Student and Non-Employee
Travel Processes and Expenditures Review
Audit Report
September 30, 2011

Prepared by: Alamo Colleges’ Internal Audit Department
Issued: March 9, 2012
BACKGROUND AND SCOPE
Alamo Colleges spent over $9 million for travel during the last six fiscal years. Seventy-six percent of these costs related to domestic and international travel by employees while expenditures for student travel were twenty-one percent, or over $1.9 million. The College District’s average annual travel costs were $1.5 million including almost $325,000 for students.

This audit included student and non-employee travel transactions processed between September and December 2010. Testing involved twenty-five student out-of-town trips totaling $52,354, eight local student events amounting to $3,485, and six non-employee activities totaling $1,945. This project did not evaluate the vendor’s travel card system.

OBJECTIVES – were to determine:
- Compliance with applicable Texas laws, Board Policies, and District Procedures
- If costs for student travel or events and non-employee activities were
  Properly approved Submitted timely Correctly recorded
  Adequately supported Accurate and/or complete Contractually appropriate
  Procedurally compliant Paid timely Reasonable costs
- If the manual processes include appropriate controls that are effective and efficient
- If the Banner System Finance Module has appropriate and effective controls
- If best practices for higher education are being used

CONCLUSIONS OVERVIEW
All of the 33 student trips or events and 6 non-employee activities reviewed had exceptions, and many were significant deficiencies. The transactions related to the travel or events showed a variety of processing errors and control deficiencies.

Most of the noncompliance involved District Procedures C.2.10.1 Official Functions and C.2.9.1 Employee Travel Expense Reimbursement. There were two instances of noncompliance with Board Policy F.5.2 Student Contests and Competitions. One grant had noncompliance with Policy C.1.8 Intellectual Property, Procedures D.2.5.1 Hiring Authority, Status, Assignments and Duties and C.1.5.1 Purchasing Authority.

Five invoice payments showed noncompliance with the Texas Government Code §2251.021 Time for Payment (of Goods and Services) by a Governmental Entity 45-day payment requirement. Four transactions demonstrated noncompliance with Texas Administrative Code (TAC) Subchapter C – Security Standards for Institutions of Higher Education, Rule §202.75(3)(A) - Information Resources Security Safeguards requirement to assign a unique user identifying code to each individual.

Federal and Texas grants funded fourteen of the out-of-town trips and three of the non-employee travel activities reviewed. There were six instances of possible noncompliance with grant requirements.

RECOMMENDATIONS – GENERAL COMMENT
The twenty-six recommendations offered to Management address the compliance and internal control exceptions for the current student travel and non-employee activity processes.
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Noncompliance with Board Policies and District Procedures

Recommendations

Enforce compliance with Board Policies and District Procedures related to student travel or local events, and activities involving non-employees including -

1. Policy C.2.10 and Procedure C.2.10.1 - Official Functions
2. Procedure C.2.9.1 Employee Travel Expense Reimbursement, and related guidance
3. Acquisitions Purchasing/Travel Card Procedures and Finance and Fiscal Services Employee Travel Procedure that require submitting original receipts
4. Policy C.1.5 Purchasing and Acquisitions; and Procedure C.1.5.1 Authority

The thirty-three student travel or events and the five non-employee activities reviewed demonstrated numerous compliance exceptions as explained below. The Board Policies, District Procedures, and supplemental guidance noted in the recommendations above were sufficient. However, improved compliance by College and District personnel is attainable through clarification of these documents, simplification of the processes used, and additional training. Increased compliance will also occur if employees are accountable for not doing so.

Observations Student Out-of-town Travel – all 25 trips had exceptions

- 13 student trips - No travel authorization, expense statement, student per diem, or direct pay documents submitted as required.

- 12 student trips - No agendas provided to determine if the student travel was appropriate and if registration fees included any meals.

- 8 student trips - Inaccurate travel cost estimates and/or actuals; omitted some prepaid transportation and registration expenses.

- SAC President did not approve an out-of-state trip in September 2010 as required. Travel Authorization Form for Anaheim, California conference approved by Dean and Department Chair. Documentation submitted after the return date; used $3,375 in grant funds.

