

## UCSB AUDIT AND ADVISORY SERVICES

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March 22, 2011

To: Controller and Director Jim Corkill  
Accounting Services and Controls

Re: **Travel**  
**Audit Report No. 08-11-00001**

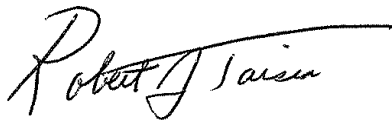
As part of the 2010-11 annual audit plan, Audit and Advisory Services performed an audit of travel. Enclosed is the audit report detailing the results of our review.

The purpose of this review was to determine whether adequate internal controls have been implemented over campus-wide travel expenses to ensure compliance with UC Business and Finance Bulletin G-28, Policy and Regulations Governing Travel. The scope of the review included discussions with Accounting Services and Controls staff and limited testing in the following areas:

- Travel Advance Processing System (TAPS)
- Travel Advances
- Travel Expense Vouchers

Based on the results of the work performed within the scope of the audit, our review did not identify any significant deficiencies or material weaknesses in internal controls. Accounting Services and Controls has strong internal controls over issuing travel advances as well as ensuring that reimbursements for travel expenses were appropriate. However, our review did identify areas in which internal controls over travel business practices could be strengthened. The more significant of these areas included the Travel Advance Processing System, clearing travel advances, meal per diems, documenting travel sponsorship by a non-University entity, and approval of travel expense vouchers.

We have included a copy of our detailed observations and management corrective actions with this cover memo. The management corrective actions you provided indicate that each audit observation was given thoughtful consideration and that positive measures have been taken or planned to implement the management corrective actions. The cooperation and assistance provided by Accounting Services and Controls staff during the review was sincerely appreciated. If you have any questions, please feel free to contact me.



Robert Tarsia  
Acting Director  
Audit and Advisory Services

Controller and Director Jim Corkill  
March 22, 2011

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Enclosure

cc: Chancellor Henry Yang  
Associate Vice Chancellor Ron Cortez  
Assistant Director Steve Kriz  
Manager Asger Pedersen  
UCSB Audit Committee  
Senior Vice President and Chief Compliance and Audit Officer Sheryl Vacca

## **Travel**

Audit Report No. 08-11-00001

**Performed by:**

Albert Rojas, Staff Auditor

**Approved by:**

Robert Tarsia, Acting Director

**UCSB Audit and Advisory Services**  
**Travel**  
**Audit Report No. 08-11-00001**

**Purpose and Scope**

The purpose of this review was to determine whether adequate internal controls have been implemented over campus-wide travel expenses to ensure compliance with UC Business and Finance Bulletin G-28 (BFB G-28), "Policy and Regulations Governing Travel." The scope of the review included discussions with Accounting Services and Controls staff and limited testing in the following areas:

- Travel Advance Processing System (TAPS)
- Travel Advances
- Travel Expense Vouchers

**Background**

The University of California, Santa Barbara (UCSB) Travel Office assists University departments by disseminating, explaining, and interpreting travel regulations; pre-payment of travel expenses; processing Travel Expense Vouchers; and keeping accurate travel records. Recently, UCSB has moved towards using Connexus as the preferred method for booking travel by using either authorized travel agents or online booking. Connexus provides value, flexibility, and convenience for UC business travelers by featuring negotiated rates for air travel, hotel accommodations, and car rentals. In the near future, Connexus will be the required method for booking travel.

Travelers have the option of using either Web (online travel) or paper travel expense vouchers to claim travel expenses. Additionally, travelers must use the paper travel advance request forms when requesting advances. In 2009-10, the Travel Office processed approximately \$17.8 million of travel-related expenses. There are now two full-time employees who process the campus' travel vouchers and advances and a Manager and Assistant Manager who oversee the travel process. Recently, the Travel Office hired a travel assistant to help process travel vouchers and advances. The Travel Office has been designated as the Official Office of Records for travel expenditures. In addition, the Travel Office issued approximately \$2.9 million in advances to travelers. Table 1 indicates the dollar amount of travel expenses and advances during the last three years:

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**Table 1**

**UCSB Travel Expenses and Advance Figures**

<b>Fiscal Year</b>	<b>Travel Expense Amounts (Approx.)</b>	<b>Travel Advance Amounts (Approx.)</b>
2008	\$ 20,585,935	\$ 3,398,580
2009	\$ 19,309,615	\$ 3,192,044
2010	\$ 17,789,150	\$ 2,888,560

**Summary Opinion**

Based on the results of the work performed within the scope of the audit, our review did not identify any significant deficiencies or material weaknesses in internal controls. Accounting Services and Controls has strong internal controls over issuing travel advances as well as ensuring that reimbursements for travel expenses were appropriate. However, our review did identify areas in which internal controls over travel business practices could be strengthened. The more significant of these areas included the Travel Advance Processing System, clearing travel advances, meal per diems, documenting travel sponsorship by a non-University entity, and approval of travel expense vouchers.

The audit observations and management corrective actions are detailed in the remainder of the audit report.

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**Detailed Observations and Management Corrective Actions**

A. Travel Advance Processing System (TAPS)

Accounting Services and Controls uses multiple systems to process and clear travel advances. TAPS is used to record all issued and cleared travel advances that are manually entered into the system. Additionally, monthly travel advance aging reports are generated from TAPS. Web (online travel) is another system used by Accounting Services and Controls. Web has been designed to document all travel expenditures, process reimbursements, and clear travel advances. Once the Travel Office reviews and approves the travel expense vouchers, Web will automatically charge departmental accounts, issue travel reimbursements and clear travel advances. TAPS and the Web system do not interact with each other. The following was noted:

1. Reporting of Outstanding Travel Advances

The use of multiple systems for processing and clearing travel advances contributes to inaccurate reporting of cleared travel advances, which occurred in four (or 19%) of the travel advances reviewed. The TAPS and Web systems do not interact with each other when advances have been issued or cleared. While advances are automatically cleared in Web, Travel Office personnel must manually clear advances in TAPS. The current process allows for inaccurate reporting of outstanding advances, which has the potential of delaying advance collection from the traveler as well as violating BFB G-28 with regard to including advances as additional income to the travelers. Furthermore, additional time and effort by travel personnel is required to correct the errors.

The preferred method to improve travel advance processing procedures would be to issue travel advances through Web in a manner similar to processing travel vouchers. Requests for advances would then parallel electronic travel voucher preparation and submission. Preparers would also have the option, when preparing the traveler's voucher, to select the advance that was issued to the traveler. In addition, paper travel advance requests should continue to be submitted to Accounting Services and Controls along with the appropriate documentation. If this is not feasible due to lack of resources, the Travel Office should generate reports of cleared travel advances in Web and TAPS. The reports should be reconciled to each other to ensure that the figures for cleared travel advances agree with each other. This will allow for accurate reporting of outstanding advances, reduce the risk of issuing excess reimbursements, and reduce Travel personnel time and effort for correcting errors.

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Management Corrective Actions

The Travel Office will develop procedures to improve tracking of outstanding advances and provide for coordination between the travel advance tracking system and the travel expense voucher process. These measures will be instituted to reduce the risk of issuing excess reimbursements to employees and others receiving travel advances. The management corrective action will be implemented by September 30, 2011. The Assistant Director will be responsible for the corrective action implementation.

**B. Travel Advances**

Our review focused on ensuring that the Travel Office has implemented adequate internal controls to comply with BFB G-28 regarding travel advances. A judgmental sample of 13 travel advances that were outstanding less than one year and 8 travel advances that were outstanding more than one year was selected from fiscal year 2009-10 for detailed testing. Travel advances were reviewed to ensure that appropriate individuals approved the advance, the advance amount was reasonable for the estimated out-of-pocket expenses, the advance was issued within 30 days of when expenses were paid or incurred, the traveler did not have an outstanding travel advance before the selected advance was issued, and the traveler did not receive a duplicate reimbursement for the advance amounts on the applicable travel expense voucher for the trip. The following was noted:

1. Outstanding Travel Advances

Travel advances outstanding over 120 days after the expenses have been paid or incurred have not been included as additional wages to the individuals requesting the advance, as required per BFB G-28. An aging report generated from TAPS on July 14, 2010, for outstanding travel advances over 120 days, indicated that \$99,697 had not been included as additional wages to the travelers. BFB G-28 states that if an employee fails to substantiate expenses and return any unused cash advance amounts within 120 days of the end of a trip, the University is obligated to consider such amounts as income to the employee. BFB G-28 requires that the amount of unsubstantiated expenses and unrecovered advances be reported through the payroll system as additional wages to the employee, no later than the first payroll period following the end of the 120-day period.

