

Report to the Audit and Compliance Committee
of the University of Houston System
Board of Regents
November 16, 2023

UNIVERSITY OF HOUSTON SYSTEM
INTERNAL AUDITING DEPARTMENT

FY 2024 INTERNAL AUDIT ACTIVITY
since August 23, 2023

and

INTERNAL AUDIT REPORTS

- AR2024-01 Contracts Requiring Board of Regents' Approval
- AR2024-02 Board of Regents' Travel and Entertainment, FY 2023
- AR2024-03 UHS-UH Chancellor/President's Travel and Entertainment, FY 2023
- AR2024-04 UHCL President's Travel and Entertainment, FY 2023
- AR2024-05 UHD President's Travel and Entertainment, FY 2023
- AR2024-06 UHV President's Travel and Entertainment, FY 2023

Note: This internal audit report is submitted to the Board of Regents and the Chancellor for their review in order to comply with the Board of Regents policy and the Texas Government Code, Section 2102.008. This internal audit report is also submitted to the Governor's Office of Budget, Planning, and Policy; the State Auditor; and the Legislative Budget Board in order to comply with the Texas Government Code, Section 2102.0091.

FY24 Internal Audit Activity

Since August 23, 2023 Board of Regents Audit and Compliance Committee Meeting

Audits Completed

- Contracts Requiring Board of Regents Approval AR2024-01
- Board of Regents Travel and Entertainment FY23 AR2024-02
- Chancellor/President's Travel and Entertainment FY23 (UHS/UH) AR2024-03
- UHCL President's Travel and Entertainment FY23 AR2024-04
- UHD President's Travel and Entertainment FY23 AR2024-05
- UHV President's Travel and Entertainment FY23 AR2024-06

Internal Audit 11/16/23

Special Projects Completed

- UHS Institutional Compliance Fraud and Non- Compliance Hotline Reports (≈31)

Audits in Progress

- Travel Expense (UH, UHCL, and UHD)
- Board of Regents Travel and Entertainment FY24
- President's Travel and Entertainment FY24 (UH, UHCL, UHD and UHV)
- Contracts Requiring Board of Regents Approval (UHS)
- Procurement Card Management (UH, UHD, and UHV)
- Research Lab Safety (UH, UHCL, and UHD)
- UHV Scholarships
- UH Education Research Center
- UH College of Medicine Joint Admission Medical Program
- UH Minors on Campus
- Annual Procurement Report

Special Projects in Progress

- UHS Institutional Compliance Fraud and Non-Compliance Hotline (Varies per FY)
- UH information security (multiple reports)
- UHCL Apartment Contract
- UH Bursar's Office
- UH College of Business
- UHCL Conflict of Interest
- UH Biology Department
- UHD Veterans Services
- UHCL College of Human Sciences and Humanities
- UHD Electronic Records Access

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

CONTRACTS REQUIRING BOARD OF REGENTS APPROVAL
AR2024-01

UNIVERSITY of **HOUSTON** SYSTEM

INTERNAL AUDITING DEPARTMENT



UNIVERSITY OF HOUSTON SYSTEM
Internal Auditing Department
Houston, Texas 77204-0930
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MEMORANDUM

TO: Mr. Jack B. Moore
Chair, Audit and Compliance Committee

Dr. Renu Khator
Chancellor/President, UHS/UH

FROM: Phillip W. Hurd
Chief Audit Executive

DATE: October 17, 2023

SUBJ: Internal Audit Report – Contracts Requiring Board of Regents Approval

I have attached for your review the final draft of the above referenced internal audit report. This report has been distributed to/discussed with key personnel of the University of Houston System. This report is summarized as follows:

Executive Summary:

The internal audit review of procurement of contracts requiring Board of Regents approval covers the time period from July 1, 2023, through September 30, 2023. For each project, we review the following: 1. the solicitation documents posted on the State Comptroller's Electronic State Business Daily, the solicitation requirements checklist, subcontracting probability form, and the HUB subcontracting compliance form to determine whether the appropriate evaluation criteria was used by the Purchasing Department/selection team evaluation members; 2. the Purchasing Department's compilation of the selection team members' rankings of RFQ / RFP for clerical accuracy and agreement of evaluation criteria to RFQ / RFP and evaluation criteria provided to selected firms in instances where RFP's were not applicable; 3. the Purchasing Department's recommendation of RFQ / RFP evaluations to the VC/VP for reasonableness; 4. the VC/VP evaluation of the Purchasing Department's recommendation of RFQ / RFP for reasonableness; 5. the invitation to bid or sole source justification form, if applicable, for reasonableness/completion. We noted no unusual items or other matters that we considered non-compliant with university policies and procedures or state statutes.

This audit report is scheduled to be included in the agenda materials for the November 16, 2023, meeting of the Audit and Compliance Committee of the Board of Regents. Please let me know if you have any questions.

Attachments

University of Houston System
Internal Auditing Department
Contracts Requiring Board of Regents Approval
July 1, 2023 through September 30, 2023

Background: UHS procures construction services under the provisions of the Texas Education Code, Sections 51.778 – 51.785. These statutes address the following construction contract methods: Design-Build, Construction Manager-Agent, Construction Manager-At-Risk, Construction Services through Competitive Sealed Proposals and Job Order Contracts. The UHS Facilities, Planning and Construction Department and the Purchasing Department have developed policies and procedures to help ensure compliance with these statutes. For major construction projects, UHS primarily uses the Design-Build and Construction Manager-At-Risk contract methods. The Internal Auditing Department reviews the construction RFQ / RFP evaluation process on an ongoing basis. The Internal Audit Department also reviews the procurement process for other contracts requiring Board of Regents approval (RFQ/RFP, Invitation to Bid, and Sole Source).

Objective: The objectives of this review are to determine whether UHS is complying with its policies and procedures and the Texas Education Code in selecting its contractors for its major construction projects and other contracts requiring Board of Regents approval.

Scope of Work: The internal audit review of procurement of construction and other contracts requiring Board of Regents approval covers the time period from July 1, 2023 through September 30, 2023.

Audit Procedures: For each solicitation we review the following:

1. The solicitation documents posted on the State Comptroller’s Electronic State Business Daily and the solicitation requirements checklist and subcontracting probability form and HUB subcontracting compliance form to determine whether the appropriate evaluation criteria was used by the Purchasing Department/selection team evaluation members.
2. The Purchasing Department’s compilation of the selection team members’ rankings of RFQ / RFP for clerical accuracy and agreement of evaluation criteria to RFQ / RFP and evaluation criteria provided to selected firms in instances where RFP’s were not applicable.
3. The Purchasing Department’s recommendation of RFQ / RFP evaluations to the VC/VP for reasonableness.
4. The VC/VP evaluation of the Purchasing Department’s recommendation of RFQ / RFP for reasonableness.
5. The invitation to bid or sole source justification form, if applicable, for reasonableness/completion.

Appendices: Attached is an analysis of internal audit activity related to the construction projects and other contracts requiring Board of Regents approval award evaluations (Appendix 1), the Purchasing Department Flowchart for major construction projects (Appendix 2), the Purchasing Department Flowchart for other contracts requiring board approval (Appendix 3).

Conclusion: We noted no unusual items or other matters that we considered non-compliant with university policies and procedures or state statutes.



Phillip W. Hurd
Chief Audit Executive
September 30, 2023

Contracts Requiring Board of Regents Approval
Internal Audit Activity
July 1, 2023 to September 30, 2023

<u>Project or Contract Description</u>	<u>Solicitation Type</u>	(\$ Millions) <u>Amount</u>	<u>BOR Approval</u>		<u>Internal Audit Review</u>	
			FCMP Comm. (Scope) Date	F&A Comm. (Financing) Date	<u>Initiated</u>	<u>Completed</u>
<u>Construction Projects \$10 Million and Over</u>						
UHV - Health & Wellness Center Phase 1 at UHV	RFQ	25.0	2/24/2022	2/24/2022	✓	✓
UHCL - Bayou Building Renovation	RFP	55.0	12/7/2022	12/7/2022	✓	✓
<u>Construction Projects Over \$1 Million and Under \$10 Million</u>						
UHS - Construction Audit CSA	RFQ	3.0	N/A	2/24/2022	✓	✓
UH - Renovation FY23 CRP Social Work 101 rebid	RFP	1.2	N/A	12/5/2022	✓	✓
UH - Cullen Blvd Hardscape Improvements Segment B	RFP	2.5	N/A	5/11/2023	✓	✓
UH - Building Envelopes CSA	RFQ	4.5	N/A	5/18/2023	✓	✓
UHS - Professional Services Materials Testing As-Needed	RFQ	3.0	N/A	5/23/2023	✓	✓
UHV - Facilities Storage Building	RFP	1.2	N/A	5/23/2023	✓	✓
UH - Electrical Systems Maintenance	RFP	3.0	N/A	8/1/2023	✓	✓
<u>Non-Construction Contracts Over \$1 Million</u>						
UH - Campus Water Chemistry Distribution	RFP	4.5	N/A	12/1/2021	✓	✓
UHS - Source to Pay E-Procurement System	RFP	2.6	N/A	8/18/2022	✓	✓
UH - Make Ready	RFP	5.0	N/A	5/11/2023	✓	✓
UH - Digital Marketing and Recruitment (final)	RFP	10.0	N/A	5/18/2023	✓	✓
UH - Financial Auditing Services	RFQ	2.9	N/A	5/18/2023	✓	✓
UH - Marketing Services	RFP	2.5	N/A	5/18/2023	✓	✓
UH - Applicant Tracking System (shortlist)	RFP	1.6	N/A	8/23/2023	✓	✓

CMAR - Construction Manager at Risk

AE - Architectural and Engineering Services (RFQ only)

SS - Sole Source

ITB - Invitation to Bid

✓ - Initiated or Completed audit procedures, as specified in report.

