EXECUTIVE TRAVEL
SAN DIEGO STATE UNIVERSITY

Audit Report 14-38
December 3, 2014

Members, Committee on Audit
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ABBREVIATIONS

AVP    Associate Vice President
BFA    Business and Financial Affairs
CFO    Chief Financial Officer
CSU    California State University
EO     Executive Order
ET     Executive Travel
GC     Government Code
ICSUAM Integrated California State University Administrative Manual
OAAS   Office of Audit and Advisory Services
RM     Risk Management
SDSU   San Diego State University
Research Foundation San Diego State University Research Foundation
T2     Travel Authorization Form
TA     Travel Authorization
TCF    The Campanile Foundation
TEC    Travel Expense Claim
EXECUTIVE SUMMARY

As a result of a systemwide risk assessment conducted by the Office of Audit and Advisory Services (OAAS) during the last quarter of 2013, the Board of Trustees, at its January 2014 meeting, directed that Executive Travel (ET) be reviewed. The OAAS has never reviewed ET as a stand-alone audit.

We visited the San Diego State University campus from July 21, 2014, through September 5, 2014, and audited the procedures in effect at that time.

In our opinion, except for the effect of the weaknesses described below, the fiscal, operational, and administrative controls for ET activities as of September 5, 2014, taken as a whole, were sufficient to meet the objectives stated in the “Purpose” section of this report. Areas of concern include: general environment, and travel authorizations and expenditures.

As a result of changing conditions and the degree of compliance with procedures, the effectiveness of controls changes over time. Specific limitations that may hinder the effectiveness of an otherwise adequate system of controls include, but are not limited to, resource constraints, faulty judgments, unintentional errors, circumvention by collusion, and management overrides. Establishing controls that would prevent all these limitations would not be cost-effective; moreover, an audit may not always detect these limitations.

The following summary provides management with an overview of conditions requiring attention. Areas of review not mentioned in this section were found to be satisfactory. Numbers in brackets [ ] refer to page numbers in the report.

GENERAL ENVIRONMENT [6]

Campus practice allowed executives’ travel expense claims (TEC) to be approved by an individual who was an authorized signer, but who also reported directly or indirectly to the executive. In addition, the campus had not clearly documented the official(s) responsible for approving travel for the vice president of business and financial affairs/chief financial officer. Furthermore, neither The Campanile Foundation nor the San Diego State University Research Foundation had adequate written policies or procedures addressing the payment or reimbursement of spousal travel.

TRAVEL AUTHORIZATIONS AND EXPENDITURES [9]

Travel authorization forms for campus and auxiliary-funded executive travel were not always properly completed or approved prior to travel. Additionally, TECs for campus and auxiliary-funded travel were not always processed according to applicable travel policies. Further, documentation was not always available to show that proper approvals and insurance were obtained prior to international travel.
INTRODUCTION

BACKGROUND

The California State University (CSU) pays or reimburses travel-related expenses that are ordinary, reasonable, not extravagant, and necessary to conduct official university business. Official university business may include activities that contribute to any one of the university’s major functions of teaching, research, or public service, such as attendance at conferences, conventions, and business meetings; development activities; and recruitment of staff and students.

Executives at the CSU generally follow the same rules and regulations that govern the travel of other CSU employees. Executives, as defined in this report, include the president and all vice presidents/executive vice presidents at the campus level, and the chancellor and all vice chancellors/executive vice chancellors at the Office of the Chancellor.

The university delegation of authority process generally defines responsibility for approval of travel authorization forms and travel expense claims. Executive Order (EO) 688, Delegation of Authority – Approval of Travel Requests, dated September 16, 1998, delegates authority to each president to sub-delegate authority to approve travel requests for campus personnel.

The primary CSU policy and procedures governing travel are Integrated California State University Administrative Manual (ICSUAM) §3601.01, Travel Policy, and the related Travel Procedures and Regulations G-001, which were last revised April 1, 2013, and apply to all CSU employees, including CSU executives. The policy and related procedures require travelers to have documented authorization for travel prior to departure, require travel expense claims to be submitted in a timely manner after trip completion, and discuss the procedures and documents necessary to obtain approval for reimbursement of travel expenses. The policy and related procedures also define methods and types of travel expenses that are eligible or ineligible for reimbursement.

