

July 18, 2006

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***Subject: Executive Travel and Entertainment  
Audit Project 2006-68***

The final audit report for Executive Travel and Entertainment, Audit Report 2006-68, is attached. We would like to thank all members of the department for their cooperation during the audit.

The findings included in this report will be added to our follow-up system. We will contact the BFS-Disbursements & Travel and Housing & Dining Services departments periodically to ascertain the status of implementation. Once corrective actions have been implemented, we may perform additional audit procedures to validate implementation and will advise the departments when we have closed each finding.

UC wide policy requires that all draft audit reports (copied on tan paper for ease of identification) be destroyed after the final report is issued. Because draft reports can contain sensitive information, please either return any remaining draft documents to AMAS personnel or destroy them.

Stephanie Burke  
Director  
Audit & Management Advisory Services

Attachment

cc: S. Brainerd  
M. Cunningham  
C. Kristofco  
D. Larson  
F. McCullough  
S. Relyea  
J. Woods

**AUDIT & MANAGEMENT ADVISORY SERVICES**



University of California  
**San Diego**

**Executive Travel and Entertainment  
June 2006**

**Performed by:**

Greg Buchanan, Auditor  
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**Approved by:**

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Project Number: 2006-68

*Executive Travel and Entertainment  
Audit & Management Advisory Services Project 2006-68*

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**I. Background**

Audit and Management Advisory Services (AMAS) conducted a review of executive travel and entertainment at the request of the University Auditor. This report summarizes the results of our review.

**II. Audit Objectives, Scope, and Procedures**

The audit objectives were to determine if travel and entertainment expenditures paid to or on behalf of selected UCSD senior management group (SMG) members were in compliance with the University of California policies G-28 and BUS-79, respectively. Another objective was to evaluate whether any SMG reimbursements for travel or entertainment expenses represented taxable compensation and, if so, whether the reimbursement was treated properly for tax purposes. The scope of our review included Fiscal Year 2004-2005 entertainment and travel expenditures incurred by 38 of the top 40 SMG executives<sup>1</sup>. In order to fulfill our objectives, we performed the following:

- Obtained campus-wide disbursements data for entertainment expenditures (accounts 637250, 637255, 637465 and 638173) and travel expenditures (all sub-5 accounts);
- Obtained and reviewed travel and entertainment expenditure questionnaires completed by each of the 38 SMG executives;
- Identified other entertainment expenditures, such as recharges or direct payments to vendors, that may have been initiated by or on behalf of SMG executives;
- Analyzed SMG entertainment reimbursements by fund and by account to identify anomalies or items that would require specific examination;
- Reviewed travel activity for each SMG executive to ensure no overdue travel advances were outstanding;
- Reviewed for compliance with UC policy G-28, approximately 50% of total travel expenditures (by dollar amount) paid by the University on behalf of each SMG executive for the 2004-2005 Fiscal Year;
- Reviewed for compliance with UC policy BUS-79, approximately 50% of total entertainment reimbursements (by dollar amount) received by each SMG executive for the 2004-2005 Fiscal Year; and
- Reviewed and tested for compliance with UC policy BUS-79 a sample of UCSD Catering recharges, Faculty Club recharges, Medical Center Catering recharges and direct vendor payments expensed under departmental indexes commonly used to record SMG executive entertainment activity.

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<sup>1</sup> The scope of our review did not include the activities of two SMG's that were evaluated as part of a system-wide review conducted by PricewaterhouseCoopers, LLP.

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**III. Conclusion**

Based on the audit procedures described above, we concluded that SMG travel and entertainment expenditure payments and reimbursements were generally in compliance with University policies G-28 and BUS-79.

Our review disclosed limited instances of non-compliance with UC policies related to travel and entertainment expenditures, and entertainment expenditures funded via inter-departmental recharges. Our review also identified campus procedures for reviewing and approving travel and entertainment expenditures that should be modified to comply with UC policies. These items are discussed in greater detail in the balance of this report. Our review did not identify any instance in which additional compensation is required to be reported.

**IV. Observations and Management Corrective Actions**

Travel and Entertainment Approvals

Based on the responses provided by the SMG members in the travel and entertainment expenditure questionnaires, as well as additional observations noted during the course of our review, we noted that 27 of the 38 SMG members have delegated the approval of travel and/or entertainment to an employee that reports directly to the SMG member. This level of approval authority does not comply with University policy (BUS-79.VII.A and G-28.XII.D) which prohibits the approval of entertainment or travel expenses by an individual who reports directly to the individual responsible for the expenditures. Further details of approval levels are provided in **Attachment A**.