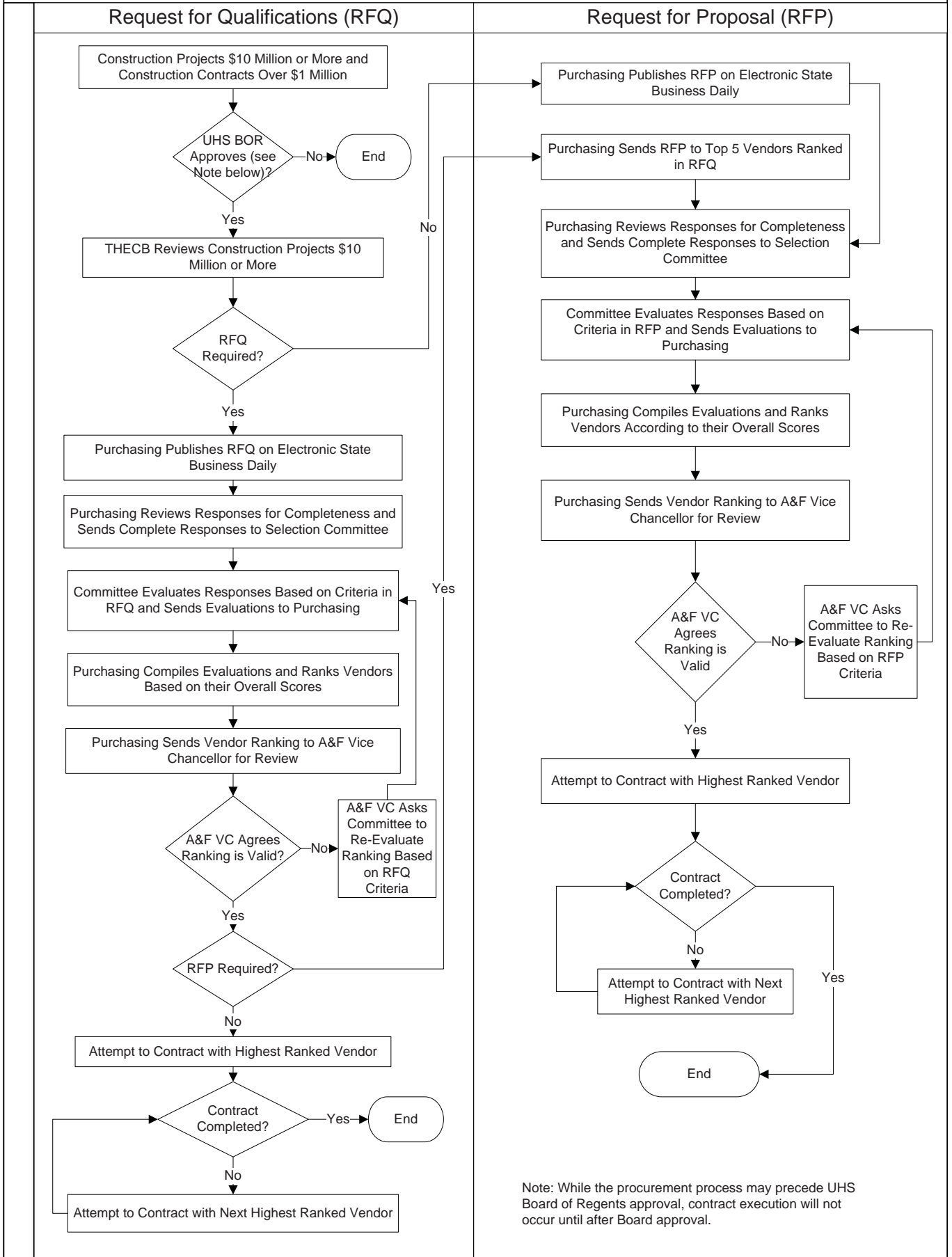
RFP - Request for Proposal

RFQ - Request for Qualifications

FE - Furnishings and Equipment

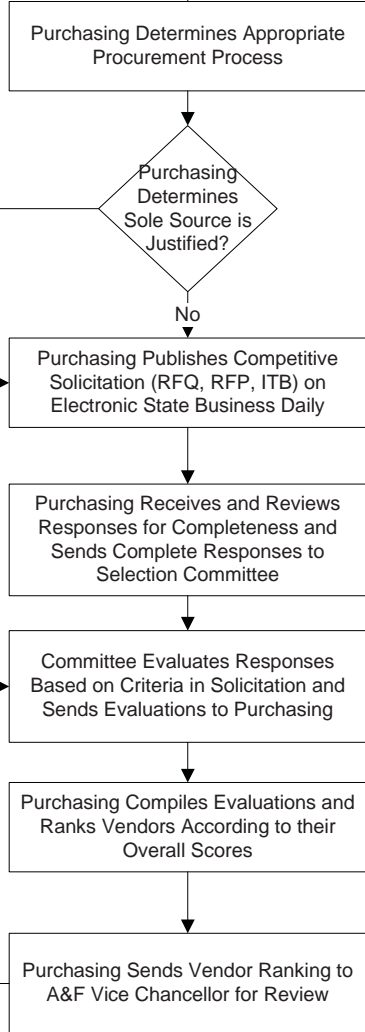
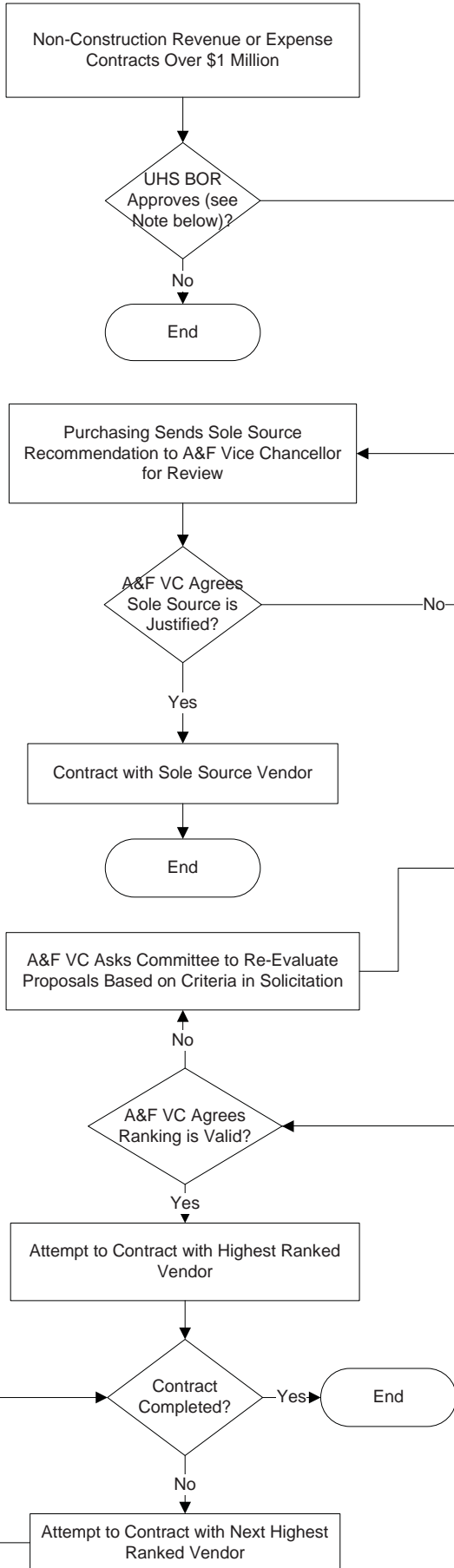
CSP - Competitive Sealed Proposal

University of Houston System Construction Projects \$10 Million or More and Construction Contracts Over \$1 Million



Approval Process

Procurement Process



Note: While the procurement process may precede UHS Board of Regents approval, contract execution will not occur until after Board approval.



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

UHS BOARD OF REGENTS'
TRAVEL AND ENTERTAINMENT, FY 2023
AR2024-02

UNIVERSITY of **HOUSTON** SYSTEM
INTERNAL AUDITING DEPARTMENT

**UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS'
TRAVEL AND ENTERTAINMENT, FY 2023**

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OVERVIEW AND SCOPE

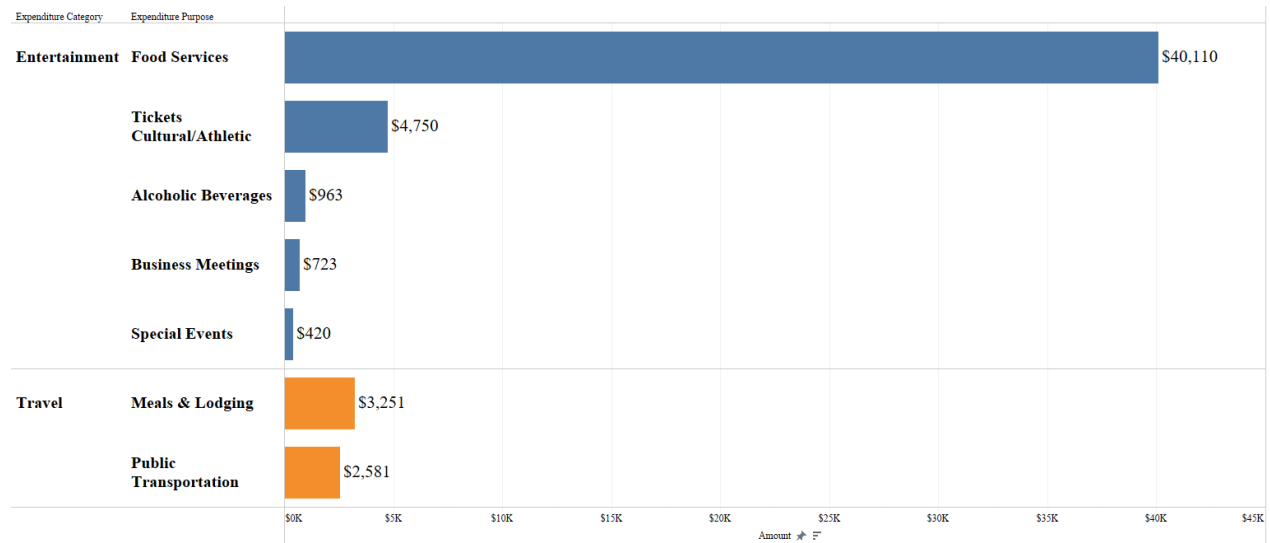
We reviewed travel and entertainment expenditures of the members of the University of Houston System (UHS) Board of Regents (BOR) for fiscal year 2023 funded by accounts of the BOR Office as part of our annual audit plan. In some cases, travel and entertainment expenditures for regents may be funded by accounts other than the BOR Office accounts and by outside organizations. These expenditures were not reviewed. The objective of our review was to determine whether expenditures for travel and entertainment were appropriately documented and allowable under system and board policies.

OVERALL AUDIT OPINION AND OBSERVATIONS

The travel and entertainment expenditures of the regents for the year ended August 31, 2023, were appropriately documented and allowable under system and board policies.

The chart below provides the breakdown of FY 2023 travel and entertainment expenditures by expenditure purpose.

FY 2023 Expenditures by Purpose



UHS BOARD OF REGENTS’ TRAVEL AND ENTERTAINMENT, FY 2023

INTRODUCTION

It is important that the public have confidence that Board of Regents’ member expenditures for travel and entertainment are allowable and appropriately documented. To safeguard assets, the University of Houston System’s management has instituted policies related to board members’ travel and entertainment expenditures. In addition, the Board of Regents has instituted policies related to travel and entertainment expenditures.

The UHS Department of Internal Auditing developed an annual audit plan based upon a system-wide risk assessment to identify significant areas of risk facing the University of Houston System. All the audits on the audit plan are conducted in accordance with Generally Accepted Government Auditing Standards (GAGAS), and the International Standards for the Professional Practice of Internal Audit, published by the Institute of Internal Auditors (IIA).

BACKGROUND

At the request of the UHS Board of Regents, the UHS Department of Internal Auditing conducts annual reviews of the travel and entertainment expenditures of the board members. This review is scheduled in the annual audit plan.

OBJECTIVE AND SCOPE

The objective of this review was to determine whether expenditures for travel and entertainment were appropriately documented and allowable under system and board policies.

The scope of this review was limited to travel and entertainment for the UHS Regents that were funded by accounts of the Board of Regents Office. In some cases, travel and entertainment expenditures for the regents may be funded by accounts other than the Board of Regents Office accounts and by outside organizations. These expenditures were not reviewed.