The CSU also has additional policies for international travel, in order to ensure the health and safety of university travelers. Coded memorandum Risk Management (RM) 2013-01, International Travel and Requirement to Purchase Insurance, dated March 25, 2013, requires all faculty, students, and staff to obtain foreign travel insurance through the California State University Risk Management Authority. It requires additional approvals for travel to high-hazard areas or countries on the U.S. State Department Travel Warning List.

Although the CSU does not have specific executive travel policies, certain aspects of existing travel policies relate to or pertain directly to executive travel, including the following:

- EO 688 requires a president’s international travel to be approved prior to departure by either the chancellor or executive vice chancellor. If the travel is to a high-hazard area or to a country on the U.S. State Department Travel Warning List, coded memorandum RM 2013-01 specifically requires that the chancellor provide the approval.

- Travel Procedures and Regulations G-001 state that in general, domestic travel expenses for each campus president, including a spouse or domestic partner, will be approved by the campus chief financial officer. Additionally, the president may designate a vice president, or another responsible
administrator, to approve travel expenses incurred by other campus vice presidents. The designated vice president’s travel expenses will be approved by the president or his/her designee, provided that the individual does not report to the vice president.

- *Travel Procedures and Regulations G-001* address spouse or registered domestic partner travel and allow expenses for such travel to be reimbursed provided it can be established that the travel serves a bona fide university business purpose.

Travel expenses for executives can be paid or reimbursed in a variety of ways. Campuses commonly pay for rental car and airfare expenses directly via a centralized travel agency or travel account, as well as for any expenses paid on a university-liability travel card. When the traveler pays his or her own expenses and must be reimbursed by the university, he or she submits a travel expense claim and supporting receipts and documents. Additionally, in some cases, auxiliary organizations may process or pay for travel expenses for executives.
PURPOSE

Our overall audit objective was to ascertain the effectiveness of existing policies and procedures related to executive travel and to determine the adequacy of controls that ensure compliance with relevant governmental regulations, Trustee policy, Office of the Chancellor directives, and campus procedures.

Within the overall audit objective, specific goals included determining whether:

- Administration of the university business travel is well defined and includes clear lines of organizational authority and responsibility and documented delegations of authority.
- Campus travel policies and procedures are current, comprehensive, and consistent with CSU policy.
- Travel advances for executives are properly authorized, issued in compliance with campus and CSU policy, and appropriately accounted for.
- Funds used to pay for executive travel are appropriate.
- Administration of executive travel is sufficient to ensure that travel expenditures are properly authorized, incurred for appropriate business purposes, adequately documented, and in compliance with CSU and campus policy.
- International travel, including travel to high-hazard countries, is properly approved, and foreign travel insurance is obtained for any executive traveling out of the country.
- Payments or reimbursements for travel of executives’ spouses or domestic partners are appropriate and in compliance with CSU and campus policy.
- Retention and storage of travel records is adequate and consistent with CSU and campus policy.
SCOPE AND METHODOLOGY

The proposed scope of the audit as presented in Audit Agenda Item 4 of the January 28 and 29, 2014, meeting of the Committee on Audit stated that Executive Travel (ET) includes review of campus travel policies and procedures to ensure alignment and compliance with CSU requirements; review of internal campus processes for monitoring, reviewing, and approving travel expense claims; and examination of senior management travel and travel expense claims for proper approvals and compliance with campus and CSU travel policy.

Our study and evaluation were conducted in accordance with the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors and included the audit tests we considered necessary in determining whether fiscal, operational, and administrative controls are in place and operative. This review emphasized, but was not limited to, compliance with federal and state regulations and guidance, Board of Trustee policies, and Office of the Chancellor and campus policies, letters, and directives. The audit focused on procedures in effect from June 1, 2012, through May 31, 2014.

We focused primarily on the internal administrative, compliance, and operational controls over ET activities. Specifically, we reviewed and tested:

- Administration of university business travel, including defined responsibilities, current policies and procedures, and adequate training.
- Processes to track and monitor travel advances.
- Payments or reimbursements of travel expenses for executives and their spouses or domestic partners, if applicable, for adherence to campus and CSU policy, including advance authorization, documented business purpose, and supporting receipts and documentation.