To help alleviate the challenge of obtaining higher level approval for SMG travel expenditures, the Manager of Disbursements and Travel has been delegated authority to approve travel expenses for the Chancellor and all Vice Chancellors. This delegation does not strictly comply with policy. Further, only 17 of the 33 Vice Chancellor travel expenditures selected for testing demonstrated review and approval by the Manager of Disbursements and Travel on the voucher. However, we were advised that sometimes vouchers were processed by temporary personnel, and may not have been routed to the Manager of Disbursements and Travel. Similarly, Vice Chancellor electronic travel documents processed via the MyTravel system were not automatically routed to the Manager of Disbursements and Travel during the 2004-2005 Fiscal Year.

**Management Corrective Actions:**

The Manager of Disbursements and Travel is participating on various UC teams which are also reviewing UC policy for travel (BFB G-28) and entertainment (BFB BUS-79). Subject to potential policy revisions, the Manager of Disbursements and Travel will obtain from the SMG Coordinator a list of UCSD SMG executives on an annual basis and will coordinate with them to ensure that they are aware of the UC approval policy and that their approval processes (and electronic approval hierarchies) conform with policy requirements approvals.

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Temporary employees working for Disbursements and Travel will be reminded of the Vice Chancellor approval process to ensure that all Vice Chancellor travel vouchers will be routed to the Manager of Disbursements and Travel for review and co-approval. The MyTravel system has been modified so that the Manager of Disbursements and Travel is forwarded all Vice Chancellor electronic travel vouchers. To ensure compliance with University travel and entertainment policies, the office of the Vice Chancellor – Resource Management will either perform the final approval for travel and entertainment vouchers submitted by the Vice Chancellor – Business Affairs, or will be copied on all vouchers reviewed and approved by the Manager of Disbursements and Travel.

Travel Policy Compliance Issues

The following instances of SMG travel expenditure non-compliance were noted during our review. Additional details on these exceptions have been provided in **Attachment B**.

- ***Entertainment While Traveling*** – We noted an exception to policy for an event that included a dinner with a prospective faculty member. Per G-28, Section VIII.A.2, entertainment while traveling is covered by the UC entertainment policy BUS-79. Because of inclusion of spousal expenses, the dinner was considered exceptional, as defined in UC policy BUS-79. In this case, exceptional entertainment approval should have been obtained and demonstrated on the face of the voucher (**Attachment B, Item 1**).
- ***Meals and Incidental Expenses (M&IE)*** – Two travel expense vouchers reviewed listed M&IE that exceeded the maximum rates authorized for M&IE stated under UC policy G-28 (Appendix B). One of these events exceeded the authorized daily MI&E rate of \$50 for domestic travel (**Attachment B, Item 2**).

The second event included M&IE that exceeded the applicable OCONUS rate used to calculate per diem to be reimbursed (**Attachment B, Item 3**). The Manager of Disbursements and Travel has retroactively approved these additional expenses as an exception to policy based on G-28, Section VIII.B.2, which allows for reimbursement up to 300% of the OCONUS rate for special or unusual circumstances.

- ***Business and First Class Travel*** – UC travel policies allow for business and first class airfare under special circumstances, provided that they are documented on the travel expense voucher. Two travel events reviewed included expenses for business or first class airfare, but provided no explanation as to why the traveler did not use coach or economy class. The responsible departments were contacted in these cases, and both provided reasonable justification for the upgraded seating (**Attachment B, Items 4 and 5**).

One additional travel expense voucher reviewed included business and first class airfare and contained a note that an external agency would be reimbursing the

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University for airfare expenses. However, upon inquiry of the department it was found that the expenditure had not been reimbursed to the University. In order to rectify the oversight, the traveler provided a personal reimbursement in the amount of \$1,312 (**Attachment B, Item 6**).

- ***Lodging Expenses Paid Twice by the University*** – One travel event reviewed included expenditures incurred during a six week training course, during which the traveler was provided housing. However, lodging expenses totaling \$605 were incurred and reimbursed for two days prior to the conclusion of the training course. As a result, the traveler has reimbursed the University for the additional costs incurred (**Attachment B, Item 7**).
- ***Surface Transportation Used in Lieu of Air Travel*** – University travel policy allows the use of surface transportation even if air travel is determined to be the most appropriate method of travel. However, reimbursement of costs associated with the use of ground transportation is limited to the cost of airfare, based on the coach or economy fare available for the event destination and dates. One executive was reimbursed for all expenditures incurred while traveling via ground transportation during the period July 17-25, 2004, to a conference in New Mexico whereas the conference took place on July 20-23 (**Attachment B, Item 8**). Our analysis of the expenditures including gasoline, lodging, and meals indicated that the total costs associated with ground transportation exceeded the alternative costs of air travel by approximately \$150.
- ***Travel Voucher Self Approved*** – One travel voucher reviewed was found to have been self-approved (**Attachment B, Item 9**).
- ***Reimbursement of Spousal Expenses*** – Based on SMG responses provided on the travel and entertainment questionnaires, one Fiscal Year 2005-2006 event that included spousal travel was included in our review. The spouse's expenses were charged to fund 19900A, which is not allowable under the above referenced policy (**Attachment B, Item 10**).