Information relevant to this audit was obtained through:

- Reviewing UHS and BOR policies.
- Obtaining travel and entertainment expenditure data from PeopleSoft Finance.
- Reviewing entertainment documentation from PeopleSoft Finance.
- Reviewing travel documentation from Concur Travel.

CONCLUSION

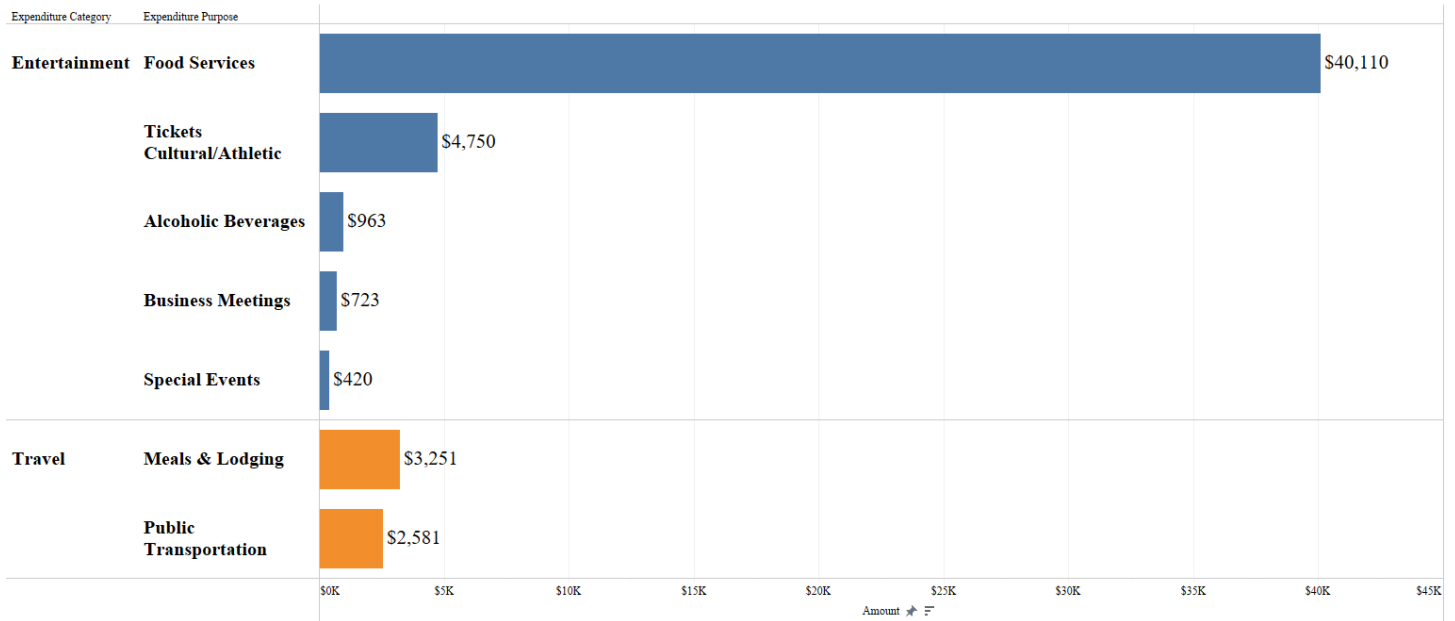
We reviewed travel and entertainment expenditures of the members of the Board of Regents for fiscal year 2023 funded by accounts of the Board of Regents Office. We determined that there were \$5,832 of travel related charges and \$46,965 of entertainment related charges. A breakdown of these expenditures is represented in the exhibit below.

In our opinion, the travel and entertainment expenditures for the fiscal year ended August 31, 2023, were appropriately documented and allowable under system and board policies.

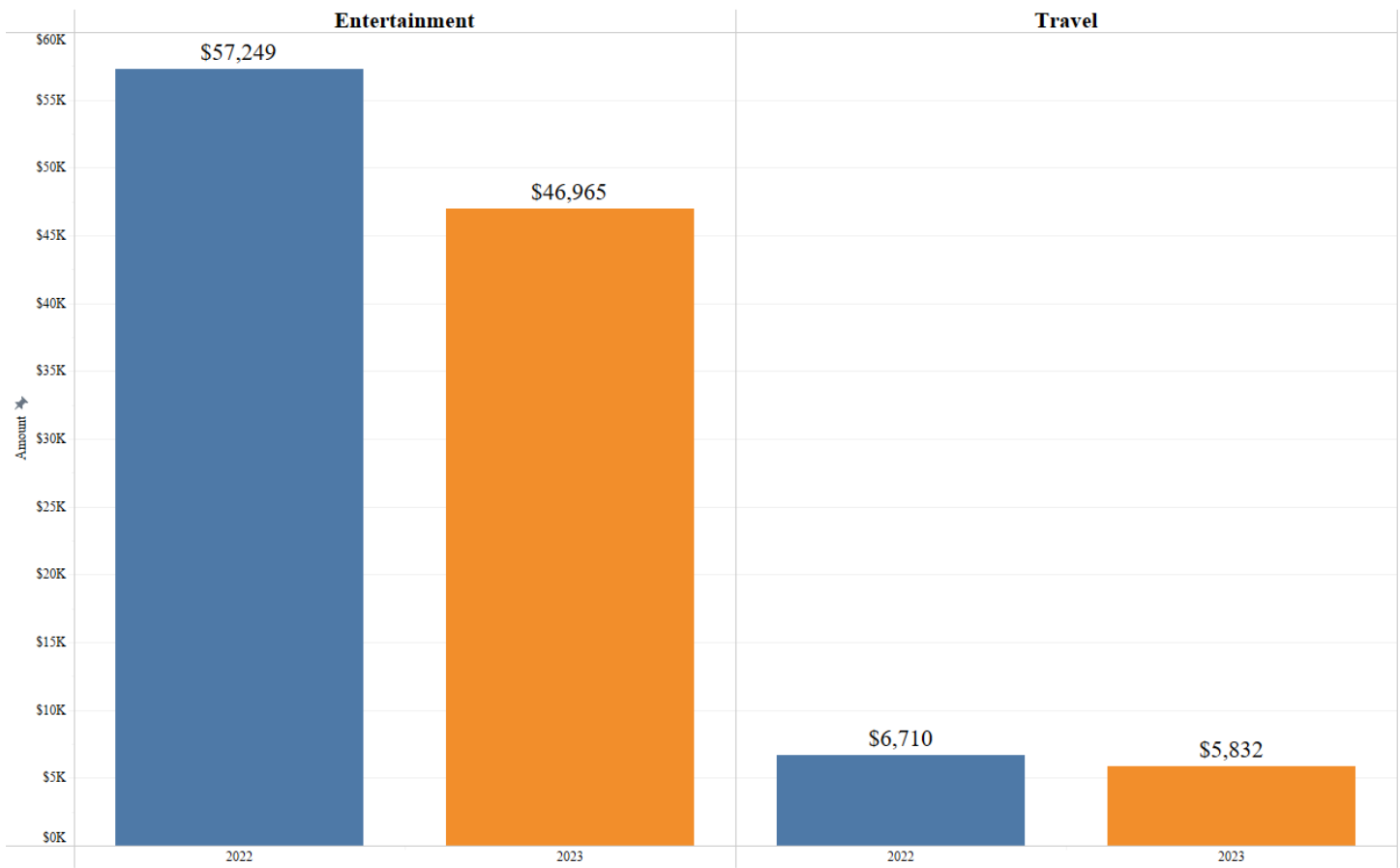
EXPENDITURES EXHIBIT

The breakdown by category and purpose of expenditure is provided in the below charts.

FY 2023 Expenditures by Purpose



Expenditure Changes FY 2022 vs FY 2023



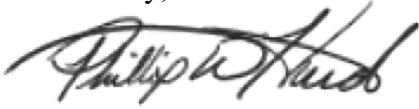
FY 2022 and FY 2023 Travel & Entertainment Expenditures

Expenditure Cate..	Expenditure Purpose	2022	2023
Entertainment	Food Services	\$16,856	\$40,110
	Tickets Cultural/Athletic	\$40,245	\$4,750
	Alcoholic Beverages		\$963
	Business Meetings		\$723
	Special Events		\$420
	Business Meals	\$148	
	Total		\$57,249
Travel	Meals & Lodging	\$5,156	\$3,251
	Public Transportation	\$1,554	\$2,581
	Total	\$6,710	\$5,832
Grand Total		\$63,959	\$52,797

* * * * *

The UHS Department of Internal Auditing would like to thank the Board of Regents Office for their cooperation and assistance during this audit process.

Sincerely,

A handwritten signature in black ink, appearing to read "Phillip W. Hurd". The signature is fluid and cursive, with a large initial "P" and "H".

Phillip W. Hurd
Chief Audit Executive
University of Houston System

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



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

UHS/UH CHANCELLOR/PRESIDENT'S
TRAVEL AND ENTERTAINMENT, FY 2023
AR2024-03

UNIVERSITY of **HOUSTON** SYSTEM

INTERNAL AUDITING DEPARTMENT

**UNIVERSITY OF HOUSTON SYSTEM
UNIVERSITY OF HOUSTON
CHANCELLOR/PRESIDENT’S
TRAVEL AND ENTERTAINMENT, FY 2023**

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EXECUTIVE SUMMARY

OVERVIEW AND SCOPE

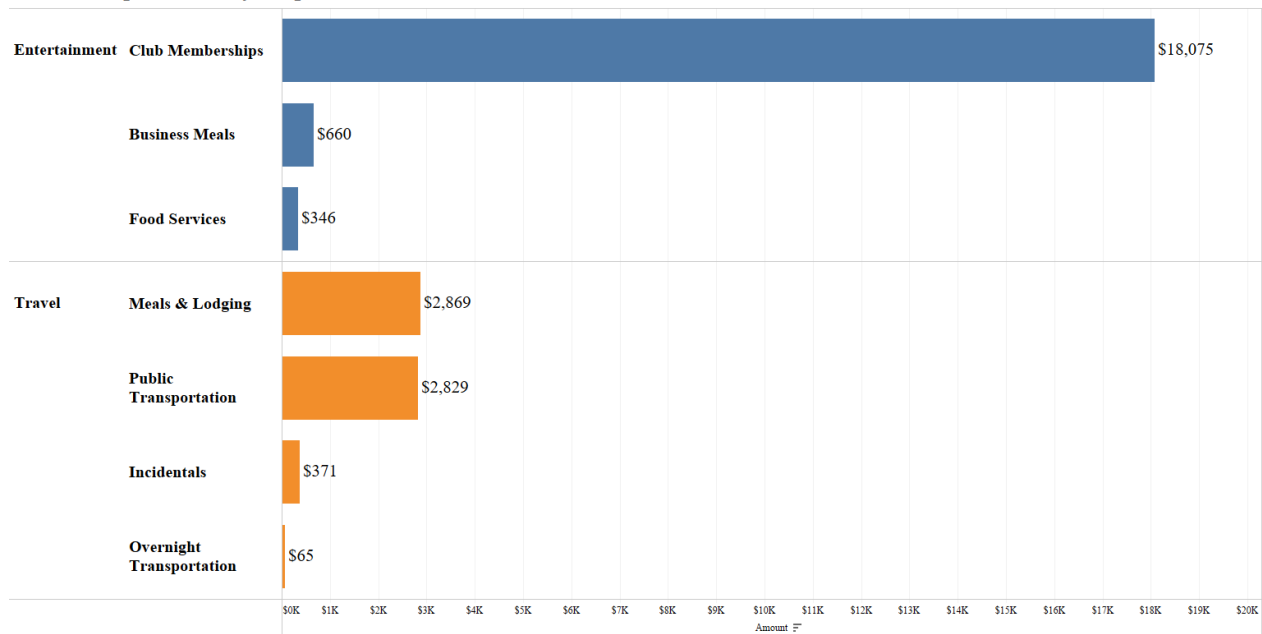
We reviewed travel and entertainment expenditures of the University of Houston System (UHS)/University of Houston (UH) Chancellor/President and spouse for fiscal year 2023 funded by accounts of the President’s Office as part of our annual audit plan. In some cases, travel and entertainment expenditures for the Chancellor/President and spouse may be funded by accounts other than the Chancellor/President’s Office accounts and by outside organizations. These expenditures were not reviewed. The objective of our review was to determine whether expenditures for travel and entertainment were appropriately documented and allowable under system and university policies.