- 9 student trips - Inaccurate Travel Expense Statements
  - Including employee expenses
  - Misstated travel advance received
  - Incorrect prepaid amounts
  - Miscalculated actual student meal costs

- 2 student trips - Travel Expense Statements submitted and approved significantly later than the “ten days after return” requirement
  - 11/10/2010 Boston five months late
  - Aug 2010 SAC journalism students Gulf Coast States travel 26 business days late

- 6 student trips - Substantial travel advances requested; unused funds returned late for 2

- 2 student trips - Reimbursements 10% greater than original estimates without revising the Travel Authorization Forms as required.
  - SAC broadcasters conference in Louisville, KY
  - SAC dietician conference in Boston, MA
• 2 student trips - Receipts or Missing Receipt Affidavits not submitted for the -
  ➢ International Programs US AID Grant travel to Ft. Davis -
    $628 on the Travel Expense Statement unsupported
    $42.98 P-card Statement gas charge no receipt and not included in travel expenses
  ➢ PAC Washington DC trip Travel Expense Statement - $188 for Metro Passes
• 4 student trips no original receipts as procedurally required; submitted copies for -
  ➢ SAC Journalism Students Gulf Coast Travel
  ➢ SAC Texas Speech Competition trips (2)
  ➢ SPC Denver, CO conference travel
• 6 trips lacked approval signatures on Direct Pay Forms (paper):
  ➢ SAC Speech Competitions in fall 2010 -
    September travel to Ft. Worth and San Marcos
    October trip to Houston
    November Kingsville competition
  ➢ SPC Conference travel to Denver, CO in October 2010
  ➢ SPC Las Vegas, NV Conference in December 2010
• Incorrect student per diem given in Oct 2010; eligible for ten to forty dollars more per day
  ➢ NLC Texas Leadership Conference in Corpus Christi
  ➢ SPC Conference in Denver, CO
• SAC Upward Bound Program trip to Johnson Space Center in Houston used $2,960 in bus service without following travel and procurement procedures
  ➢ Bidding requirements for two buses not documented
  ➢ Vendor’s invoice dated 7/6 was paid 10/26/2010 – about 60 days late without interest
  ➢ Banner requisition entered and purchase order issued on 10/7/2010
  ➢ Accounts Payable received the invoice to pay on 10/25/2010
  ➢ Costs related to prior fiscal year transactions; not accrued or processed timely
• 2 student trips incorrect forms submitted –
  ➢ International Programs US AID Grant Ft. Davis trip used Employee Travel Authorization
  ➢ SAC Upward Bound Program travel to Spicewood, TX -
    Used an Event Refreshment Request Form; transportation not reported
    Annual contracts for bus transportation not used
• 15 student trips - Expenses not recorded in the Student Travel Account 73022 for:
  ➢ transportation, registration, and some purchasing card payments
  ➢ International Programs US AID Grant Ft. Davis trip purchasing card transactions:
    o Improperly posted $940 of McDonald Observatory admission fees and $8,860 of the Prude Ranch expenses in general ledger account 71656 Employee Immunizations
    o Inappropriately transferred these fees & lodging to account 71667 Student Prizes & Awards
    o Incorrectly recorded $4,450 of Prude Ranch invoice in account 71256 Central Stores Inventory
• Incorrectly recorded employee costs for student trips in Student Travel Account 73022 for –
  ➢ SAC Student Leadership Retreat at TBaRM Ranch in New Braunfels Aug 2010 $1,330
  ➢ SPC Chicago, IL RSNA Conference in November 2010 airfare of $436
• 3 student trip costs related to prior fiscal year; not accrued or processed timely -
  ➢ SAC July 2010 San Marcos travel by Upward Bound Program students
  ➢ SAC Aug 2010 student leadership retreat at TBarM Ranch in New Braunfels
  ➢ SAC Gulf Coast travel in Aug 2010 by journalism students

• 11 student trips - Required documentation not submitted timely
• 11 student trips - Incomplete Travel Authorization Forms or Travel Expense Statements, primarily missing printed (legible) names and dates
• Per Diem Acknowledgement Forms had questionable student signatures
  ➢ SAC Speech Competitions in San Marcos and Ft. Worth
  ➢ NVC Oct travel to Arlington for a conference