**Management Corrective Actions:**

Expenditures incurred in two of the events listed above have been reimbursed by the responsible SMG (**Attachment B, Items 6 and 7**).

The Department of Chemistry is currently evaluating the event costs in question. The Disbursements Travel Manager will coordinate with the department in obtaining either additional documentation providing a basis for the costs charged, or in obtaining reimbursement for the differential costs (**Item 8**).

The Manager of Disbursements and Travel concurred that the spouse's expenses charged to fund 19900A should be transferred to an alternative fund source, and

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will direct the department to make the necessary expense transfer (**Item 10**). The Manager of Disbursements and Travel has reviewed the remaining travel expenditure policy concerns, and determined that no additional corrective actions are required.

Entertainment Reimbursements

Twenty-eight entertainment events included in our sample were not properly approved. University policy defines exceptional entertainment as expenditures that exceed the per-person maximum rates, expenses for spouses, tickets to a sporting or theatre event and cash contributions. Exceptional entertainment is required to be approved by a Chancellor, Vice Chancellor, or a Chancellor's delegate, so long as the approver does not report directly or indirectly to the employee filing the entertainment reimbursement claim. Exceptions noted during our review are detailed in **Attachment C**.

**Management Corrective Actions:**

The Manager of Disbursements and Travel will review the 28 exceptions noted above and will coordinate local actions to facilitate retroactive approval for these disbursements, or seek UCSD reimbursement.

The Manager of Disbursements and Travel will periodically remind departments to review the definition of exceptional entertainment, approval requirements, and departmental approval processes for exceptional entertainment to ensure compliance with University policy BUS-79. Reminders will be provided via advisory updates posted to the main UCSD business portal (Blink).

To help alleviate any complications that may arise out of restructuring departmental approval processes, the Manager of Disbursements and Travel will be delegated responsibility for approving all entertainment for the Vice Chancellors. As noted above, to ensure compliance with University entertainment policies, the office of the Vice Chancellor – Resource Management will either perform the final approval for entertainment vouchers submitted by the Vice Chancellor – Business Affairs, or will be copied on all vouchers reviewed and approved by the Manager of Disbursements and Travel.

Inter-departmental Recharges

We noted several instances where prescribed campus procedures for documenting the purpose, number of attendees, total cost and required approvals for events that were paid via inter-departmental recharges (e.g., Campus Catering, Faculty Club, and Medical Center Catering) were not being followed. The lack of documentation was in part the result of the lack of a central monitoring process to ensure compliance with entertainment policy. As a result, several recharged expenditures tested were either not supported by adequate documentation, or supporting documentation provided by departments did not

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contain the required approvals. Many of these events were classified as holiday parties or employee morale-building activities, both of which require exceptional entertainment approval. A comprehensive listing of these exceptions is provided at ***Appendix C***.

Entertainment expenditures reimbursed directly to employees (non-recharges) were processed by Business and Financial Services (BFS)-Disbursements, who reviewed expenditures for compliance with policy prior to issuing reimbursement.

However, for recharges, service providers (e.g., UCSD Catering and the Faculty Club) did not review event specifics (e.g., approvals) for compliance with policy in conjunction with providing the requested services. Instead, the process held customer departments responsible for maintaining supporting documentation and ensuring that events complied with policy. Some departments did not view the recharges as entertainment covered by BUS-79, although the scope of BUS-79 is not limited to entertainment expenditure reimbursements processed by Disbursements Division (BUS-79.III).

During our recharge testing, we found a number of departments using internally created forms to document event compliance with BUS-79. Most of these departments used a modified version of the Request for Entertainment Reimbursement form to locally document event compliance. Campus-wide documentation for recharged entertainment could be improved by adoption of a standardized form such as the modified Entertainment Reimbursement Request Form for demonstrating event compliance with BUS-79.

**Management Corrective Actions:**

The Manager of Disbursements and Travel will work with UCSD Catering to develop a specific entertainment form to document compliance with BUS-79 for events paid via recharge. The Director, Housing and Dining Services, will direct Catering staff to include the form with all catering contracts provided to customer departments, and to modify the language on the Catering Request Form to emphasize that it is the customer's responsibility to complete the entertainment form, obtain the required written approval(s), and maintain the form in departmental files.

The Manager of Disbursements and Travel will similarly work with the Faculty Club and Medical Center Catering to improve processes for documenting recharged event costs and approvals.

