

RIVERSIDE: AUDIT & ADVISORY SERVICES

October 8, 2013

To: Matthew Hicks, Systemwide Audit Director
University of California Office of the President
Ethics, Compliance & Audit Services

Subject: Systemwide Deans' Air Travel Review

Ref: R2014-A

We have completed our Systemwide Deans' Air Travel Review in accordance with the University of California, Riverside Internal Audit Plan. Our report is attached for your review.

Should you have any questions concerning the report, please do not hesitate to contact us.

Gregory Moore
Director

cc: Audit Committee

UNIVERSITY OF CALIFORNIA AT RIVERSIDE
AUDIT & ADVISORY SERVICES
MEMBER OF ASSOCIATION OF COLLEGE & UNIVERSITY AUDITORS

INTERNAL AUDIT REPORT R2014-A
SYSTEMWIDE DEANS' AIR TRAVEL REVIEW
OCTOBER 2013

Approved by:

Laura Bishin
Principal Auditor

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Assistant Director

Gregory Moore
Director

**UC RIVERSIDE
SYSTEMWIDE DEANS' AIR TRAVEL REVIEW
INTERNAL AUDIT REPORT R2014-A
OCTOBER 2013**

I. MANAGEMENT SUMMARY

Based upon the results of work performed within the scope of the review, it is our opinion that the system of internal controls over air travel by University of California, Riverside (UCR) Deans, specifically related to air travel class (i.e. Business and First), is generally in compliance with applicable University policies and procedures.

Minor items not of the magnitude to warrant inclusion in this report were discussed verbally with management.

II. INTRODUCTION

A. PURPOSE

At the request and direction of University of California Office of the President Ethics, Compliance & Audit Services, UCR Audit & Advisory Services reviewed UCR Deans' air travel for compliance with Business and Finance Bulletin (BFB), "Policy and Regulations Governing Travel" (G-28). Specifically, this review included procedures to verify compliance with University Policy as it pertains to any purchase and use of Business and First Class air travel.

B. BACKGROUND

During the Fiscal Year (FY) 2012-2013, the UCR Deans consisted of the following:

- Vice Chancellor for Health Affairs & Dean of School of Medicine
- Dean of Bourns College of Engineering
- Dean of College of Humanities and Social Sciences
- Dean of College of Natural and Agricultural Sciences
- Dean of Graduate Division
- Dean of School of Public Policy
- Dean of University Extension
- Interim Dean of Graduate School of Education
- Interim Dean of School of Business Administration

During FY 2012-2013, UCR Travel and Entertainment expenditures totaled around \$16.4 million (approximately 58,000 transactions) as defined by the following Budget Category (BC) and accounts:

- BC40 - BC, Travel and all accounts.
- BCXX "BC, Agency" and account 890150 "Agency, Travel." The account total was approximately \$23,000 and represents travel using agency funds like the UCR Foundation.

Air expenditures for UCR as defined by three General Ledger Accounts include:

- Travel, In-state-Airfare,
- Travel, Out-State-Airfare, and
- Travel, Foreign-Airfare

Airfare expenditures totaled around \$2.8 million (approximately 8,000 transactions). The majority pertained to reimbursement transactions processed in iTravel (UCR's Travel Planning & Expense Reporting System) and Direct Charge Air Purchase Orders (POs).

C. **SCOPE**

We performed the following procedures:

1. **Identified the population and the sample selection:**

- a) **iTravel** - Airfare processed in iTravel in BC40 totaled \$2,623,693 or 4,740 transactions for FY 2012 - 2013. The scope of the review covered the nine Deans' air iTravel expenditures which totaled \$29,606 or 51 transactions (1% of the total air travel amount and count).

We stratified the population selecting the Deans' air iTravel for review as follows:

- Domestic in-state travel over \$400
- Domestic out-of-state travel over \$500
- Foreign travel over \$750

We made six additional judgmental selections for a total of 30 selections totaling \$26,107.

- b) **Direct Charge Purchase Orders (POs)** - One of iTravel's features is that it allows for referencing of Direct Charge POs into the Travel Expenditure Voucher (TEV). To the extent that POs are referenced in the TEV, they are in our iTravel population.

To ensure that all Dean Air travel is included in our population (including POs not referenced in TEVs) we cross-referenced Air POs in the General Ledger to iTravel and from the list of non-matches, we selected the departments where the Deans primarily charge their travel and identified any unmatched Air POs greater than \$400 (54 transactions on 46 POs). We examined these POs to determine if any pertain to Dean Air travel. Only one was noted for \$1,774. It involved a timing difference where the air was purchased on a PO, but the trip has not been completed so no TEV had been prepared. We included this transaction in our testing.

2. **Testing Methodology** - We reviewed supporting documentation for the selections above to determine whether air class purchase transactions were Economy, Business, or First. We reviewed Business or First class purchases, if any, for justification and verified that such travel was appropriately approved in accordance with G-28 requirements.

Substantive procedures were performed in August and September 2013.

III. OBSERVATIONS

Our review of 31 of 52 (\$27,881 of \$31,380 or 89%) of Deans' air travel transactions for FY 2012 - 2013 did not disclose First or Business Class travel by the UCR Deans. See Appendix.

Review of FY 2012 -20 13 University of California Dean Travel
UCR

| Name | Date of Departure | Destination | Foreign/ Domestic | Airline | Class of Service | Cost of Airline Ticket | Justification for Higher Class of Service | Use of Higher Class Service Appropriately Approved? |
|------|-------------------|-------------|----------------------|---------|------------------|------------------------|---|---|
| n/a | | | | | | | | |
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Current List of Deans at UCR

| Title |
|---|
| Vice Chancellor for Health Affairs & Dean of School of Medicine |
| Dean of Bourns College of Engineering |
| Dean of College of Humanities and Social Sciences |
| Dean of College of Natural and Agricultural Sciences |
| Dean of Graduate Division |
| Dean of School of Public Policy |
| Dean of University Extension |
| Interim Dean of Graduate School of Education |
| Interim Dean of School of Business Administration |