#  RIVERSIDE: AUDIT & ADVISORY SERVICES

April 17, 2020

To: Bobbi McCracken

 Associate Vice Chancellor, Financial Services

Subject: Senior Management Group Members and Deans Travel Expense Audit

Ref: R2020-07

We have completed our Senior Management Group Members and Deans Travel Expense Audit in accordance with the UC Riverside Internal Audit Plan. Our report is attached for your review.

We appreciate the cooperation and assistance provided by your staff. Should you have any questions concerning the report, please do not hesitate to contact us.

 Gregory Moore

 Director

cc: Ethics & Compliance Risk and Audit Controls (ECRAC) Committee

UNIVERSITY OF CALIFORNIA AT RIVERSIDE

AUDIT & ADVISORY SERVICES

MEMBER OF ASSOCIATION OF COLLEGE & UNIVERSITY AUDITORS

INTERNAL AUDIT REPORT R2020-07

SENIOR MANAGEMENT GROUP MEMBERS AND DEANS

TRAVEL EXPENSE AUDIT

APRIL 2020

Approved by:

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Principal Auditor Assistant Director

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 Gregory Moore

 Director

**UC RIVERSIDE**

**SENIOR MANAGEMENT GROUP MEMBERS AND DEANS**

**TRAVEL EXPENSE AUDIT**

**INTERNAL AUDIT REPORT R2020-07**

**APRIL 2020**

**I. MANAGEMENT SUMMARY**

Based upon the results of our work performed within the scope of the audit of Senior Management Group (SMG) Members and Deans Travel Expenses, it is our opinion that, overall, internal controls over the Travel expenses incurred by the SMG members and Deans are allowable, reasonable and generally in compliance with applicable University policies and procedures.

**II. INTRODUCTION**

 **A. PURPOSE**

UC Riverside Audit & Advisory Services (A&AS), as part of its Audit Plan, performed a limited review of the SMG members and Deans Travel expenses to ensure expenditures are allowable, reasonable and generally in compliance with the applicable University policies and procedures.

**B. BACKGROUND**

As part of the Fiscal Year (FY) 2019-2020 audit plan, UCR A&AS reviewed Travel expenditures of SMG members and Deans during the calendar year 2019 for compliance with Business and Finance Bulletin (BFB) G-28, “Policy and Regulations Governing Travel”.

At the end of 2019, the UCR SMG members and Deans consisted of the following:

* Chancellor
* Provost & Executive Vice Chancellor
* Vice Chancellor for Health Affairs and Dean, School of Medicine
* Vice Chancellor for Planning, Budget, and Administration
* Vice Chancellor for Research and Economic Development
* Vice Chancellor for Student Affairs
* Vice Chancellor for University Advancement
* Chief Executive Officer, UCR Health
* Campus Counsel
* University Librarian
* Vice Provost and Dean, Undergraduate Division
* Dean, Graduate Division
* Dean, College of Natural and Agricultural Sciences (CNAS)
* Dean, College of Humanities, Arts, and Social Sciences (CHASS)
* Dean, Bourns College of Engineering (BCOE)
* Dean, Graduate School of Education
* Dean, School of Business
* Dean, University Extension
* Dean, School of Public Policy
* Chair, Academic Senate
* Associate Chancellor

Travel expenditures for the 21 individuals in 2019 comprised 246 trips that cost about $269,001 in total, including 25 (10% of total trips) foreign trips that cost about $75,842 (28% of total SMG members and Deans Travel expenditures in 2019) in total.

**C. SCOPE**

The scope of the audit covered travel transactions during 2019 and audit procedures performed were as follows:

* Reviewed a judgmental sample of 21 travel expense reports underlying total travel costs of $58,483 (about 22% of total SMG members and Deans Travel expenditures in 2019).
* As deemed necessary, conducted meetings with the Campus Controller and various officers involved in reviewing and approving travel expenses to obtain an understanding of the travel expenditure processes, discuss the audit results, and obtain supporting documentation and required justifications.
1. **INTERNAL CONTROLS AND COMPLIANCE**

As part of the review, internal controls were examined within the scope of the audit.

Internal controls is a process designed to provide reasonable, but not absolute, assurance regarding the achievement of objectives in the following categories:

* Effectiveness and efficiency of operations
* Reliability of financial reporting
* Compliance with applicable laws and regulations.

Substantive audit procedures were performed during January through March 2020. Accordingly, this evaluation of internal controls is based on our knowledge as of that time and should be read with that understanding.

**III. OBSERVATIONS AND COMMENTS**

**Travel Expenses**

We selected and reviewed a judgmental sample of 21 travel expense reports for SMG members and Deans’ travels that altogether cost $58,483. These travel expense reports were selected because they were the expense reports for trips in 2019 with the highest costs for each of the SMG members and Deans.

Based on the results of our review, we determined that transactions reviewed were generally in compliance with the University policies and procedures BFB G-28.

However, we note that in eight (8) of 21 travel vouchers reviewed, the processing of expense reports and claims were not completed within 45 days after the end of the trips as prescribed by policy and procedures. Department managers and travel coordinators continue to work with travelers to ensure that travel expense reports and claims are processed timely despite delays due to missing receipts, exception approval requests, and extraordinary workload issues.