**Executive Travel and Entertainment  
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Travel and Entertainment Approval Summary**

**Attachment A**

=Level of Approval does not comply with UC  
Policy G-28/BUS-79

SMG	Employee Delegated to Approve Travel	Employee Delegated to Approve Entertainment	Employee Designated to Approve Exceptional Entertainment**
Attiyeh, Richard	Faye McCullough, Manager - Disbursements/Travel	Steven Gardepie, Director-Admin Services	Deborah McGraw, Asst Vice Chancellor
Holmes, Edward	Faye McCullough, Manager - Disbursements/Travel	Thomas Jackiewicz, Assoc. Vice Chancellor	Thomas Jackiewicz, Assoc. Vice Chancellor
Kennel, Charles	Faye McCullough, Manager - Disbursements/Travel	Doug Bennett, Executive Asst. to the Vice Chancellor	Charles Kennel, Dean, Grad. School of Marine Sciences
Relyea, Steven	Faye McCullough, Manager - Disbursements/Travel	Judy Johnson, Asst to Vice Chancellor	Steven Relyea, Vice Chancellor
Watson, Joseph	Faye McCullough, Manager - Disbursements/Travel	Dawn Buttrell, Director	Dawn Buttrell, Director
Woods, John	Faye McCullough, Manager - Disbursements/Travel	Pam Haggins, Executive Assistant	Edward Spriggs, Asst Vice Chancellor
Chandler, Marsha	Faye McCullough, Manager - Disbursements/Travel	Deborah McGraw, Asst Vice Chancellor	Deborah McGraw, Asst Vice Chancellor
Sakai, David	Thomas Jackiewicz, Associate Vice Chancellor	Thomas Jackiewicz, Associate Vice Chancellor	Thomas Jackiewicz, Associate Vice Chancellor
Jackiewicz, Thomas	David Bailey, Deputy Vice Chancellor	David Bailey, Deputy Vice Chancellor	David Bailey, Deputy Vice Chancellor
Collins, Tom	Doug Bennett, Executive Asst. to the Vice Chancellor	Doug Bennett, Executive Asst. to the Vice Chancellor	Doug Bennett, Executive Asst. to the Vice Chancellor
Furtek, Edward *	Janice Sharp, Assistant to the Vice Chancellor (Retired)	Janice Sharp, Assistant to the Vice Chancellor (Retired)	Jim Langley, Vice Chancellor - University Relations (Retired)
Walshok, Mary	Yuki Marsden, Business Officer; John Daggett, Admin Coord.-Supervisor	Yuki Marsden, Business Officer; John Daggett, Admin Coord.-Supervisor	Deborah McGraw, Asst Vice Chancellor
Davis, Rogers	Thomas Leet, Director-Humas Resources; Paula Doss, Director-Equal Opportunity; Tina Waldrop, Admin. Analyst	Thomas Leet, Director-Humas Resources; Paula Doss, Director-Equal Opportunity; Tina Waldrop, Admin. Analyst	UNKNOWN***
Hellmann, Boone	Lisa Smedley, Admin. Assistant	Marcialene Holcomb, Project Manager	John Woods, Vice Chancellor
Larson, Donald	Laura Osante, Director	Judy Johnson, Asst to Vice Chancellor; Steven Relyea, Vice Chancellor	Judy Johnson, Asst to Vice Chancellor; Steven Relyea, Vice Chancellor
Giddings, Leland	Thomas McAfee, Physician-In-Chief	Thomas McAfee, Physician-In-Chief	Richard Liekweg, CEO UCSD Med. Center
Hogan, Robert	Richard Liekweg, CEO UCSD Med. Center	Richard Liekweg, CEO UCSD Med. Center	Richard Liekweg, CEO UCSD Med. Center
Middleton, Mary	Richard Liekweg, CEO UCSD Med. Center	Richard Liekweg, CEO UCSD Med. Center	Richard Liekweg, CEO UCSD Med. Center
Moran, Dennis	Richard Liekweg, CEO UCSD Med. Center	David Sakai, CFO - Health Sciences	David Sakai, CFO - Health Sciences
Babakanian, Edward	David Sakai, CFO - Health Sciences	David Sakai, CFO - Health Sciences	David Sakai, CFO - Health Sciences
Hofferber, Scott	Christina Colmenar, Director-Finance	Thomas Jackiewicz, Associate Vice Chancellor	Thomas Jackiewicz, Associate Vice Chancellor
McAfee, Thomas	Jacob Guss, Sr Admin. Analyst**	Thomas Jackiewicz, Associate Vice Chancellor	Thomas Jackiewicz, Associate Vice Chancellor
Parode, Ann	Artie Evertz, Business/Financial Officer	Artie Evertz, Business/Financial Officer	Clare Kristofco, Associate Chancellor
Schottlaender, Brian	Maureen Harden, Dir./Admin Srvs.	Deborah McGraw, Asst Vice Chancellor	Deborah McGraw, Asst Vice Chancellor
Cowhey, Peter	Michelle Peters-Coville, Fund Manager	John Rowe, Business Officer	Deborah Morrison, Assistant Dean
Drake, Paul	Helen Szkorla, Director-Budget and Capital	Deborah McGraw, Asst Vice Chancellor	Deborah McGraw, Asst Vice Chancellor
Macagno, Edwardo	Biological Sciences Fiscal Staff	Deborah McGraw, Asst Vice Chancellor	Deborah McGraw, Asst Vice Chancellor
Seible, Frierder	Jeanette Beaver, Admin. Assistant; Steve Ross, Assistant Dean	Jeanette Beaver, Admin. Assistant; Steve Ross, Assistant Dean	Deborah McGraw, Asst Vice Chancellor
Sullivan, Robert	Bill Cherom, Assistant Dean	Bill Cherom, Assistant Dean	Deborah McGraw, Asst Vice Chancellor
Taylor, Palmer *	Andrina Marshall, Assistant Dean	Andrina Marshall, Assistant Dean	Thomas Jackiewicz, Associate Vice Chancellor
Thiemens, Mark	Theresa Pham, Admin. Assistant	Clifford Kubiak, Chair	Deborah McGraw, Asst Vice Chancellor
Adler, Steven	Rosalee Kitaen, Business Officer	Rosalee Kitaen, Business Officer	UNKNOWN***
Cornelius, Ann	Myra Munn, Business Officer	Myra Munn, Business Officer	Deborah McGraw, Asst Vice Chancellor
Lytle, Cecil	Ginnah Saunders, MSO	Ginnah Saunders, MSO	Deborah McGraw, Asst Vice Chancellor
Smith, Susan	Helen Szkorla, Director-Budget and Capital	Helen Szkorla, Director-Budget and Capital	Deborah McGraw, Asst Vice Chancellor
Wienhausen, Gabriele	Neves Rankin, MSO	Neves Rankin, MSO	Deborah McGraw, Asst Vice Chancellor