During the audit, it was noted that the Travel Office prepared a journal entry in June 2010 and cleared \$30,468 of advances outstanding more than 121 days from the advance account (112150) by charging the applicable departmental accounts. Advances that have been charged to department accounts were to be included as additional wages in the December 2010 payroll,

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unless they were substantiated or recouped. Furthermore, the Travel Office is currently sending out paper notifications to each employee and the employee's department for outstanding advances.

**Table 2**

**Outstanding Travel Advances as of July 14, 2010**

<b># of Days Outstanding</b>	<b>Travel Advance Amounts (Approx.)</b>	<b>% of the Total</b>
0-30 Days	\$233,715	46.0%
31-60 Days	\$86,111	16.9%
61-120 Days	\$88,514	17.4%
121-365 Days	\$67,775	13.3%
More than 365 Days	\$31,922	6.4%
<b>Total</b>	<b>\$508,037</b>	<b>100%</b>

To comply with University policies and procedures, advances outstanding over 120 days should be included as additional wages to the employee in the first payroll period following the end of the 120-day period. Monthly email notifications to the employee and the employee's department management services officer should be sent for advances outstanding over 30 days. Advance aging reports should continue to be completed on a monthly basis to check the advance amount, balance, length of time the advance has been outstanding, department, payee and traveler, and the estimated travel return date. Additionally, the travel advance request form should be updated to state that the requested advance amounts will be included as additional wages to the individual if the advance is not substantiated with the appropriate documentation within 120 days after the last day of the traveler's trip. This will ensure compliance with BFB G-28, reduce the amount of outstanding travel advances, reduce the risk of multiple travel advances issued to a traveler, and help ensure accurate aging reports.

Management Corrective Actions

The Travel Office will make modifications to its existing processes to enforce University policies and procedures as they relate to the treatment of advances outstanding over 120 days. In addition, the travel advance request form will be modified to include a warning regarding the treatment of advances that have not been cleared within 120 days. Specifically, the warning will state that such advances will be included as additional compensation to the employee who received the advance. These measures will be instituted to reduce the risk of issuing excess



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reimbursements to employees and others receiving travel advances. Travel advances outstanding over 120 days will be included as additional wages. In addition, the Travel Office intends to emphasize this policy requirement when reminder notifications are sent to travel advance recipients and the employee's department management services officer. The management corrective action will be implemented by June 30, 2011. The Assistant Director will be responsible for the corrective action implementation.

2. Duplicate Reimbursements

Duplicate reimbursements totaling \$3,027 occurred in two (or 10%) of the advances that were selected for testing. In one case, the traveler was reimbursed for \$1,014 in airfare on the travel expense voucher and also received an advance for the same amount. In another case, the traveler was reimbursed for \$2,013 in lodging and airfare on the travel expense voucher and also received an advance for the same amount. Through additional review, it was determined that the duplicate reimbursements were caused by the following two factors:

- First, while preparing the travel vouchers in the department, the preparers failed to realize that the travelers had been issued an advance for their trips.
- Second, since the TAPS and Web systems do not interact with each other, the processed travel expense voucher was not flagged for a potential duplicate reimbursement.

Since the above errors occurred in 10% of the sample tested, there is the possibility that other travel expense vouchers that contain duplicate payments have been processed. These errors can result in violations of University policies and procedures, increased outstanding advances, and inaccurate reporting of wages.