Observations Local Student Events – all 8 had exceptions
• Eight student events - 14 documents not submitted as required by the procedures
• Eight student events - Advisors or staff did not document the students, parents, and employees participating to insure accountability for funds, especially for grants.
• PAC costs related to prior fiscal year transactions; not accrued or processed timely
  ➢ Transportation in June 2010 for Institute of Texas Cultures Activity
  ➢ Transportation in July 2010 for Texas Air Museum Event
• PAC Upward Bound Program Communities in School (CIS) Ropes Course Activities
  ➢ Travel Expense Statement submitted late, almost a month after the event
  ➢ Incorrect amount reported for prepaid vehicle rental charge
  ➢ No agenda provided with documentation
  ➢ Meals/refreshments costs not included in the Travel Expense Statement
  ➢ An advisor requested a substantial travel advance
  ➢ Delayed return of unused funds; advance in Sep while return in Nov
  ➢ P-card receipt missing - $20.10 for ice etc. in Oct; also not recorded in student travel acct.
  ➢ P-card receipt - $9.62 in Sept for ice/water not recorded in student travel acct.
  ➢ Gas for rented vehicle seemed excessive if commuting from PAC to CIS location
• PAC Upward Bound Program - SA Symphony event on 1/14/2011
  ➢ $555.27 P-card meal receipt not recorded in student travel account
• PAC Center for Academic Transitions Our Lady of the Lake University Trip - Student Event Approval Form not submitted timely, at least ten days before the event in Oct.
• SAC Upward Bound Program
  ➢ UTSA Event – included transportation and on-site catering
    Missing purchasing card receipt for $154 Aramark meal
    Meal incorrectly charged to non-employee travel account and not student travel
  ➢ Café College Field Trip
    Inappropriately used Event Refreshment Request Form; transportation not reported
    P-card meal receipts for $193.84 not charged to student travel account
    Annual contract for bus transportation not used; no competitive bidding documents
Observations Non-employee Travel - 3 activities had exceptions
- Alamo Tech Prep Advisory Board (ATPAB) Dallas, TX Conference in October 2010 -
  - The District employee/approver inappropriately signed the Travel Authorization Form on behalf of an ATPAB Member who received the funds
  - The District employee/approver inappropriately signed the Travel Expense Statement on behalf of an ATPAB Member who received the funds
  - Agenda not provided, especially to show meals during conference
  - No receipt for $47 and Missing Receipt Affidavit not submitted
  - Original receipts not provided as required
  - Travel Expense Statement omitted traveler’s name and reported incorrect airfare
  - Travel Expense Statement and Direct Pay not submitted timely
- The District’s Council Adult and Experiential Learning Consultant
  - Improper receipt for $282 airline travel
  - Direct Pay not submitted timely, within three business days
  - Direct Pay Form (paper) lacked approval signature
  - Incorrectly recorded in the Non-Employee Travel Account
- SPC job applicant interview in August 2010 expenses of $587
  - Approver did not sign the Travel Expense Statement for an overnight trip
  - Agenda not provided
  - Direct Pay and the Travel Expense Statement not submitted timely
  - Recorded in incorrect fiscal year
  - Travel Expense Statement incomplete; missing the Banner document number
  - Candidate improperly reimbursed for a companion’s meal

Observations Other Transaction Misclassifications – 5 exceptions
- VIA student bus pass purchases totaling $3,465 incorrectly recorded in Banner general ledger account 73022 Student Travel. General ledger accounts 76005 Student Stipend or 71455 Grant Student Living Allowance are more appropriate.
  - International Programs US AID Grant had three purchases
    - Two of these Direct Pay Forms (paper) lacked approvals in Sept and Nov 2010
    - Lacked student signatures for bus-passes issued; only had a typed list
  - SAC Seguir Adelante Program had two transactions

The student and non-employee expenditure noncompliance exceptions noted from testing the fall 2010 transactions were numerous and not considered isolated occurrences. Overall, the processes are manually intensive, paperwork driven, prone to errors, and not efficient. These conditions create opportunities for possible abuse, misuse, or fraud. Each year, these risks potentially include several hundred expenditure transactions totaling more than $300,000. Alamo Colleges’ employees should be accountable for their lack of action to comply with Board Policies and District Procedures.
Noncompliance with Board Policies and District Procedures for Student Competitions

**Recommendations**

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<td>5. Develop a Procedure/Chancellor’s Directive to further clarify allowable activities</td>
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<td>6. Evaluate risks and participation in sports leagues such as the South Texas Club</td>
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**Observations – 2 exceptions**

Two activities and the related expenditures did not comply with Board Policy F.5.2 Student Contests and Competitions (effective 5/19/2009); it did not support intercollegiate sports.

**Student Travel** – San Antonio College (SAC) students traveled to Corpus Christi in November 2010 to compete in the United States Tennis Association Texas Tournament.

- An intercollegiate event disallowed by Board Policy F.5.2
- SAC’s Operating Fund improperly paid expenses of $1,264 for eight students.
- Director of Student Life and the Vice President of Student Affairs approved Student Travel Authorization Form, and submitted eight business days before the trip and not ten.
- The $2,688 travel advance appeared excessive; $1,423 returned later.
- No agenda provided by the Director of Student Life as procedurally required.
- Vehicle rental costs of $225.90 not recorded in 73022 Student Travel; used Requisition/Purchase Order Process and charged account 71672 Rental of Equipment.
- Student Per Diem Acknowledgement Forms indicated that amounts not disbursed appropriately; Advisor provided $69 for each student even though eligible to receive $92.
- Did not use an annual contract vendor for bus transportation
- Did not submit Direct Pay Form with the Travel Expense Statement; the Banner invoice was approved by the Director of Student Life.