OVERALL AUDIT OPINION AND OBSERVATIONS

The travel and entertainment expenditures of the Chancellor/President and spouse for the year ended August 31, 2023, were appropriately documented and allowable under system and university policies.

The chart below provides the breakdown of FY 2023 travel and entertainment expenditures by expenditure purpose.

FY 2023 Expenditures by Purpose



UHS/UH CHANCELLOR/PRESIDENT'S TRAVEL AND ENTERTAINMENT, FY 2023

INTRODUCTION

It is important that the public have confidence that executive expenditures for travel and entertainment are allowable and appropriately documented. To safeguard assets, the University of Houston System's (UHS) management has instituted policies related to employee (to include executive) travel and entertainment expenditures. In addition, UH's management has instituted policies related to travel and entertainment expenditures.

The UHS Department of Internal Auditing developed an annual audit plan based upon a system-wide risk assessment to identify significant areas of risk facing the University of Houston System. All the audits on the audit plan are conducted in accordance with Generally Accepted Government Auditing Standards (GAGAS), and the International Standards for the Professional Practice of Internal Audit, published by the Institute of Internal Auditors (IIA).

BACKGROUND

At the request of the UHS Board of Regents, the UHS Department of Internal Auditing conducts annual reviews of the travel and entertainment expenditures of the Chancellor/President and spouse. This review is scheduled in the annual audit plan.

OBJECTIVE AND SCOPE

The objective of this review was to determine whether expenditures for travel and entertainment were appropriately documented and allowable under system and university policies.

The scope of this review was limited to travel and entertainment for the Chancellor/President and spouse that were funded by accounts of the Chancellor/President's Office. In some cases, travel and entertainment expenditures for the Chancellor/President and spouse may be funded by accounts other than the Chancellor/President's Office accounts and by outside organizations. These expenditures were not reviewed.

Information relevant to this audit was obtained through:

- Reviewing UHS and UH policies.
- Obtaining travel and entertainment expenditure data from PeopleSoft Finance.
- Reviewing travel and entertainment documentation from PeopleSoft Finance.
- Reviewing travel documentation from Concur Travel.

CONCLUSION

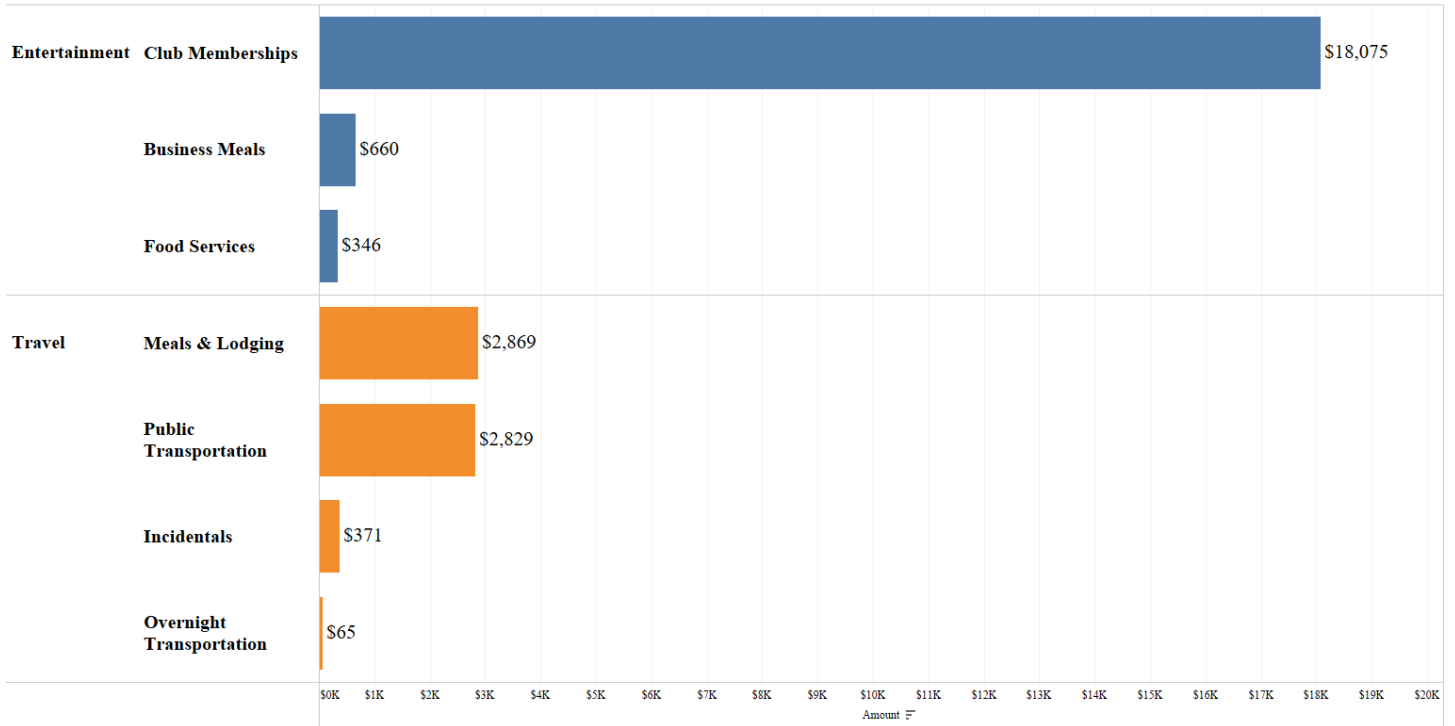
We reviewed travel and entertainment expenditures of the Chancellor/President and spouse for fiscal year 2023 funded by accounts of the Chancellor/President's Office. We determined that there were \$6,134 of travel related charges and \$19,080 of entertainment related charges. A breakdown of these expenditures is represented in the exhibit below.

In our opinion, the travel and entertainment expenditures for the fiscal year ended August 31, 2023, were appropriately documented and allowable under system and university policies.

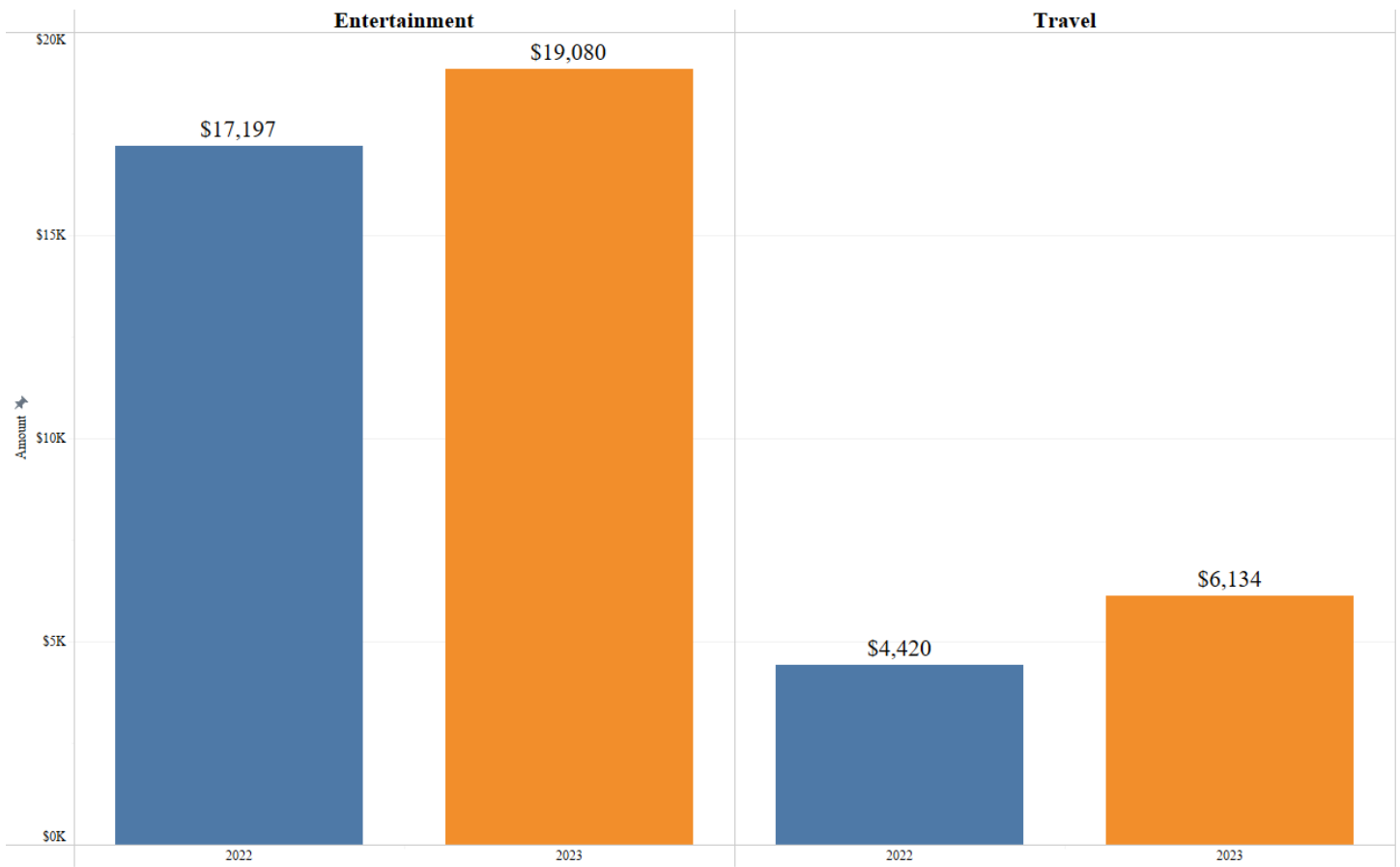
EXPENDITURES EXHIBIT

The breakdown by category and purpose of expenditure is provided in the below charts.