The preferred method to improve travel advance processing procedures would be to issue travel advances through Web in a manner similar to processing travel vouchers. Requests for advances would then parallel electronic travel voucher preparation and submission. Preparers would also have the option when preparing the traveler's voucher to select the advance that was issued to the traveler. In addition, paper travel advance requests should continue to be submitted to Accounting Services and Controls along with the appropriate documentation. Furthermore, the campus should attempt to retrieve the duplicate reimbursements noted above, or include the amounts as additional wages in the individuals' W-2s. Implementing the recommendations will allow for compliance with BFB G-28 and accurate reporting of outstanding advances, as well as reducing the risk of issuing duplicate reimbursements.

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Management Corrective Actions

The Travel Office will develop a process to more closely monitor the clearing of travel advances and integrate that process with the travel expense voucher process to reduce the number of instances when an employee receives duplicate payment. In addition, the Travel Office will attempt to retrieve the duplicate reimbursements noted in this audit finding. Finally, the Travel Office will work to develop campus training. The management corrective action will be implemented by September 30, 2011. The Assistant Director will be responsible for the corrective action implementation.

3. Clearing Travel Advances

Travel advances amounting to \$10,338 were not cleared, since travel expense vouchers were not prepared nor submitted to Accounting Services and Controls. Discussions with several departments indicated that there were numerous issues that prevented the clearing of advances. These included the need to obtain travel receipts from the travelers, as well as the inability of the travelers to repay amounts owed to the University. Other issues noted during the review included:

- In six (or 29%) of the travel advances reviewed, travel advances were cleared two to ten months after the trip occurred. The departments indicated that it is difficult to gather receipts from travelers since they are not always available.
- In one instance, a travel advance was more than the estimated out-of-pocket expenses needed for the trip. The traveler's airfare was purchased for \$4,922 for a trip from Los Angeles, CA to New Delhi, India. Audit and Advisory Services performed a search using a travel search engine to see if there were cheaper fares for the same flight and same time period. Search results indicated that the cheapest cost for a similar flight was around \$1,600. Discussion with Travel Office personnel indicated that campus departments are responsible for ensuring the traveler chooses the most economical mode of transportation for travel.
- In seven instances, travel expense vouchers had not been prepared to clear outstanding travel advances. The following was noted:
  - In three cases, departments have not obtained travel expense receipts from the travelers.
  - In one case, the traveler provided receipts to the department relating to a trip in November 2009 after Accounting Services and Controls charged the department for the amount of the advance in June 2010.

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- In one case, a travel expense voucher was not completed for a removal (moving expense reimbursement) since the department was under the impression that the removal was charged directly to the department.
- In one case, the traveler was unable to repay the amount owed to the Regents. As a result, Accounting Services and Controls determined that the advance would be included as additional wages to the traveler in January 2011.
- In one case, Accounting Services and Controls rejected the travel expense voucher due to a lack of supporting documentation for the expenses.
- In one instance, the traveler did not return the advance amount to Accounting Services and Controls, even though the trip was postponed for four months.
- In one instance, the travel advance was not returned to Accounting Services and Controls after the trip was cancelled. However, it was noted through additional review that the advance was cleared and charged to the department's account in June 2010 by Accounting Services and Controls through a financial journal entry.

Accounting Services and Controls has provided travel training sessions to campus departments in the past, but it has been several years since a training session has been held. To comply with University policies and procedures, Accounting Services and Controls could host a refresher training course to inform campus department personnel about the proper procedures for requesting and clearing travel advances, submitting travel vouchers in a timely manner, requesting advance amounts that are reasonable for out-of-pocket expenses, and returning travel advances for cancelled or postponed trips.

**Management Corrective Actions**

The Travel Office will develop a curriculum and train departmental staff on travel expense reporting including the following topics: request for travel advances, claiming reimbursements for travel expenses, monitoring and clearing outstanding travel advances on a timely basis, accounting for travel sponsored by non-University entities, meal expense documentation requirements, and accounting for personal time taken during official University business trips. The plan is to schedule an initial campus training session no later than October 2011. The management corrective action will be implemented by September 30, 2011. The Assistant Director will be responsible for the corrective action implementation.