\*No questionnaire was returned for this employee. Approval listed based on vouchers submitted.

\*\*Approver was not stated specifically in the questionnaire, but obtained via review of TEVs.

\*\*\*No exceptional entertainment noted during testing.

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 Travel and Entertainment Approval Summary**

*Attachment A*

=Level of Approval does not comply with UC  
 Policy G-28/BUS-79

<b>SMG</b>	<b>Employee Delegated to Approve Travel</b>	<b>Employee Delegated to Approve Entertainment</b>	<b>Employee Designated to Approve Exceptional Entertainment**</b>
Wulbert, Daniel	Penny Cumbey, MSO	Penny Cumbey, MSO	Deborah McGraw, Asst Vice Chancellor
Bernstein, Michael	Daniel Vickers, Chair	Deborah McGraw, Asst Vice Chancellor	Deborah McGraw, Asst Vice Chancellor

\*No questionnaire was returned for this employee. Approval listed based on vouchers submitted.

\*\*Approver was not stated specifically in the questionnaire, but obtained via review of TEVs.

\*\*\*No exceptional entertainment noted during testing.

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Travel Expenditure Findings**

**Attachment B**

Item #	Traveler	Event Number	Total Event Expenditures	Policy Reference	Comments
1	Edward Holmes	00331878	\$1,367.25	BUS-79.V.B.d; BUS-79-Appendix A	The travel expenditure voucher included a dinner that was categorized as entertainment covered by BUS-79. The cost of a dinner with a candidate for the Dept of Surgery Chair and his wife was reimbursed. Entertainment that includes the spouse of a host or guest is considered exceptional by UC policy. No approval for exceptional entertainment was obtained.
2	John Woods	00343131	\$608.83	G-28-Appendix B	Meals on 1/27/05 were \$65.52, or \$15.52 greater than the daily allowable reimbursement for meals & incidental expenses. No approval for exceptional entertainment was obtained.
3	Peter Cowhey	00314189	\$1,832.89	G-28-Appendix B; G-28, Section VIII.B.2	Amount reported for meals and incidental expenses exceeded the maximum allowable reimbursement. Trip was to Paris, which had a M&IE amount of \$126 per www.state.gov, which equals \$882 for 7 days. TEV claimed actual M&IE of \$1,060 for reimbursement, for a difference of \$178. The Manager of Disbursements and Travel has retroactively approved the additional expense as an exception to policy under G-28, Section VIII.B.2, which allows for reimbursement up to 300% of the OCONUS rate for special or unusual circumstances.
4	Ed Furtek	00355550	\$1,970.46	G-28.VII.B.1	The return portion of the flight was booked as first class from Washington, D.C. No documentation was attached to the TEV justifying first class travel. Total cost of flight was \$2132.40 of which \$1,212 was paid via an unused ticket purchased earlier for a different event. Per UC policy, use of business class and first class may be paid by the University under certain circumstances, but documentation of those circumstances must be provided on the TEV. No explanation was documented on the TEV as to why the University paid for first class travel. Departmental personnel have indicated that the trip was planned on short notice and only first class seating was available.
5	Edwardo Macagno	00346672	\$1,355.60	G-28.VII.B.1	Traveler flew business class. Per UC policy, use of business and first class may be paid by the University under certain circumstances, but documentation of those circumstances must be provided on the TEV. No explanation was documented on the TEV as to why the University paid for first class travel. However, traveler flew overnight on short notice and was required to attend the event the next day, which is allowable under G-28.
6	Frieder Seible	00349736	\$4,446.57	G-28.VII.B.1	Traveler flew business and first class. A note in the remarks box indicated that ICCSSS will reimburse the University for airfare totaling \$1,312.09. Upon inquiry from AMAS, the department indicated that they had forgotten to follow-up on the reimbursement. The University was reimbursed on 2/26/06.