FY 2023 Expenditures by Purpose



Expenditure Changes FY 2022 vs FY 2023



FY 2022 and FY 2023 Travel & Entertainment Expenditures

Expenditure Cate..	Expenditure Purpose	2022	2023
Entertainment	Club Memberships	\$16,615	\$18,075
	Business Meals	\$582	\$660
	Food Services		\$346
	Total	\$17,197	\$19,080
Travel	Meals & Lodging	\$372	\$2,869
	Public Transportation	\$3,772	\$2,829
	Incidentals	\$276	\$371
	Overnight Transportation		\$65
	Total	\$4,420	\$6,134
Grand Total		\$21,617	\$25,214

* * * * *

The UHS Department of Internal Auditing would like to thank the Chancellor/President's Office for their cooperation and assistance during this audit process.

Sincerely,

A handwritten signature in black ink, appearing to read "Phillip W. Hurd". The signature is fluid and cursive, with the first name being the most prominent.

Phillip W. Hurd
Chief Audit Executive
University of Houston System

Participating Auditors: Brandee O'Neal, Tony Moreno, Eric Porter, and Elias McClellan



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

UNIVERSITY OF HOUSTON-CLEAR LAKE
PRESIDENT'S TRAVEL AND ENTERTAINMENT, FY 2023
AR2024-04

UNIVERSITY of **HOUSTON** SYSTEM

INTERNAL AUDITING DEPARTMENT

**UNIVERSITY OF HOUSTON – CLEAR LAKE
PRESIDENT’S TRAVEL AND ENTERTAINMENT,
FY 2023**

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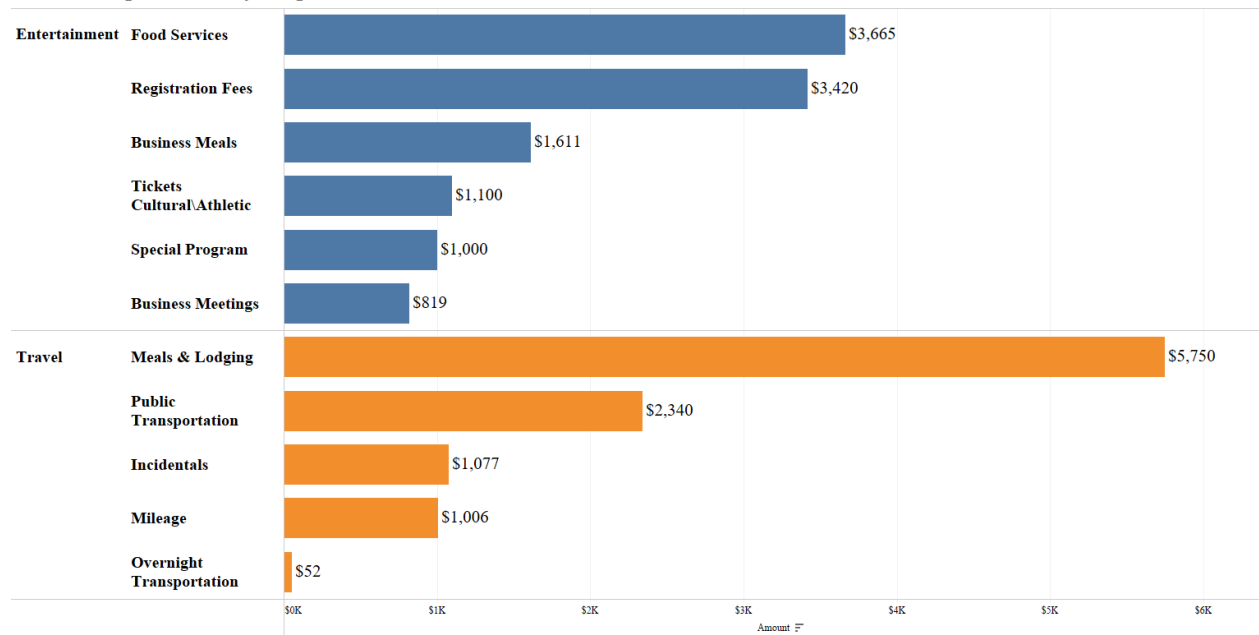
We reviewed travel and entertainment expenditures of the University of Houston – Clear Lake (UHCL) President and spouse for fiscal year 2023 funded by accounts of the President’s Office as part of our annual audit plan. In some cases, travel and entertainment expenditures for the President and spouse may be funded by accounts other than the President’s Office accounts and by outside organizations. These expenditures were not reviewed. The objective of our review was to determine whether expenditures for travel and entertainment were appropriately documented and allowable under system and university policies.

OVERALL AUDIT OPINION AND OBSERVATIONS

The travel and entertainment expenditures of the President and spouse for the year ended August 31, 2023, were appropriately documented and allowable under system and university policies.

The chart below provides the breakdown of FY 2023 travel and entertainment expenditures by expenditure purpose.

FY 2023 Expenditures by Purpose



UHCL PRESIDENT'S TRAVEL AND ENTERTAINMENT, FY 2023

INTRODUCTION

It is important that the public have confidence that executive expenditures for travel and entertainment are allowable and appropriately documented. To safeguard assets, the University of Houston System's (UHS) management has instituted policies related to employee (to include executive) travel and entertainment expenditures. In addition, UHCL's management has instituted policies related to travel and entertainment expenditures.

The UHS Department of Internal Auditing developed an annual audit plan based upon a system-wide risk assessment to identify significant areas of risk facing the University of Houston System. All the audits on the audit plan are conducted in accordance with Generally Accepted Government Auditing Standards (GAGAS), and the International Standards for the Professional Practice of Internal Audit, published by the Institute of Internal Auditors (IIA).

BACKGROUND

At the request of the UHS Board of Regents, the UHS Department of Internal Auditing conducts annual reviews of the travel and entertainment expenditures of the UHCL President and spouse. This review is scheduled in the annual audit plan.

OBJECTIVE AND SCOPE

The objective of this review was to determine whether expenditures for travel and entertainment were appropriately documented and allowable under system and university policies.

The scope of this review was limited to travel and entertainment for the President and spouse that were funded by accounts of the President's Office. In some cases, travel and entertainment expenditures for the President and spouse may be funded by accounts other than the President's Office accounts and by outside organizations. These expenditures were not reviewed.

Information relevant to this audit was obtained through:

- Reviewing UHS and UHCL policies.
- Obtaining travel and entertainment expenditure data from PeopleSoft Finance.
- Reviewing travel and entertainment documentation from PeopleSoft Finance.

CONCLUSION

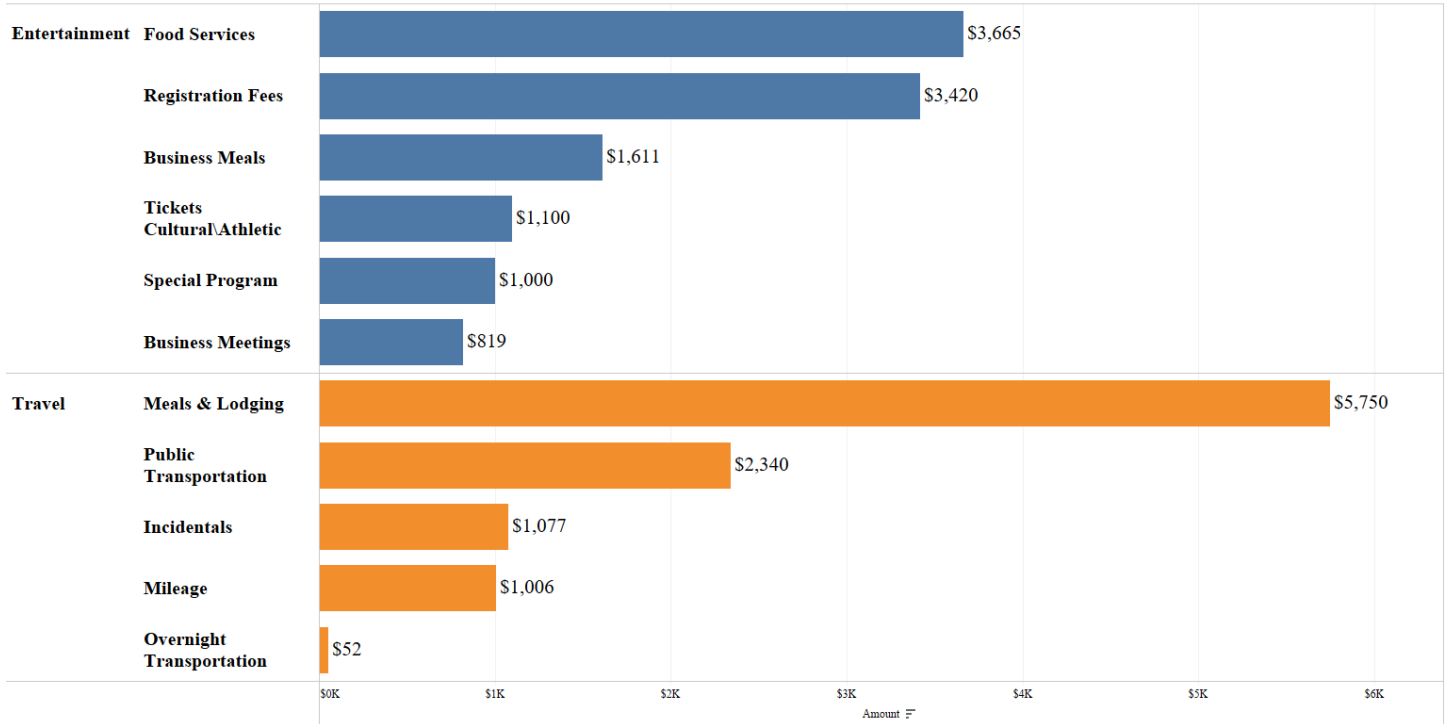
We reviewed travel and entertainment expenditures of the President and spouse for fiscal year 2023 funded by accounts of the President's Office. We determined that there were \$10,226 of travel related charges and \$11,616 of entertainment related charges. A breakdown of these expenditures is represented in the exhibit below.

In our opinion, the travel and entertainment expenditures for the fiscal year ended August 31, 2023, were appropriately documented and allowable under system and university policies.