**C. Travel Expense Vouchers**

Audit attention focused on ensuring that the Travel Office has implemented internal controls to comply with BFB G-28 regarding domestic and foreign travel. A judgmental sample of 34 domestic

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and 16 foreign travel expense vouchers was selected from fiscal year 2009-10 for detailed testing. Travel expense vouchers were reviewed to ensure that travel was for official University business, the appropriate individual approved the voucher, the voucher was completed within 21 days of the end of the trip, personal day expenses were not reimbursed, the correct currency exchange rate was used for reimbursement, and the voucher was completed in compliance with BFB G-28. Additionally, a judgmental sample of 30 Form-5 payments was selected from fiscal year 2009-10 for detail testing. Form-5s were reviewed to verify that travel related expenses were not incorrectly processed by using Form-5s. The following was noted:

1. Travel Sponsorship by a Non-University Entity

\$13,804 in travel expenses partially funded by a non-University entity was directly charged to the traveler's departmental account. Further review indicated that there was an agreement between the faculty member and a private company, under which the company would pay for airfare and lodging expenses amounting to \$8,288. The period of the trip was December 3, 2009, to December 15, 2009. Subsequent to the trip, a check was made payable to the faculty member from the private company on June 25, 2010, to reimburse for the expenses incurred. The faculty member wrote a check to reimburse the UC Regents on July 20, 2010, eight months after the trip occurred. The department deposited the check with the campus Billing Accounts Receivable and Collections (BARC) office on August 30, 2010. Audit and Advisory Service confirmed that the check was deposited to the account-fund that was initially charged.

BFB G-28 Section III.E states, "When a University employee travels under the sponsorship of a non-University entity, travel expenses, including advances, prepayments, or billings, shall not be charged to a University account or billed to the University; airline tickets must be obtained from the sponsor." Charging travel expenses to the University that are funded by a sponsoring non-University entity could result in excess payments to travelers, violations of UC policies and procedures, and inappropriate charges to the University.

To comply with University policies and procedures, travel sponsored by non-University entities should not be directly charged to the University. Emails and/or training sessions could occur to inform University employees of policies and procedures regarding this issue, as well as the need to complete the non-UC funding information section on the travel expense voucher for non-UC funding sources. If the University incurs the charges, checks from the non-University entity should be made payable to the UC Regents instead of the traveler.

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Management Corrective Actions

The Travel Office training will include guidance regarding proper accounting for travel sponsored by non-University entities. The management corrective action will be implemented by September 30, 2011. The Assistant Director will be responsible for the corrective action implementation.

2. Meal Per Diem

Meal per diem rates were reimbursed for travel less than 30 days within the Continental United States in two (or 6%) of the domestic travel expense vouchers reviewed. BFB G-28 Section VIII.B.1.a states, "For travel assignments of less than 30 days within the Continental United States, the reimbursement of daily subsistence expense shall be based on the actual amount incurred for lodging and meal and incidental expenses (M&IE). The M&IE cap shall not be treated as a per diem." Discussion with the Travel Coordinator in Accounting Services and Controls indicated that campus departments continue to claim per diem rates and approve them for travel within the Continental U.S that is less than 30 days.

Notifications should be sent to department heads informing them that meal per diems should not be claimed, and that there is the possibility that meal receipts would be required to be submitted with the voucher if the department continues the current process. If the departments continue treating the cap as a per diem by routinely claiming the full meal and incidental expenses amount, the submission of meal receipts should be required from the department in order to process the travel voucher.

As noted previously, Accounting Services and Controls has provided travel training sessions to campus departments in the past, but it has been several years since a training session has been held. To comply with University policies and procedures, Accounting Services and Controls could host a refresher training course to inform campus department personnel about the proper procedures for preparing travel vouchers.

Management Corrective Actions

The Travel Office training will include guidance regarding proper documentation for meals. In addition, the Travel Office will develop a communication plan that will include the sending of warning emails sent to travelers and department heads advising them that daily per diem rates should not be used in lieu of claiming actual meal expenses. Departments that are found to repeatedly submit travel expense vouchers claiming the maximum daily per diem rate (instead of claiming actual expenses) will be counseled regarding the policy and advised that continued

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use of maximum per diem rates could result in the denial of reimbursement of such claims. The management corrective action will be implemented by September 30, 2011. The Assistant Director will be responsible for the corrective action implementation.