As defined in this audit, executives include the president and all vice presidents/executive vice presidents at the campuses, and the chancellor and all vice chancellors/executive vice chancellors at the Office of the Chancellor.
OBSERVATIONS, RECOMMENDATIONS, AND CAMPUS RESPONSES

GENERAL ENVIRONMENT

TRAVEL EXPENSE CLAIM APPROVALS

Campus practice allowed executives’ travel expense claims (TEC) to be approved by an individual who was an authorized signer, but who also reported directly or indirectly to the executive.

We reviewed 210 travel claims and found 101 instances where executives’ TECs were approved by an assistant vice president, associate vice president (AVP), or accounts manager who had authority to approve travel expenses, but who reported directly or indirectly to the traveler.

San Diego State University (SDSU) Travel Procedures and Regulations, Section IX, dated January 1, 2014, states that the TEC should not be approved by a person who reports directly or indirectly to the traveler. It further states that the travel expenses for each campus president, including a spouse, registered domestic partner, or associate of the president, will be approved by the campus chief financial officer (CFO).

The AVP of financial operations stated that travelers obtained approvals to travel on university business using the Travel Authorization Form (T2). She further stated that the approval process for TECs was based on the campus fiscal authorization hierarchy instead of the campus reporting structure to process reimbursements based on approved T2s. She also stated that the AVP of financial operations had been delegated authority as a second signer for the CFO.

The practice of allowing subordinates to approve TECs does not comply with California State University (CSU) travel policy and creates a potential conflict of interest.

Recommendation 1

We recommend that the campus enforce procedures and remind executives and their travel approvers and reviewers that TECs should be approved by an appropriate designee who does not report directly or indirectly to the traveler.

Campus Response

We concur. The campus will enforce procedures and remind executives and their approvers and reviewers of the appropriate policies and procedures governing travel. This will be completed by February 28, 2015.

TRAVEL AUTHORIZATIONS

The campus had not clearly documented the official(s) responsible for approving travel for the vice president of business and financial affairs (BFA)/CFO.
Integrated California State University Administrative Manual (ICSUAM) §3103.01, *Disbursements – General*, effective January 1, 2014, states that it is the policy of the CSU that funds disbursed are properly authorized, supported by a documented business purpose, substantiated by applicable receipts, and correctly processed for payment.

Government Code (GC) §13402 and §13403 state that management is responsible for establishing and maintaining a system of internal administrative controls, which includes documenting the system, communicating system requirements to employees, and assuring that the system is functioning as prescribed and is modified, as appropriate, for changes in conditions. It further states that administrative controls are the methods through which reasonable assurance can be given that measures adopted by state agency heads to safeguard assets and promote operational efficiency are being followed.

The AVP of financial operations stated that the campus travel approval chart, dated June 7, 2011, had not been updated and did not reflect the current CSU or SDSU policy. She further stated that after July 1, 2013, travel for the vice president of BFA/CFO was approved by the president’s chief of staff, which was in compliance with CSU and SDSU policy.

The lack of clearly defined and communicated authorizers of executive travel may increase the risk of unapproved or unnecessary travel expenditures and noncompliance with CSU and campus requirements.

**Recommendation 2**

We recommend that the campus clearly define, document, and communicate the appropriate official(s) responsible for approving travel for the vice president of BFA/CFO.

**Campus Response**

We concur. The president’s chief of staff currently approves travel for all vice presidents, which complies with CSU and SDSU policy. The change was implemented in December 2014.

**SPOUSAL TRAVEL**

Neither the Campanile Foundation (TCF) nor the San Diego State University Research Foundation (Research Foundation) had adequate written policies or procedures addressing the payment or reimbursement of spousal travel.

We noted that although the TCF and the Research Foundation had written policies relating to expenditure documentation and authorization requirements, travel policies did not specifically address requirements for spousal travel, such as the documentation required to substantiate the business purpose of the trip and definition of the appropriate approvers for these travel expenses.