7	Marsha Chandler	00344074	\$2,285.26	G-28.B.3.c	The travel voucher included two days of hotel expenditures that were incurred during the time when lodging was furnished to the traveler without additional charge (Harvard Advanced Management Program). The traveler has since reimbursed the University for the hotel costs totaling \$605.

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 Travel Expenditure Findings**

*Attachment B*

Item #	Traveler	Event Number	Total Event Expenditures	Policy Reference	Comments
8	Mark Thiemens	00330708	\$2,481	G-28.VII.A.5	The event attended was from 7/20/04 to 7/23/04. The TEV included expenses that were incurred from 7/17/04 to 7/25/04 because the traveler opted to travel via ground rather than air. Traveler used ground transportation (rental vehicle) in lieu of air. Per G-28, VII.A.5, a traveler may be reimbursed for ground transportation up to the amount that would have been paid for airfare. We estimated that costs of ground travel were approximately \$150 more than airfare. The Department of Chemistry is currently evaluating the event costs in question. The Disbursements Travel Manager will coordinate with the department in obtaining either additional documentation providing a basis for the costs charged, or in obtaining reimbursement for the differential costs.
9	Gabriele Wienhausen	00336679	\$311.20	G-28.XII.D	TEV was self approved.
10	Mark Thiemens	00381338	\$4,088.97	G-28.XI.B.6	Spouse attended travel event to Japan for the Kyoko Prize ceremony per the request of Chancellor Fox. University reimbursed the traveler for his spouse's airfare. Based on the fact that the spouses attendance was necessary based on the tradition of the ceremony, and the Chancellor approved the spouses attendance, the reimbursement for these costs appears reasonable. However, the expenditure was charged to 19900A. G-28 does not allow reimbursement of spousal travel via state funds.

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Entertainment Expenditure Reimbursement Issues**

*Attachment C*

The following events contained exceptional entertainment in which approval for exceptional entertainment was not obtained:

Payee	Approved By	Document Number	Total Event Expenditures	Policy Reference	Comments
Charles Kennel	NA	P0755349	\$384.71	BUS-79.VIII.D; BUS-79.VII.B	Cost per person limitation for meals was exceeded, requiring an exceptional entertainment approval. Exceptional entertainment was self approved by C Kennel.
Charles Kennel	NA	P0799198	\$281.00	BUS-79.VIII.D; BUS-79.VII.B	Cost per person limitation for meals was exceeded, requiring an exceptional entertainment approval. Exceptional entertainment was self approved by C Kennel.
Charles Kennel	NA	P0812543	\$1,044.06	BUS-79.VIII.D; BUS-79.VII.B	Cost per person limitation for meals was exceeded, requiring an exceptional entertainment approval. Exceptional entertainment was self approved by C Kennel.
Marsha Chandler	NA	P0720845	\$141.06	BUS-79.VIII.D; BUS-79.VII.B	Cost per person limitation for meals was exceeded, requiring an exceptional entertainment approval. Exceptional entertainment approval was not obtained.
Peter Cowhey	NA	P0791866	\$322.00	BUS-79.V.B.1.b; BUS-79.V.B.1.d; BUS-79.VII.B	Expenditure was for 6 Old Globe tickets. Description states that attendees included prospective IR/PS donors, Peter Cowhey and his wife. Exceptional entertainment approval was not obtained.
Palmer Taylor	NA	P0768182	\$478.01	BUS-79.V.B.1.d; BUS-79.VII.B	Event included dinner for the spouse of the University host. Exceptional entertainment approval was not obtained.
Palmer Taylor	NA	P0768186	\$294.53	BUS-79.V.B.1.d; BUS-79.VII.B	Event included dinner for the spouse of the University host. Exceptional entertainment approval was not obtained.
Palmer Taylor	NA	P0810876	\$322.45	BUS-79.VIII.D; BUS-79.VII.B	Cost of meals exceeded per person limitations. Exceptional entertainment approval was not obtained.
Mark Thiemens	NA	P0731124	\$189.10	BUS-79.VIII.D; BUS-79.V.B.1.d; BUS-79.VII.B	Dean Thiemens spouse attended the dinner, and the cost per person limitation was exceeded. Exceptional entertainment approval was not obtained.

