLY** payment method accepted by the vendor.
  - Require all travel requests include estimated expenditure amounts.
  - Require travel request forms when mileage reimbursement is expected to exceed a specified amount.
  - Require approval and written explanation when actual travel costs exceed estimated travel costs.
  - Attach supporting grant documentation to travel request when travel is paid with grant funds.
  - Perform periodic review (at least annually) of travel card credit limits and monthly usage to ensure each travel card limit is appropriate.
  - Conduct employee background and credit checks prior to issuance of individual and department travel cards and for employees responsible for managing the travel card function.
2. Develop a continuous improvement process which includes identifying best practices and performance metrics.
3. Monitor all UHV travel policies and procedures for revisions by the review date.
4. Implement an automated travel management system such as Concur, which is used by UH, as resources become available and in priority order.

## **Management's Response:**


Management has discussed and agree with the recommendations to improve travel expense operations. We have already begun taking steps to implement the recommendations and looking into the feasibility of others. Steps we have already taken or are currently working on include:

- Reviewing all travel policies and procedures to ensure compliance with system policies.
- Developing procedures to restrict peer-to-peer payments.
- Developing procedures to require travel requests for mileage reimbursements over a certain threshold.
- Developing procedures to review travel expenses that exceed estimated expenses by a certain threshold.
- Reviewing and lowering credit limits on travel cards.
- Developing procedures to ensure background checks have been completed within six months prior to issuing travel cards.
- Reviewing all policies and procedures to ensure reviews are completed by the next review dates specified in policy.
- Requiring all documentation to be uploaded as backup and reviewed by the travel specialist prior to approving vouchers.
- Educating cost center managers on reviewing available funds prior to approving travel requests.
- Reviewing our budget annually to determine the feasibility of implementing an automated travel system.
- Developing data analytics for monitoring the travel expense key metrics and business rule deviations.

\* \* \* \* \*

The UHS Department of Internal Auditing would like to thank the Finance Department, Accounts Payable, and the Travel Team for their cooperation and assistance during this review.

Sincerely,



Phillip W. Hurd  
Chief Audit Executive  
University of Houston System

PWH/pwh/PC Audit

Participating Auditors: Eric Porter, Elias McClellan, Kim Gerry, and Brandee O'Neal