*CSU Travel Procedures and Regulations*, Sections VII and X, dated April 2014, state that under Internal Revenue Service regulations, the travel expenses of a spouse or registered domestic partner are not taxable, provided it can be established that his/her presence serves a bona fide business purpose. The
procedures further state that documentation should be provided with the TEC to show that the spouse or registered domestic partner’s attendance at the function meets the above conditions (e.g., an event or meeting agenda, or a letter of invitation requesting that the spouse or registered domestic partner attend the meeting or event). Additionally, the TEC should not be approved by a person who reports directly or indirectly to the traveler. The travel expense for each campus president, including a spouse, registered domestic partner, or associate of the president, will be approved by the campus CFO.

The *Compilation of Policies and Procedures for California State University Auxiliary Organizations* sets sound business practice guidelines for auxiliary organizations operating within the CSU system. Section 9.7.1, *Travel*, states that because auxiliary organizations have a special relationship with the CSU, their travel reimbursement policies should generally parallel policies applicable to the CSU.

GC §13402 and §13403 state that management is responsible for establishing and maintaining a system of internal administrative controls, which includes documenting the system, communicating system requirements to employees, and assuring that the system is functioning as prescribed and is modified, as appropriate, for changes in conditions. It further states that administrative controls are the methods through which reasonable assurance can be given that measures adopted by state agency heads to safeguard assets and promote operational efficiency are being followed.

The AVP of financial operations stated that all trips were for bona fide business purposes and were in compliance with the CSU policy that protocol or tradition dictates when participation of a high-level official’s spouse is required at official university functions. She further stated that although it is good practice to provide additional documentation such as a meeting agenda or letter of invitation, these were not always available, and all spousal travel was approved in advance by the campus CFO. The associate executive director of sponsored research services stated that in addition to the T2 approval by the CFO, the TECs were approved according to Research Foundation procedures, which require the fund manager and the sponsored research administrator to verify the allowability and allocability of the expense to the fund charged, that sufficient funds are available to cover the expense, and that the documentation to substantiate the expense is provided in accordance with travel policies.

The lack of written policies and procedures related to the reimbursement of spousal travel costs at the auxiliary organization increases the risk of noncompliance with CSU and Internal Revenue Service requirements.

**Recommendation 3**

We recommend that the campus, in conjunction with TCF and Research Foundation, develop and implement written policies or procedures addressing the documentation and approvals required for payment or reimbursement of spousal travel.

**Campus Response**

We concur. SDSU Research Foundation and TCF will develop and implement written policies and procedures addressing the documentation and approvals required for payment or reimbursement of spousal travel. This will be completed by April 30, 2015.
TRAVEL AUTHORIZATIONS AND EXPENDITURES

TRAVEL AUTHORIZATIONS

TA forms for campus and auxiliary-funded executive travel were not always properly completed or approved prior to travel.

We reviewed 210 trips for executives and found that the related TA form was inadequate for 52 campus-funded trips and 30 auxiliary-funded trips. Specifically:

- TA forms for 39 campus-funded trips and nine auxiliary-funded trips were not signed by the appropriate approver. Of these, five TA forms for campus-funded trips and one TA form for an auxiliary-funded trip were dated after the travel occurred, and two TA forms for campus-funded trips and nine TA forms for auxiliary-funded trips were not fully completed.

- TA forms for an additional 10 campus-funded trips and six auxiliary-funded trips were dated after the travel occurred.

- TA forms for an additional three campus-funded trips and six auxiliary-funded trips were not fully completed.

- TA forms for nine auxiliary-funded trips could not be located.

SDSU Travel Procedures and Regulations, Section I, dated January 1, 2014, states that travelers must ensure they have documented authorization to travel prior to embarking on the trip and/or prior to making non-cancellable travel arrangements.

SDSU Memo, Clarification of New Requirement for T2 Travel Approval, dated June 7, 2011, states that all university personnel, regardless of the funding source, are required to complete a T2 travel approval form prior to travel and route approvals as indicated on the chart. The chart indicates that travel approvals for the president and vice presidents should be obtained from the vice president of BFA/CFO, and that travel approvals for the vice president of BFA/CFO are obtained from the chancellor.

The AVP of financial operations stated that all of the trips were legitimate travel on university business. She further stated that while there may be some instances for both the campus and auxiliary where approvals were not obtained in a timely manner, those instances were infrequent and may have occurred for various reasons, including last-minute travel arrangements.