3. Form-5 Travel Payments

Our review indicated that travel expenses are not always processed by using a travel expense voucher. In four instances, travel expenses amounting to \$1,644 were processed using Form-5s instead of travel expense vouchers. The expenses processed included reimbursements for airfare and hotel lodging. It was noted during the review that the Travel Office has recently started informing campus units that they will no longer be accepting Form-5s for travel-related expenses. BFB G-28 states, "Travel expense vouchers shall be used to account for all travel advances and expenses incurred in connection with official University travel." Travel payments processed using Form-5s violate UC policy and procedures and could allow for duplicate reimbursements by enabling an employee to submit both a Form-5 and travel expense voucher for the same expenses.

To comply with University policies and procedures, travel related expenses should only be processed using travel expense vouchers. A campus-wide email could be sent to inform campus units that Form-5s will no longer be accepted to reimburse for travel-related expenses. Travel-related expenses sent to Accounting Services and Controls using Form-5s should be sent back to the department to use the correct method for claiming travel reimbursements.

Management Corrective Actions

The Travel Office will develop an email notification to campus business officers stating that Form-5's will no longer be accepted for travel expense reimbursement claims. In addition, a local policy will be initiated to return all travel expense reimbursements received via Form-5. The management corrective action will be implemented by June 30, 2011. The Assistant Director will be responsible for the corrective action implementation.

4. Personal Time

Personal time taken during travel for official University business is not recorded on the travel vouchers. The review indicated that in three (or 6%) of the 50 travel expense vouchers reviewed, travelers were reimbursed \$812 for personal expenses.

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The following was noted:

- In one instance, a traveler was reimbursed for airfare, car rental, and parking expenses incurred for personal days taken during the trip. Discussion with the department indicated that the traveler wrote a check to the UC Regents to reimburse for these personal expenses in the amount of \$744 before the travel expense voucher was submitted to Accounting Services and Controls. Audit and Advisory Services confirmed that the check had been received and deposited to the account-fund that was initially charged.
- In one instance, gas expenses of \$59 were reimbursed for personal use. Discussion with the department indicated that the traveler will reimburse the University for the personal gas expense.
- In one instance, a \$9 parking permit expense was reimbursed.
- In one instance, personal days were documented on the Foreign Travel Reimbursement Worksheet, but not on the travel expense voucher.

Potential issues that could arise from not recording personal time on travel vouchers could include personal expenses being reimbursed, violations of BFB G-28, and inappropriate charges to restricted funds.

To comply with University policies and procedures, travelers should document the number of days taken for personal time, as well as record the dates for which personal time was taken, on the travel expense voucher. Personnel in the Travel Office could also compare the personal days taken to the dates recorded on the receipts to ensure personal expenses are not reimbursed. A new field could be added to the Web travel expense voucher to record the dates that personal time was taken. In addition, Accounting Services and Controls could include this area in the recommended refresher training course.

Management Corrective Actions

The Travel Office training will include guidance regarding proper accounting for personal time taken during official University business travel. In addition, Travel Office personnel will be trained on confirming that travel expense vouchers do not include reimbursements during the personal time period claimed by the traveler. The management corrective action will be implemented by September 30, 2011. The Assistant Director will be responsible for the corrective action implementation.

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5. Domestic and Foreign Travel Expense Vouchers

The Travel Office relies on campus departments to ensure that accurate information and documentation is included with travel expense vouchers. The Travel Coordinator in Accounting Services and Controls indicated that they also rely on the department to ensure the appropriate individual approves the travel expense voucher. In eight (or 16%) of the travel expense vouchers reviewed, the vouchers were not approved by the appropriate individuals. In four cases, the approver directly reported to the traveler. In another four cases, the approver indirectly reported to the traveler. Additionally, travel personnel in Accounting Services and Controls do not review the travel expense vouchers to ensure that the vouchers were completed in a timely manner, nor are departments notified about timeliness issues. In 21 (or 42%) of the travel expense vouchers reviewed, the vouchers were not completed in a timely manner. Completion of the vouchers ranged from 4 to 45 weeks after the trip occurred. Lastly, four (or 8%) of the travel expense vouchers reviewed could not be located in the Accounting Services and Controls storage areas. Detailed review of the 50 travel expense vouchers indicated the following additional observations:

