



October 28, 2019

Richard Adauto, Executive Vice President, Administration and Oversight  
The University of Texas at El Paso  
500 West University Avenue  
Administration Building, Room 500  
El Paso, Texas 79968-0500

Dear Mr. Adauto:

As required by The University of Texas (UT) System Board of Regents' *Rules and Regulations* (Regents' *Rules and Regulations*), Series 20205, titled "Expenditures for Travel and Entertainment by Chief Administrators and for the Maintenance of University Residences", the UT System Audit Office has completed the audit of travel, entertainment, and university residence maintenance expenses for selected chief administrators across the UT System.

The general objective of the audit was to determine whether travel and entertainment expenses incurred by the presidents and their spouses and expenses for the maintenance of university residences during the period from March 1, 2018 through February 28, 2019 were appropriate, accurate, and in compliance with applicable institutional policies and Regents' *Rules and Regulations*. However, with the recent transition in presidents at UT El Paso, specific audit procedures were modified to include analytical review rather than detailed expense testing.

The audit was conducted in accordance with the guidelines set forth in The Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*.

The report for UT El Paso is attached for your review. We appreciate the assistance provided by the offices of the president and internal audit in conducting this engagement.

Sincerely,

J. Michael Peppers, CPA, CIA, QIAL, CRMA  
Chief Audit Executive

cc: Steven W. Leslie, Ph.D., Executive Vice Chancellor for Academic Affairs, UT System  
Mark McGurk, Vice President for Business Affairs, UT El Paso  
Lori Wertz, Chief Audit Executive, UT El Paso

**The University of Texas at El Paso  
Presidential Travel, Entertainment, & University Residence  
Maintenance Expenses Audit Report  
FY 2019**



**OCTOBER 2019**

THE UNIVERSITY OF TEXAS SYSTEM AUDIT OFFICE  
210 WEST SEVENTH STREET  
AUSTIN, TX 78701  
(512) 499-4390



**The University of Texas System Audit Office  
Presidential Travel, Entertainment, & University Residence Maintenance  
Expenses Audit – UT El Paso  
Fiscal Year 2019**

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**AUDIT REPORT**

October 2019

***BACKGROUND***

As required by The University of Texas (UT) System Board of Regents’ (Regents) *Rules and Regulations*, Series 20205, titled “Expenditures for Travel and Entertainment by Chief Administrators and for the Maintenance of University Residences” (Rule 20205), the UT System Audit Office has completed the audit of presidential travel, entertainment, and university residence maintenance expenses. Guidance for these 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. While each of the institutional presidents is subject to the annual audit, substantive testing of their expenses is determined on a year-to-year basis. This assessment is made based both on analysis of risk and an element of rotation to ensure audit coverage of all presidents every two years. In addition, expenses will be audited by the first full fiscal year after a new president assumes office.

***AUDIT OBJECTIVE***

The specific objective of this audit at UT El Paso was to determine the reasonableness of presidential travel and entertainment expenses as well as maintenance expenses for the Hoover House.

***SCOPE AND METHODOLOGY***

The scope of this audit included expenses incurred from March 1, 2018 through February 28, 2019. UT El Paso did not have international travel during the audit scope.

The audit methodology consisted of various analytical reviews of travel and entertainment expenses and interviews with the client to assess internal controls over related processes. The audit was conducted in accordance with the guidelines set forth in The Institute of Internal Auditors’ *International Standards for the Professional Practice of Internal Auditing*.

***AUDIT RESULTS & CONCLUSION***

Overall, the travel and entertainment expenses incurred by the president appeared reasonable, and internal controls, as described, are adequate and appropriate.

In addition, the prior audit recommendation regarding proper approval and reporting of Hoover House expenses was determined to be implemented.

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J. Michael Peppers, CPA, CIA, QIAL, CRMA  
Chief Audit Executive

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Moshmee Kalamkar, CPA, CIA  
Director