Inadequate travel approvals may increase the risk that employees will not be appropriately insured on the trip, and increases the risk of unapproved or unnecessary travel expenditures and noncompliance with campus and CSU policy.

**Recommendation 4**

We recommend that the campus, TCF, and Research Foundation:
a. Clarify the appropriate approvers for executive travel and communicate this information to executives, their approving officials, and accounting staff responsible for maintaining travel authorization forms.

b. Remind executives and their approving officials that TA forms are required to be properly completed, maintained, and appropriately approved prior to travel.

**Campus Response**

We concur. The campus will:

a. Clarify the appropriate approvers for executive travel and communicate this information to executives, their approving officials, and accounting staff. SDSU Research Foundation and TCF will update procedures and request executives to attach a completed authorization form with appropriate approvals to all travel claims submitted to either foundation for reimbursement. This will be completed by April 30, 2015.

b. Remind executives and their approving officials that travel authorization forms are required to be properly completed, appropriately approved prior to travel, and attached to all travel claims, including those submitted to either the SDSU Research Foundation or TCF for reimbursement. This will be completed by April 30, 2015.

**TRAVEL EXPENDITURES**

TECs for campus and auxiliary-funded travel were not always processed according to applicable travel policies.

We reviewed travel expenses for 173 campus-funded and 37 auxiliary-funded business trips that took place between June 1, 2012, and May 31, 2014, and we found that:

- Nine TECs paid by the campus included lodging costs that exceeded the maximum rate of $175 per night, without a pre-approved exception request. The lodging on the TECs ranged from $181 per night to $279 per night, excluding taxes.

- Twelve TECs paid by the campus and 11 TECs paid by an auxiliary included reimbursement for early flight check-in fees ($12.50 per one-way flight), business-select economy class airfare, or choice seating without a documented explanation or justification included with the TEC.

- Sixteen TECs paid by the campus contained a transaction of $25 or more that was not supported by a detailed, itemized receipt.

- Twenty-seven TECs paid by the campus were approved more than 30 days after the end of travel.

SDSU *Travel Procedures and Regulations*, Sections III, VIII, and Appendix C, dated January 1, 2014, state that:
Transportation expenses shall be reimbursed based on the most economical mode of transportation and the most commonly traveled route consistent with the authorized purpose of the trip. When traveling by commercial airlines, coach or any other discounted economy-class fare shall be used whenever ticketing restrictions are reasonable. It further states that this applies to all travel (domestic or international, or any combination thereof) regardless of the purpose or fund source.

The TEC must be submitted to the accounts payable office within 30 days of the end of a trip unless there is recurrent local travel, in which case the TEC may be aggregated and submitted monthly.

Original itemized receipts for the following must be submitted with the TEC: all airline expenses, all lodging expenses except where per diems are authorized for lodging expenses, all rental car expenses, and any reimbursable item (including meals) costing $25 or more.

The maximum rate authorized for lodging (less than 30 days with overnight stay) is $175/night, excluding taxes, and receipts are required.

Research Foundation Project Administration Guide, Section V – Travel, dated May 2013, states that individuals are responsible for excess costs and any additional expenses incurred for personal preference or convenience. It further states that if any other class of air travel such as “first-class,” “business class,” or “economy plus” is requested, the Research Foundation is responsible for the basic economy or coach rate only. It also states that excess costs, circuitous routes, delays, or luxury accommodations and services unnecessary or unjustified in the performance of business are not acceptable under this standard.

The AVP of financial operations stated that there were valid reasons for the exceptions made when processing the cited expenditures, but these reasons might not have been sufficiently documented due to oversight. She also stated that untimely submission of TECs was due to oversight.

Inadequate completion and review of TECs increases the risk of unauthorized, unnecessary, or non-business travel expenditures and noncompliance with applicable policies.

**Recommendation 5**

We recommend that the campus and Research Foundation reinforce the TEC requirements noted above with executives, their TEC preparers, and TEC reviewers.