*Domestic Travel*

The audit found one instance of each of the following:

- A travel expense voucher was not approved by the traveler's supervisor.
- A department indicated that it is departmental policy not to reimburse for meals during travel periods. BFB G-28 does not explicitly state that the University is obligated to reimburse for meal expenses incurred during official University business travel.
- The original airline receipt was not provided with the travel expense voucher.
- A travel expense voucher was not certified by the traveler. An internal departmental expense claim form was used to certify the traveler's expense. However, an exception to BFB G-28 Section XII.B.3 was not approved.
- Transportation expenses were not documented on the travel expense voucher to account for all expenses incurred on the trip.
- A Declaration of Immigration Status by Non-U.S. Citizens, as well as a copy of the foreign traveler's passport, was not included with the travel expense voucher.

*Foreign Travel*

We also found the following:

- In two instances, travel advances were not approved by the appropriate individual. In one case, the approver of the travel advance directly reports to the individual who



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received the advance. In another case, the approver of the travel advance indirectly reports to the individual who received the advance.

- In one instance, actual hotel expenses were greater than the maximum per diem rates that are allowed outside of the Continental U.S.
- In one instance, the claimed lodging per diem was greater than the per diem stated in the Federal Maximum Travel Per Diem Allowances for Foreign Areas published by the Department of State.
- In five instances, the wrong currency rates were used in calculating reimbursements.
- In three instances, the incorrect Federal M&IE per diem was used for reimbursement.
- In two instances, internal departmental expense claim forms were used for the traveler's certification for the amounts claimed on official University business. Internal departmental claim forms were not approved as an exception to BFB G-28.
- In two instances, original airline receipts were not provided with the travel expense vouchers.
- In one instance, business class was used for air travel. Further review indicated that the traveler's flight miles were used to upgrade to business class, but this was not documented on the travel expense voucher.
- In ten instances, the travelers did not document and submit a written explanation with the travel expense voucher as to why actual hotel expenses were claimed instead of using the Federal Maximum Travel Per Diem Allowances for Foreign Areas published by the Department of State for lodging.
- In one instance, the traveler did not document and submit a written explanation with the travel expense voucher regarding why actual meal expenses were claimed instead of using the meal per diem published by the Department of State.
- In one instance, Audit and Advisory Services could not confirm if the traveler approved the travel expense voucher, since Accounting Services and Controls could not locate the travel voucher.

In addition, testwork indicated there are ways to circumvent the preparer and approver roles within Web. We noted that individuals assigned to prepare a voucher can also release the voucher by having another individual with preparer access edit the voucher. This is possible since Web records the individual who made the last edit to the voucher. Discussion with Travel Office personnel indicated that the hardcopy travel expense voucher is compared to the travel expense voucher that is submitted using Web, to ensure that the correct amounts are getting reimbursed and that the travel expense voucher has been approved.

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All expenses incurred for the trip should be documented on the travel expense voucher, even if the expense was paid from another source. The Travel Office should contact unit heads for departments that continually submit their travel expense vouchers in an untimely manner. Additionally, travel expense vouchers could be scanned in order to reduce the risk of losing a voucher and save storage space in Accounting Services and Controls. Further, Web could be enhanced to track all user edits when preparing and submitting travel expense vouchers. Finally, Accounting Services and Controls could include this area in the recommended refresher training course.

Management Corrective Actions

The Travel Office training will include guidance regarding the proper procedures for preparing travel expense vouchers. In addition, the training curriculum will focus on real life situations where the Travel Office has received travel expense vouchers that are out of compliance with respect to proper documentation, use of per diem rates, foreign exchange rates, obtaining proper certification and approvals, timely submission of travel expenses vouchers, etc. Management acknowledges that the scanning of travel expense vouchers and developing enhancements to the Web TEV to track all user edits would improve the overall control environment. However, due to resource constraints, and the pending conversion to the UCLA financial system, management will add these items to the list of system enhancement requests. The anticipated implementation date of these system enhancements is indefinite as of the date of this report. The management corrective action will be implemented by September 30, 2011. The Assistant Director will be responsible for the corrective action implementation.