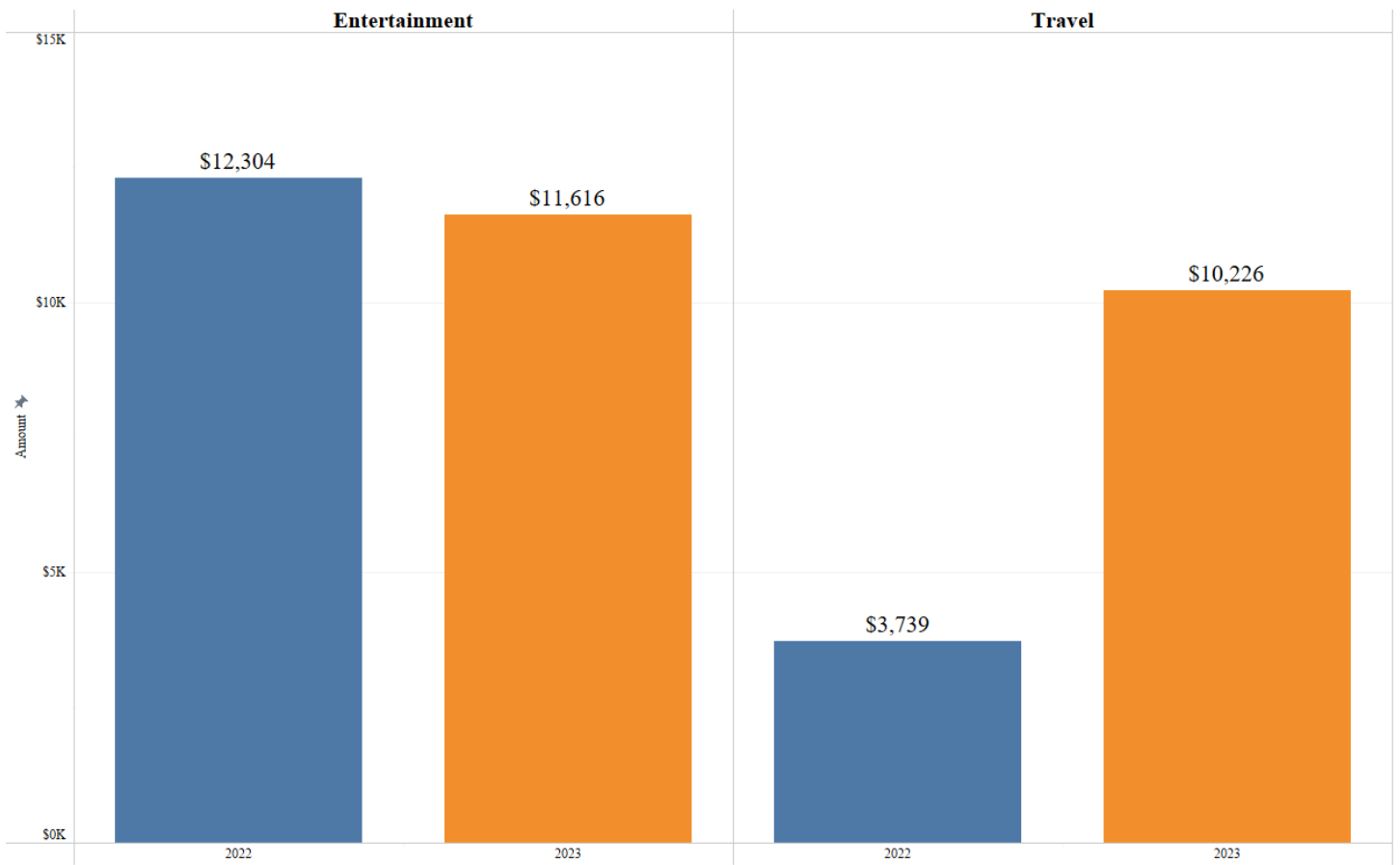
EXPENDITURES EXHIBIT

The breakdown by category and purpose of expenditure is provided in the below charts.

FY 2023 Expenditures by Purpose



Expenditure Changes FY 2022 vs FY 2023



FY 2022 and FY 2023 Travel & Entertainment Expenditures

Expenditure Cate..	Expenditure Purpose1	2022	2023 =
Entertainment	Food Services	\$1,003	\$3,665
	Registration Fees	\$1,300	\$3,420
	Business Meals	\$1,189	\$1,611
	Tickets Cultural\Athletic	\$8,799	\$1,100
	Special Program		\$1,000
	Business Meetings	\$6	\$819
	Special Events	\$7	
	Total		\$12,304
Travel	Meals & Lodging	\$2,034	\$5,750
	Public Transportation	\$509	\$2,340
	Incidentals	\$391	\$1,077
	Mileage	\$805	\$1,006
	Overnight Transportation		\$52
	Total		\$3,739
Grand Total		\$16,043	\$21,841

* * * * *

The UHS Department of Internal Auditing would like to thank the UHCL President's Office for their cooperation and assistance during this audit process.

Sincerely,

A handwritten signature in black ink, appearing to read "Phillip W. Hurd". The signature is fluid and cursive, with the first name being the most prominent.

Phillip W. Hurd
Chief Audit Executive
University of Houston System

Participating Auditors: Brandee O'Neal, Tony Moreno, Eric Porter, and Elias McClellan



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

UNIVERSITY OF HOUSTON-DOWNTOWN
PRESIDENT'S TRAVEL AND ENTERTAINMENT, FY 2023
AR2024-05

UNIVERSITY of **HOUSTON** SYSTEM

INTERNAL AUDITING DEPARTMENT

**UNIVERSITY OF HOUSTON – DOWNTOWN
PRESIDENT’S TRAVEL AND ENTERTAINMENT,
FY 2023**

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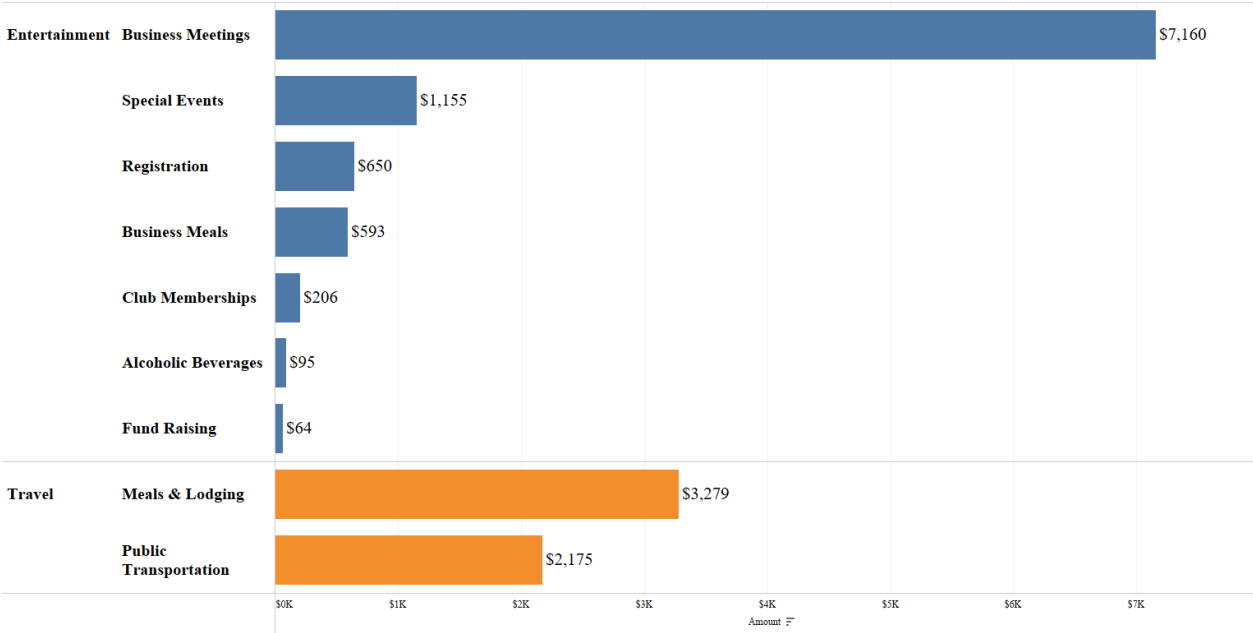
We reviewed travel and entertainment expenditures of the University of Houston – Downtown (UHD) President and spouse for fiscal year 2023 funded by accounts of the President’s Office as part of our annual audit plan. In some cases, travel and entertainment expenditures for the President and spouse may be funded by accounts other than the President’s Office accounts and by outside organizations. These expenditures were not reviewed. The objective of our review was to determine whether expenditures for travel and entertainment were appropriately documented and allowable under system and university policies.

OVERALL AUDIT OPINION AND OBSERVATIONS

The travel and entertainment expenditures of the President and spouse for the year ended August 31, 2023, were appropriately documented and allowable under system and university policies.

The chart below provides the breakdown of FY 2023 travel and entertainment expenditures by expenditure purpose.

FY 2023 Expenditures by Purpose



UHD PRESIDENT'S TRAVEL AND ENTERTAINMENT, FY 2023

INTRODUCTION

It is important that the public have confidence that executive expenditures for travel and entertainment are allowable and appropriately documented. To safeguard assets, the University of Houston System's (UHS) management has instituted policies related to employee (to include executive) travel and entertainment expenditures. In addition, UHD's management has instituted policies related to travel and entertainment expenditures.

The UHS Department of Internal Auditing developed an annual audit plan based upon a system-wide risk assessment to identify significant areas of risk facing the University of Houston System. All the audits on the audit plan are conducted in accordance with Generally Accepted Government Auditing Standards (GAGAS), and the International Standards for the Professional Practice of Internal Audit, published by the Institute of Internal Auditors (IIA).

BACKGROUND

At the request of the UHS Board of Regents, the UHS Department of Internal Auditing conducts annual reviews of the travel and entertainment expenditures of the UHD President and spouse. This review is scheduled in the annual audit plan.

OBJECTIVE AND SCOPE

The objective of this review was to determine whether expenditures for travel and entertainment were appropriately documented and allowable under system and university policies.

The scope of this review was limited to travel and entertainment for the President and spouse that were funded by accounts of the President's Office. In some cases, travel and entertainment expenditures for the President and spouse may be funded by accounts other than the President's Office accounts and by outside organizations. These expenditures were not reviewed.

Information relevant to this audit was obtained through:

- Reviewing UHS and UHD policies.
- Obtaining travel and entertainment expenditure data from PeopleSoft Finance.
- Reviewing travel and entertainment documentation from PeopleSoft Finance.