The following events contained exceptional entertainment in which the approver reports either directly or indirectly to the individual filing for reimbursement:

Payee	Approved By	Document Number	Total Event Expenditures	Policy Reference	Comments
Edward Holmes	Thomas Jackiewicz	P0743009	\$1,163.70	BUS-79.VIII.D; BUS-79.VII.B	Cost per person limitation for meals was exceeded, requiring an exceptional entertainment approval. Approver reports directly to Dr. Holmes.
Edward Holmes	Thomas Jackiewicz	P0753783	\$337.00	BUS-79.VIII.D; BUS-79.VII.B	Cost per person limitation for meals was exceeded, requiring an exceptional entertainment approval. Approver reports directly to Dr. Holmes.
Edward Holmes	Thomas Jackiewicz	P0768229	\$268.03	BUS-79.VIII.D; BUS-79.VII.B	Cost per person limitation for meals was exceeded, requiring an exceptional entertainment approval. Approver reports directly to Dr. Holmes.
Edward Holmes	Thomas Jackiewicz	P0789940	\$257.97	BUS-79.VIII.D; BUS-79.VII.B	Cost per person limitation for meals was exceeded, requiring an exceptional entertainment approval. Approver reports directly to Dr. Holmes.
Marsha Chandler	Jody Grunwald	P0765864	\$495.31	BUS-79.VIII.D; BUS-79.VII.B	Reimbursement was for 7 separate dinner events. The cost per person limitation for meals was exceeded for two of these events, requiring an exceptional entertainment approval. Approver was never delegated authority for approving exceptional entertainment.
Marsha Chandler	Debbie McGraw	P0776320	\$694.21	BUS-79.VIII.D; BUS-79.V.B.1.d; BUS-79.VII.B	Reimbursement was for 9 separate dinner events that included spouses of University guests or hosts. In some cases, reimbursement exceeded per person limitations. Approver reports directly to Marsha Chandler.
Marsha Chandler	Debbie McGraw	P0784922	\$540.50	BUS-79.VIII.D; BUS-79.V.B.1.d; BUS-79.VII.B	Reimbursement was for 8 separate dinner events that included spouses of University guests or hosts. In some cases, reimbursement exceeded per person limitations. Approver reports directly to Marsha Chandler.
Marsha Chandler	Debbie McGraw	P0806489	\$756.42	BUS-79.V.B.1.d; BUS-79.VII.B	Reimbursement was for 10 separate dinner events that included spouses of University guests or hosts. Approver reports directly to Marsha Chandler.

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Entertainment Expenditure Reimbursement Issues**

**Attachment C**

The following events contained exceptional entertainment in which the approver reports either directly or indirectly to the individual filing for reimbursement:

Payee		Document Number	Total Event Expenditures	Policy Reference	Comments
Peter Cowhey	Jody Grunwald	P0750315	\$274.18	BUS-79.VIII.D; BUS-79.VII.B	The cost per person limitation for meals was exceeded requiring an exceptional entertainment approval. Approver was never delegated authority for approving exceptional entertainment.
Peter Cowhey	Jody Grunwald	P0774705	\$312.14	BUS-79.VIII.D; BUS-79.VII.B	The cost per person limitation for meals was exceeded requiring an exceptional entertainment approval. Approver was never delegated authority for approving exceptional entertainment.
Peter Cowhey	Deborah Morrison	P0792263	\$452.52	BUS-79.VIII.D; BUS-79.VII.B	Cost per person limitation for meals was exceeded, requiring an exceptional entertainment approval. Approver reports directly to Peter Cowhey.
Peter Cowhey	Deborah Morrison	P0798502	\$546.57	BUS-79.VIII.D; BUS-79.VII.B	Cost per person limitation for meals was exceeded, requiring an exceptional entertainment approval. Approver reports directly to Peter Cowhey.
Robert Sullivan	Jody Grunwald	P0744899	\$339.97	BUS-79.VIII.D; BUS-79.VII.B	The cost per person limitation for meals was exceeded requiring an exceptional entertainment approval. Approver was never delegated authority for approving exceptional entertainment.
Robert Sullivan	Bill Cherom	P0751174	\$520.00	BUS-79.VIII.D; BUS-79.V.B.1.d; BUS-79.VII.B	Event included spouses of University guests or hosts, and excess of per person limitations. Approver reports directly to Robert Sullivan.
Robert Sullivan	Bill Cherom	P0768761	\$720.52	BUS-79.VIII.D; BUS-79.V.B.1.d; BUS-79.VII.B	Event included spouses of University guests or hosts, and excess of per person limitations. Approver reports directly to Robert Sullivan.
Robert Sullivan	Bill Cherom	P0788424	\$345.09	BUS-79.VIII.D; BUS-79.V.B.1.d; BUS-79.VII.B	Event included spouses of University guests or hosts, and excess of per person limitations. Approver reports directly to Robert Sullivan.
Robert Sullivan	Bill Cherom	P0771775	\$483.62	BUS-79.VIII.D; BUS-79.V.B.1.d; BUS-79.VII.B	Event included spouses of University guests or hosts, and excess of per person limitations. Approver reports directly to Robert Sullivan.
Robert Sullivan	Bill Cherom	P0766393	\$487.34	BUS-79.VIII.D; BUS-79.VII.B	Event included spouses of University guests or hosts, and excess of per person limitations. Approver reports directly to Robert Sullivan.
Robert Sullivan	Bill Cherom	P0798554	\$364.95	BUS-79.V.B.1.d; BUS-79.VII.B	Event included spouses of University guests or hosts, and excess of per person limitations. Approver reports directly to Robert Sullivan.

**Executive Travel and Entertainment  
Audit Management Advisory Services Project 2006-68  
Inter-Departmental Recharge Issues**

*Attachment D*

The following recharges were for events that required exceptional entertainment approval, but no such approval was demonstrated:

Area	Responsible SMG	IFIS Description	IFIS Date	Amount	Index	Type of Event
Student Affairs	Watson	CATERING SERVICES OFF-PREMISE	1/20/2005	2,155.00	VSA5694	Holiday Party
Vice Chanc - Academic Affairs	Chandler	ON PREMISE EVENTS ~EP	9/11/2004	1,223.53	VAASV42	Employee morale building event
Vice Chanc - Academic Affairs	Chandler	EUC. POINT CONF. CENTER, ON-PREMISE	1/25/2005	1,610.00	VAASV42	Holiday Party
Vice Chanc - Academic Affairs	Chandler	PC CATERING OFF PREMISE EVENT	6/2/2005	1,099.75	VAASV01	Employee morale building event
Information Services	Babakanian	CATERED MEAL-MED CENTER	1/5/2005	1,438.65	MCH8914	Employee morale building event
Library-General	Schottlaender	OFF PREMISE EVENTS PC	7/21/2004	1,055.25	LIBCG04	Employee morale building event
Library-General	Schottlaender	FACULTY CLUB RECHARGES	12/31/2004	2,996.46	LIBCG04	Holiday Party
Library-General	Schottlaender	FACULTY CLUB RECHARGES	6/30/2005	5,424.45	LIBCG04	Employee morale building event
IRPS	Cowhey	EUC. POINT CONF. CENTER, ON-PREMISE	1/13/2005	1,063.00	IRPDF23	Holiday Party
Divisional Dean of Social Sciences	Drake	EUC. POINT CONF. CENTER, ON-PREMISE	1/13/2005	1,209.60	DSS4696	Holiday Party
Divisional Dean of Social Sciences	Drake	CATERING OFF PREMISE EVENT	1/6/2005	1,210.00	DSS4696	Holiday Party
Dean's Office-Engineering	Seible	CATERING SERVICES OFF-PREMISE	1/13/2005	2,630.00	ENG6924	Holiday Party
Divisional Dean of Physical Sciences	Thiemens	REVELLE FD SVC RECH HOLIDAY PARTY	12/31/2004	1,962.00	DNS1775	Holiday Party
Vice Chanc - Academic Affairs	Chandler	CATERING ON PREM JUNE	7/6/2004	1,140.00	VAASPCL	Employee morale building event
Vice Chanc - Academic Affairs	Chandler	EUCALYPTUS POINT CATERING EVENT	6/30/2005	1,005.00	VAASPCL	Employee morale building event
Provost-Revelle College	Wulbert	FACULTY CLUB RECHARGES	12/31/2004	2,858.94	REV6045	Employee morale building event
Provost-Revelle College	Wulbert	FACULTY CLUB RECHARGES	5/31/2005	7,361.12	REV6045	Cost per person maximum exceeded (cost per person = \$77.49)