**Campus Response**

We concur. The campus and Research Foundation will strengthen its procedures to reinforce the TEC requirements noted for executives, their TEC preparers, and TEC reviewers. This will be accomplished by April 30, 2015.
INTERNATIONAL TRAVEL

Documentation was not always available to show that proper approvals were obtained prior to international travel.

We reviewed eight international business trips, four of which were to high-hazard countries, and found that for three executives’ trips to high-hazard countries, there was no documentation to demonstrate that the trips were pre-approved by the executive vice chancellor/CFO.

Coded memorandum Risk Management 2013-01, *International Travel & Requirement to Purchase Insurance*, dated March 25, 2013, states that campus presidential travel to high-hazard areas or countries on the U.S. State Department Travel Warning List must be approved by the chancellor. It further states that approval for all other campus faculty, student, and staff travel to high-hazard areas or countries on the U.S. State Department Travel Warning List has been delegated to the executive vice chancellor/CFO.

The AVP of financial operations stated that chancellor’s office approvals were not included with the TECs; therefore, documentation may have been missing due to oversight.

Lack of required travel authorizations prior to international travel increases the risk of campus liability for unapproved or unnecessary travel expenditures and work-related injuries.

**Recommendation 6**

We recommend that the campus maintain adequate documentation to show that proper approvals are obtained prior to international travel.

**Campus Response**

We concur. The campus will strengthen its process to ensure that proper approvals, when required, are obtained prior to international travel and kept with the travel documents. This will be completed by April 30, 2015.
APPENDIX A:
PERSONNEL CONTACTED

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
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<tbody>
<tr>
<td>Elliot Hirshman</td>
<td>President</td>
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<tr>
<td>Cathleen Austin</td>
<td>Manager, Accounts Payable</td>
</tr>
<tr>
<td>Christopher Bronsdon</td>
<td>University Controller, Financial Operations</td>
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<tr>
<td>Valerie Carter</td>
<td>Director, Audit and Tax</td>
</tr>
<tr>
<td>Travis Clancy</td>
<td>Director of Finance, The Campanile Foundation (TCF)</td>
</tr>
<tr>
<td>Melinda Coil</td>
<td>Associate Executive Director and Chief Financial Officer (CFO),</td>
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<td></td>
<td>Finance and Operations, San Diego State University Research</td>
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<tr>
<td></td>
<td>Foundation (Research Foundation)</td>
</tr>
<tr>
<td>Beth Dombrose</td>
<td>Travel Coordinator, Accounts Payable</td>
</tr>
<tr>
<td>Michele Goetz</td>
<td>Associate Executive Director, Sponsored Research Services,</td>
</tr>
<tr>
<td></td>
<td>Research Foundation</td>
</tr>
<tr>
<td>Katherine Ivko</td>
<td>Payment Services Manager, Finance and Accounting, Research</td>
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<td></td>
<td>Foundation</td>
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<tr>
<td>Renee Lechner</td>
<td>Director, Sponsored Research Administration, Research Foundation</td>
</tr>
<tr>
<td>Tom McCarron</td>
<td>Vice President, Business and Financial Affairs/</td>
</tr>
<tr>
<td></td>
<td>Chief Financial Officer</td>
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<tr>
<td>Agnes Wong Nickerson</td>
<td>Associate Vice President, Financial Operations</td>
</tr>
<tr>
<td>Richard Rechif</td>
<td>Director of Finance and Accounting, Research Foundation</td>
</tr>
<tr>
<td>Kimberlee Reilly</td>
<td>Assistant Controller, Financial Operations</td>
</tr>
<tr>
<td>Sarah Slaughter</td>
<td>CFO, University Relations and Development/TCF</td>
</tr>
</tbody>
</table>
January 9, 2015

Mr. Larry Mandel  
Vice Chancellor and Chief Audit Officer  
Office of Audit and Advisory Services  
The California State University  
401 Golden Shore, 4th Floor  
Long Beach, CA 90802  

Dear Mr. Mandel:  

Attached is San Diego State University’s response to Audit Report 14-38, Executive Travel. Documentation of policy and control changes will follow under separate cover.

Should you have any questions or require additional information, please contact Valerie Carter, Audit and Tax Director, at 619-594-5901.