CONCLUSION

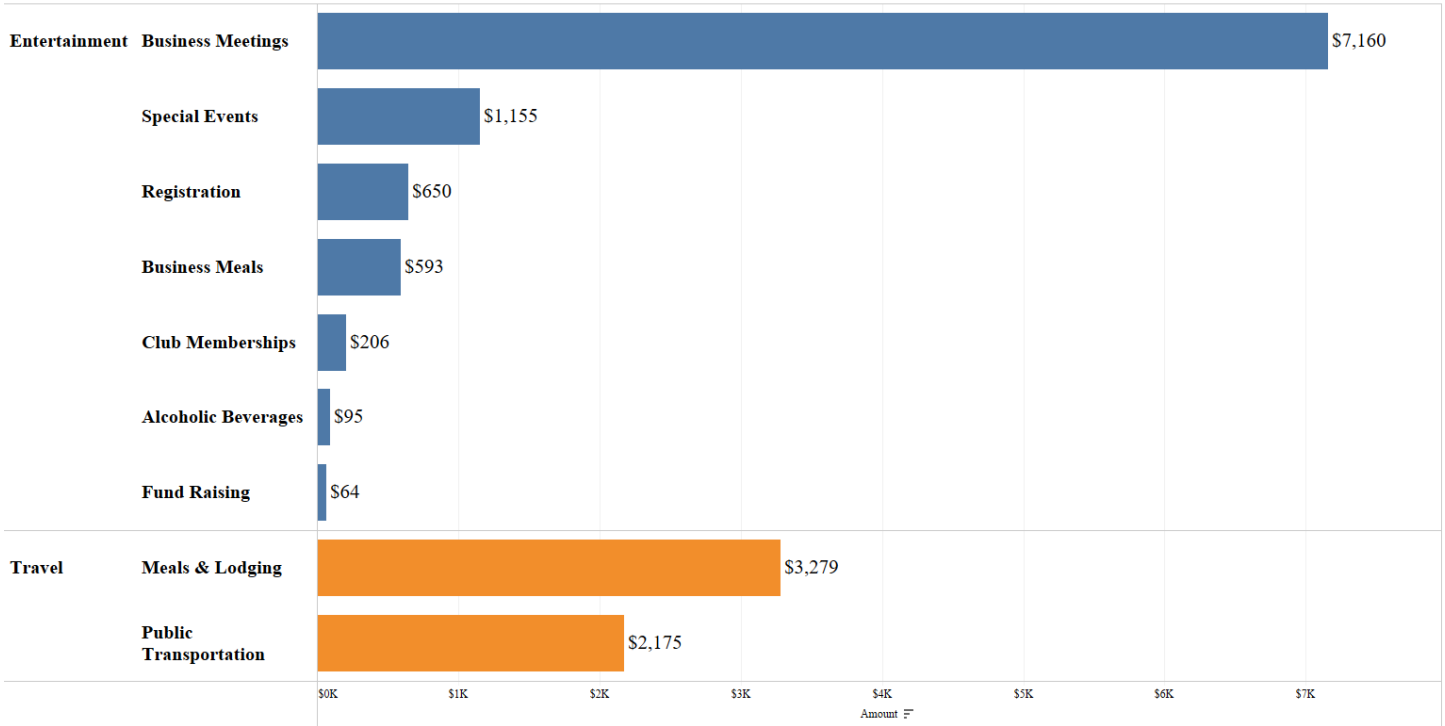
We reviewed travel and entertainment expenditures of the President and spouse for fiscal year 2023 funded by accounts of the President's Office. We determined that there were \$5,454 of travel related charges and \$9,922 of entertainment related charges. A breakdown of these expenditures is represented in the exhibit below.

In our opinion, the travel and entertainment expenditures for the fiscal year ended August 31, 2023, were appropriately documented and allowable under system and university policies.

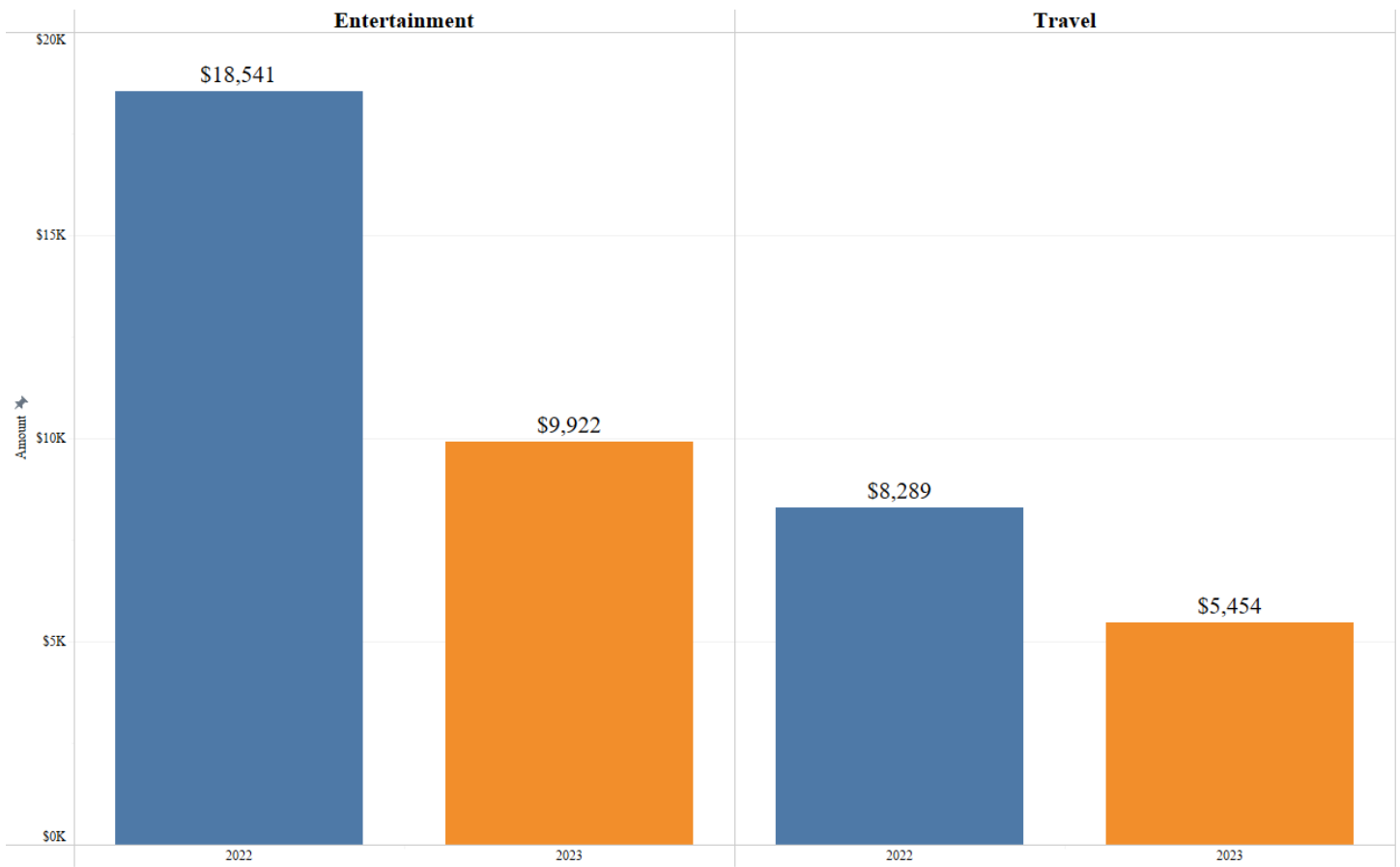
EXPENDITURES EXHIBIT

The breakdown by category and purpose of expenditure is provided in the below charts.

FY 2023 Expenditures by Purpose



Expenditure Changes FY 2022 vs FY 2023



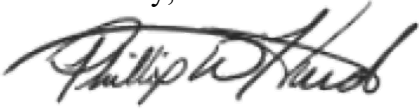
FY 2022 and FY 2023 Travel & Entertainment Expenditures

Expenditure Cate..	Expenditure Purpose	2022	2023 =
Entertainment	Business Meetings	\$2,597	\$7,160
	Special Events	\$9,516	\$1,155
	Registration		\$650
	Business Meals	\$2,857	\$593
	Club Memberships		\$206
	Alcoholic Beverages	\$1,021	\$95
	Fund Raising		\$64
	Tickets Cultural/Atheltic	\$2,500	
	Food Services	\$50	
	Total	\$18,541	\$9,922
Travel	Meals & Lodging	\$4,171	\$3,279
	Public Transportation	\$3,698	\$2,175
	Incidentals	\$420	
	Total	\$8,289	\$5,454
Grand Total		\$26,830	\$15,376

* * * * *

The UHS Department of Internal Auditing would like to thank the UHD President's Office for their cooperation and assistance during this audit process.

Sincerely,

A handwritten signature in black ink, appearing to read "Phillip W. Hurd". The signature is fluid and cursive, with a large initial "P" and "H".

Phillip W. Hurd
Chief Audit Executive
University of Houston System

Participating Auditors: Brandee O'Neal, Tony Moreno, Eric Porter and Elias McClellan



Management Action Briefing on:

UNIVERSITY OF HOUSTON-VICTORIA
PRESIDENT'S TRAVEL AND ENTERTAINMENT, FY 2023
AR2024-06

UNIVERSITY of **HOUSTON** SYSTEM

INTERNAL AUDITING DEPARTMENT

**UNIVERSITY OF HOUSTON – VICTORIA
PRESIDENT’S TRAVEL AND ENTERTAINMENT,
FY 2023**

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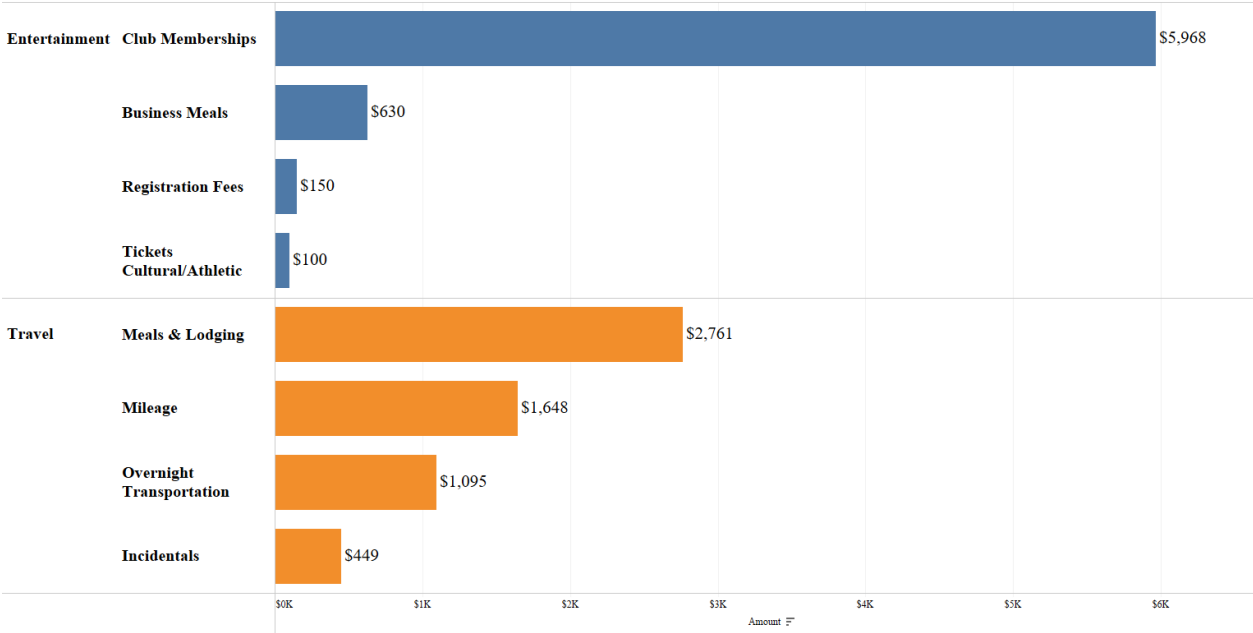
We reviewed travel and entertainment expenditures of the University of Houston – Victoria (UHV) President and spouse for fiscal year 2023 funded by accounts of the President’s Office as part of our annual audit plan. In some cases, travel and entertainment expenditures for the President and spouse may be funded by accounts other than the President’s Office accounts and by outside organizations. These expenditures were not reviewed. The objective of our review was to determine whether expenditures for travel and entertainment were appropriately documented and allowable under system and university policies.

