



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

REPORT ON THE AUDIT OF THE
TEXAS GENERAL LAND OFFICE
TRAVEL PROCESSES

JANUARY 2019

OVERALL CONCLUSION

Financial Management's processes generally provide reasonable assurance of compliance with state regulations and policies associated with agency business travel expenses. The Cash Management division in Financial Management has written policies and standard operating procedures in place for processing travel expenses. They are to be commended for their exceptional accuracy in processing travel vouchers.

However, improvement is needed on monitoring the usage of State Travel Credit Cards and whether employees are paying the cards in a timely manner. Procedures for third-party funded travel need to be aligned with travel authorization procedures and provide for consistent tracking of the third-party payments.

MANAGEMENT'S SUMMARY RESPONSE

The Texas General Land Office's Financial Management department under David Repp generally concurs with the recommendations.

The "Detailed Results" section of this report contains management's response to each observation.

ACKNOWLEDGEMENTS

We appreciate the assistance and cooperation provided to us by the management and staff of the Financial Management department, Office of General Counsel/Compliance Officer, and Human Resources during this audit. For questions about this report, please contact William Urbina at (512) 463-5349 or Tracey Hall at (512) 463-6078.

Tracey Hall

Tracey Hall, CPA, CISA
Chief Auditor

January 16, 2019
Date

OBJECTIVES

The objectives of the audit were based on the results of a risk assessment performed during the planning phase of the audit. The objectives were:

1. To determine whether the business travel expenses reported on the travel vouchers were adequately and properly supported according to GLO Travel Policy and state travel regulations and the employee reimbursement was properly recorded.
2. To determine the effectiveness of the monitoring of the State Travel Credit Card.

SCOPE & METHODOLOGY

The scope of the audit consisted of reviewing and evaluating information and documents associated with agency personnel's state business travel from September 1, 2015 through August 31, 2017. These documents included but were not limited to travel authorizations; travel advances; hotel and meal receipts; airline and car rental statements; Gift, Reimbursement, and Donation (GRD) Travel Forms; and State Travel Credit Card activity reports.

The methodology included observing processes, interviewing employees, collecting information and documentation, performing tests, and analyzing and evaluating the information obtained.

The audit was conducted in accordance with *Government Auditing Standards* and *International Standards for the Professional Practice of Internal Auditing*. These standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

BACKGROUND INFORMATION

Financial Management serves to enhance and strengthen accounting controls over all financial transactions of the agency. The responsibility of identifying, tracking, and reporting on the financial condition and results of the agency operation is a cooperative effort among the various divisions in Financial Management. Cash Management and Procurement are the two divisions most involved with travel expenditure processing.

The Cash Management division manages receipts and disbursements, which includes recording cash related transactions into the agency's accounting and procurement systems. The division reviews travel vouchers, car rental expenditures, and air fare expenditures for compliance with state laws and regulations as well as agency policy. Cash Management has also adopted best industry practices by developing written and detailed standard operating procedures that enhance internal controls for better accuracy and performance of its daily duties.

The Procurement division is responsible for purchasing goods and services in support of agency needs in accordance with all federal and state laws, rules and regulations. The division's travel office is responsible

for making all airplane and direct billed car rental reservations and assisting employees with travel arrangements to help ensure compliance with state regulations. The travel office matches car rental and airline billings to Travel Authorization forms before submitting these to the Cash Management division for review and payment. The Procurement division is also responsible for ensuring the agency is adhering to the state regulations regarding the State Travel Credit Cards.