Sincerely,

Tom McCarron  
Vice President for Business and Financial Affairs & CFO  

Attachment  

C: Elliot Hirshman, President  
Chukuka S. Enwemeka, Provost and Senior Vice President  
Eric Rivera, Vice President for Student Affairs  
Stephen Welter, Vice President for Research & Dean of Graduate Affairs  
Mary Ruth Carleton, Vice President for University Relations & Development  
Bob Wolfson, Executive Director, SDSU Research Foundation  
Sarah Slaughter, CFO, The Campanile Foundation  
Agnes Wong Nickerson, Associate Vice President, Financial Operations  
Chris Bronsdon, University Controller, Financial Operations  
Valerie Carter, Director, Audit and Tax
EXECUTIVE TRAVEL
SAN DIEGO STATE UNIVERSITY
Audit Report 14-38

GENERAL ENVIRONMENT

TRAVEL EXPENSE CLAIM APPROVALS

Recommendation 1

We recommend that the campus enforce procedures and remind executives and their travel approvers and reviewers that TECs should be approved by an appropriate designee who does not report directly or indirectly to the traveler.

Campus Response

We concur. The campus will enforce procedures and remind executives and their approvers and reviewers of the appropriate policies and procedures governing travel. This will be completed by February 28, 2015.

TRAVEL AUTHORIZATIONS

Recommendation 2

We recommend that the campus clearly define, document, and communicate the appropriate official(s) responsible for approving travel for the vice president of BFA/CFO.

Campus Response

We concur. The president’s chief of staff currently approves travel for all vice presidents, which complies with CSU and SDSU policy. The change was implemented December 2014.

SPOUSAL TRAVEL

Recommendation 3

We recommend that the campus, in conjunction with TCF and Research Foundation, develop and implement written policies or procedures addressing the documentation and approvals required for payment or reimbursement of spousal travel.

Campus Response

We concur. SDSU Research Foundation and The Campanile Foundation will develop and implement written policies and procedures addressing the documentation and approvals required for payment or reimbursement of spousal travel. This will be completed by April 30, 2015.
TRAVEL AUTHORIZATIONS AND EXPENDITURES

TRAVEL AUTHORIZATIONS

Recommendation 4

We recommend that the campus, TCF, and Research Foundation:

a. Clarify the appropriate approvers for executive travel and communicate this information to executives, their approving officials, and accounting staff responsible for maintaining travel authorization forms.

b. Remind executives and their approving officials that TA forms are required to be properly completed, maintained, and appropriately approved prior to travel.

Campus Response

We concur. The campus will:

a. Clarify the appropriate approvers for executive travel and communicate this information to executives, their approving officials, and accounting staff. SDSU Research Foundation and The Campanile Foundation will update procedures and request executives to attach a completed authorization form with appropriate approvals to all travel claims submitted to either Foundation for reimbursement. This will be completed by April 30, 2015.

b. Remind executives and their approving officials that travel authorization forms are required to be properly completed, appropriately approved prior to travel, and attached to all travel claims, including those submitted to either SDSU Research Foundation or The Campanile Foundation for reimbursement. This will be completed by April 30, 2015.

TRAVEL EXPENDITURES

Recommendation 5

We recommend that the campus and Research Foundation reinforce the TEC requirements noted above with executives, their TEC preparers, and TEC reviewers.

Campus Response

We concur. The campus and Research Foundation will strengthen its procedures to reinforce the TEC requirements noted for executives, their TEC preparers, and TEC reviewers. This will be accomplished by April 30, 2015.

INTERNATIONAL TRAVEL

Recommendation 6

We recommend that the campus maintain adequate documentation to show that proper approvals are obtained prior to international travel.
Campus Response

We concur. The campus will strengthen its process to ensure that proper approvals, when required, are obtained prior to international travel and kept with the travel documents. This will be completed by April 30, 2015.
January 15, 2015

MEMORANDUM

TO: Mr. Larry Mandel  
Vice Chancellor and Chief Audit Officer

FROM: Timothy P. White  
Chancellor

SUBJECT: Draft Final Report 14-38 on Executive Travel,  
San Diego State University

In response to your memorandum of January 15, 2015, I accept the response as submitted with the draft final report on Executive Travel, San Diego State University.

TPW/amd