OVERALL AUDIT OPINION AND OBSERVATIONS

The travel and entertainment expenditures of the President and spouse for the year ended August 31, 2023, were appropriately documented and allowable under system and university policies.

The chart below provides the breakdown of FY 2023 travel and entertainment expenditures by expenditure purpose.

FY 2023 Expenditures by Purpose



UHV PRESIDENT'S TRAVEL AND ENTERTAINMENT, FY 2023

INTRODUCTION

It is important that the public have confidence that executive expenditures for travel and entertainment are allowable and appropriately documented. To safeguard assets, the University of Houston System's (UHS) management has instituted policies related to employee (to include executive) travel and entertainment expenditures. In addition, UHV's management has instituted policies related to travel and entertainment expenditures.

The UHS Department of Internal Auditing developed an annual audit plan based upon a system-wide risk assessment to identify significant areas of risk facing the University of Houston System. All the audits on the audit plan are conducted in accordance with Generally Accepted Government Auditing Standards (GAGAS), and the International Standards for the Professional Practice of Internal Audit, published by the Institute of Internal Auditors (IIA).

BACKGROUND

At the request of the UHS Board of Regents, the UHS Department of Internal Auditing conducts annual reviews of the travel and entertainment expenditures of the UHV President and spouse. This review is scheduled in the annual audit plan.

OBJECTIVE AND SCOPE

The objective of this review was to determine whether expenditures for travel and entertainment were appropriately documented and allowable under system and university policies.

The scope of this review was limited to travel and entertainment for the President and spouse that were funded by accounts of the President's Office. In some cases, travel and entertainment expenditures for the President and spouse may be funded by accounts other than the President's Office accounts and by outside organizations. These expenditures were not reviewed.

Information relevant to this audit was obtained through:

- Reviewing UHS and UHV policies.
- Obtaining travel and entertainment expenditure data from PeopleSoft Finance.
- Reviewing travel and entertainment documentation from PeopleSoft Finance.

CONCLUSION

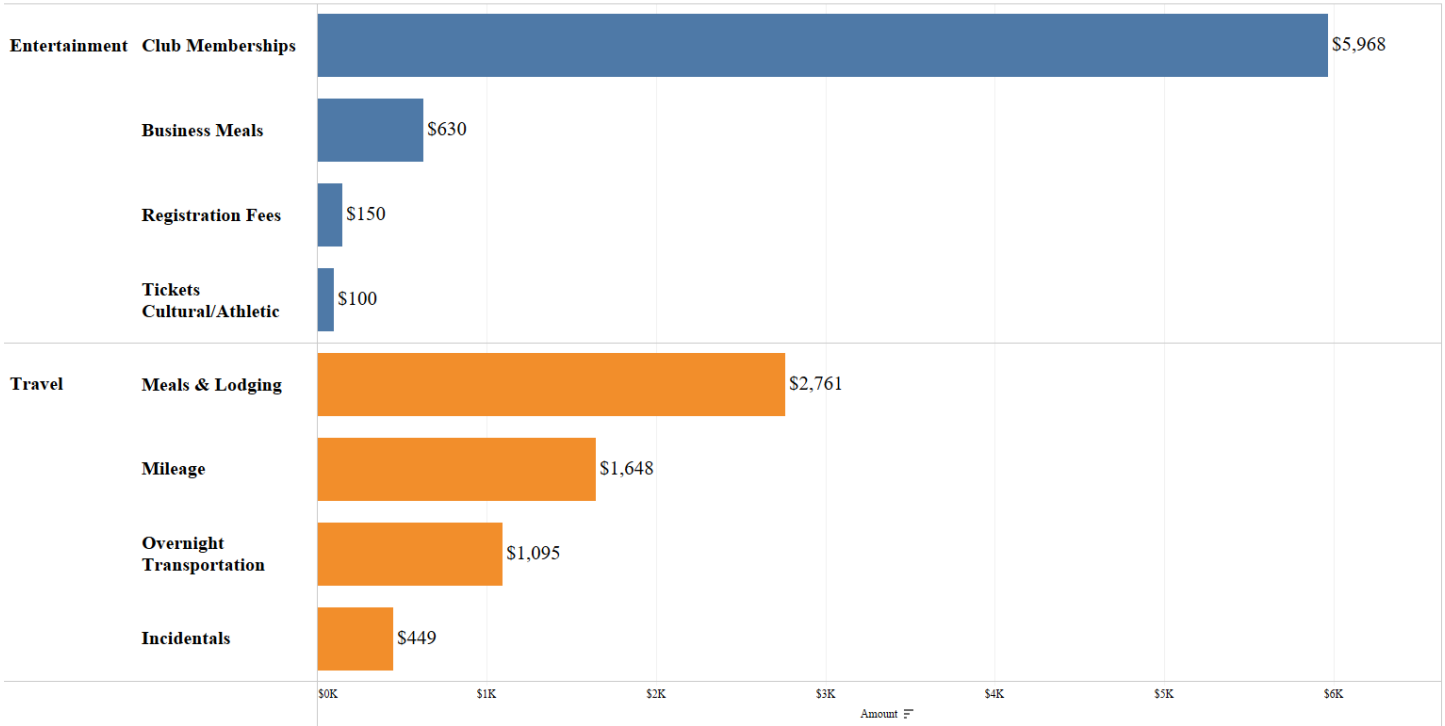
We reviewed travel and entertainment expenditures of the President and spouse for fiscal year 2023 funded by accounts of the President's Office. We determined that there were \$5,953 of travel related charges and \$6,848 of entertainment related charges. A breakdown of these expenditures is represented in the exhibit below.

In our opinion, the travel and entertainment expenditures for the fiscal year ended August 31, 2023, were appropriately documented and allowable under system and university policies.

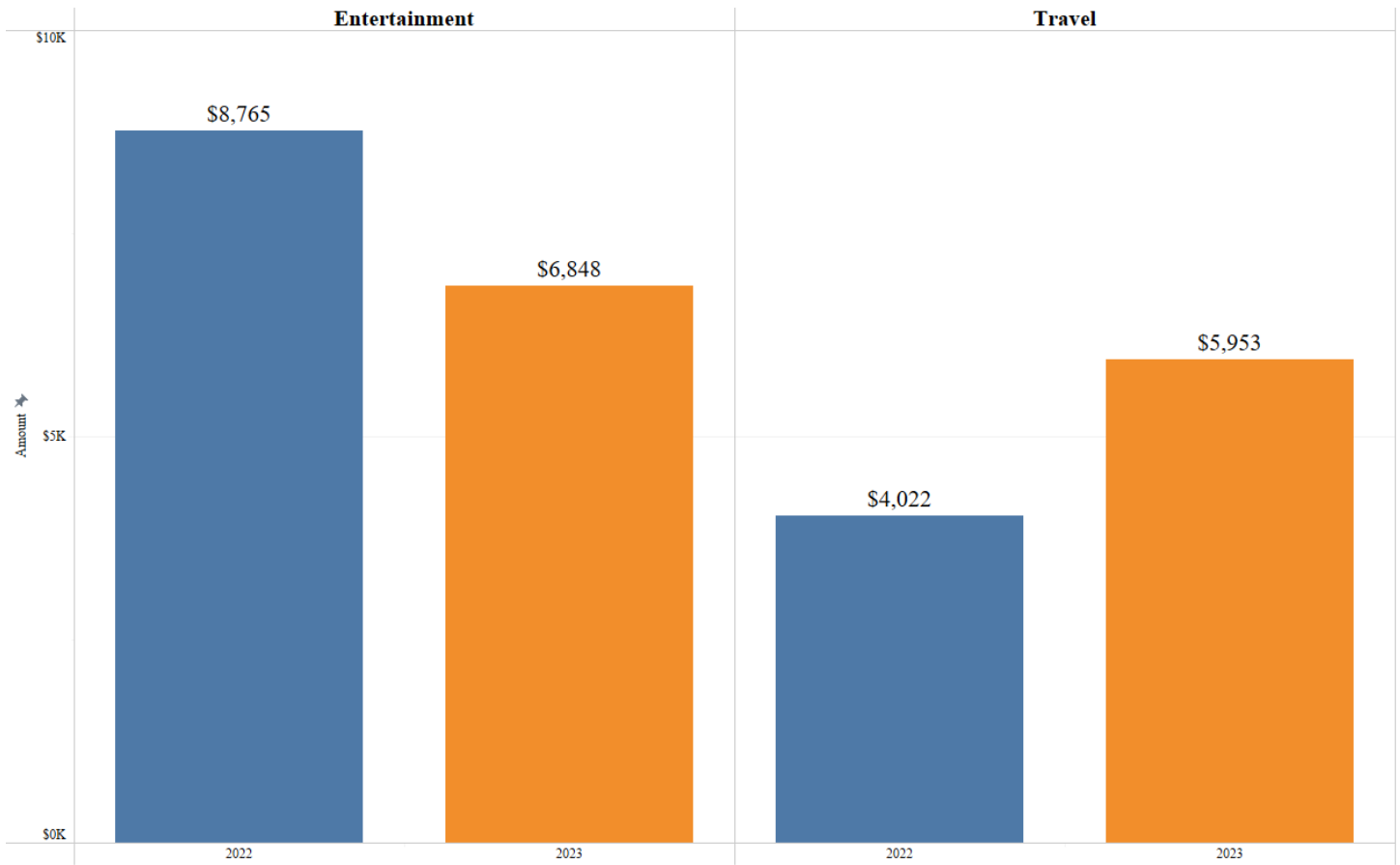
EXPENDITURES EXHIBIT

The breakdown by category and purpose of expenditure is provided in the below charts.

FY 2023 Expenditures by Purpose



Expenditure Changes FY 2022 vs FY 2023



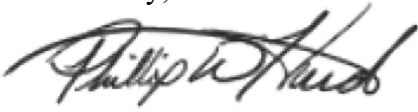
FY 2022 and FY 2023 Travel & Entertainment Expenditures

Expenditure Cate..	Expenditure Purpose	2022	2023
Entertainment	Club Memberships	\$6,204	\$5,968
	Business Meals	\$599	\$630
	Registration Fees		\$150
	Tickets Cultural/Athletic	\$665	\$100
	Special Events	\$615	
	Awards	\$682	
	Total	\$8,765	\$6,848
Travel	Meals & Lodging	\$2,113	\$2,761
	Mileage	\$1,562	\$1,648
	Overnight Transportation		\$1,095
	Incidentals	\$347	\$449
	Total	\$4,022	\$5,953
Grand Total		\$12,787	\$12,801

* * * * *

The UHS Department of Internal Auditing would like to thank the UHV President's Office for their cooperation and assistance during this audit process.

Sincerely,

A handwritten signature in black ink, appearing to read "Phillip W. Hurd". The signature is fluid and cursive, with a large initial "P" and "H".

Phillip W. Hurd
Chief Audit Executive
University of Houston System

Participating Auditors: Brandee O'Neal, Tony Moreno, Eric Porter, and Elias McClellan