**South Texas Club Sports League (STCSL) –**

- Palo Alto College (PAC) Staff inappropriately established a sports organization for students including teams from other cities.
- PAC improperly used the District’s Federal Tax Number for expenses; and the District performed recordkeeping and financial transactions through fall 2011.
- PAC staff created South Texas Club Sports League invoices for club dues.
- Northwest Vista College (NVC) used $2,130 in student activity fees for team club dues
- NVC incorrectly charged these two payments to the student travel account 73022
- NVC’s President did not approve the Direct Pay Forms (paper) as required for the South Texas Club Sports League membership fees.

The Chancellor must insure that the Colleges comply with this Board Policy due to the potential student and personnel safety risks. Campus Administrators and other employees must be accountable when they do not comply with this Policy.

In April 2011, The Board again clarified its position not to engage in intercollegiate team sport competitions by updating Policy F.5.2 Student Contests and Competitions. Trustees endorsed participation in intramural and club sports if events are within a 175 mile radius of San Antonio, and student activity fees and/or privately raised money are used.
Noncompliance with Federal and State Grants – 5 exceptions

**Recommendations**

7. Insure Campus Grant Program Director compliance with grant contracts or agreements
8. Require timely review and monitoring of grant expenditures

**Observations**

**Student Travel or Events**
The **Title III Historically Black Colleges and Universities Grant** (Activity 9 Project Administration) budget did not include student travel as a line item. However, students attended conferences on:

- October 22, 2010 four SPC students traveled to Arlington, TX; cost about $1,300
- November 10, 2010 four SPC students went to Boston, MA; approximate cost $4,400

The **United States Department of Agriculture (USDA) Grant** for the **La Cena Project** allocated funds for an NLC student travel to attend a statewide conference. However, the student traveled to Boston, MA for a conference in November 2010 at a cost of $1,971.

**Non-employee Activities**
The **Texas Higher Education Coordinating Board** awarded a **Carl D. Perkins Career and Technical Education Improvement Act Grant** to the Alamo Region Tech Prep Consortium.

- An Advisory Board Member improperly received two payments totaling $353 in fall 2010 for commuting mileage charged to account 73021 Non-employee Travel Expenses.
- The Nov 2010 Direct Pay Form (paper) lacked approval signature
- The District approver inappropriately signed Mileage Reimbursement Request Form on behalf of an Alamo Tech Prep Board Member who received the funds in Nov 2010.
- This grant did not have a budget line item for non-employee mileage reimbursements.
- The two Direct Pays for local mileage were not timely, and included more than 30 days.

Alamo College Grant Program Directors should spend funds according to the approved budget line items in the appropriate fiscal year. Generally, operating funds must reimburse any disallowed costs; or staff must identify expenses to substitute with the grantors’ approval. These exceptions could possibly jeopardize Alamo Colleges' future grant applications or awards from these agencies or other federal programs.
Noncompliance with Board Policy, District Procedures, and Federal Grant - 2 exceptions

Recommendations

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<td>9. Board Policy C.1.8 Intellectual Property, and the related District Procedure, for copyrighting materials including websites</td>
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Observation Faculty Stipend for Contractual Consultant Services

The United States Department of Agriculture (USDA) Grant La Cena Project Program Director improperly paid a full-time faculty member $7,000 using special pay stipends (plus payroll taxes) for “Webpage Consultant” services. This included two stipends totaling $5,000 for 114 hours, and a final payment of $2,000 in November 2011. The USDA Grant allocated $7,000 for a contractual consultant to develop and maintain a website for a three-year period, which would require competitive bids.

Procedure D.2.5.1 Hiring Authority, Status, Assignments and Duties -

Permits regular faculty to have supplemental service agreements for duties outside of their normal contract and working hours, and

Allows compensation for supplemental assignments for an educational or artistic purpose that benefits the College District, if less than $600.

Procedure C.1.5.1 Purchasing Authority states that College District employees shall not provide services outside their normal scope of employment or supplemental services or act as a vendor.

The USDA may not concur with these webpage expenditures without competitive bid comparisons. The greater risks for the College District and Northeast Lakeview College relate to the adequacy of compensation and procurement controls, and oversight by those involved with this program.

Observation Improper Copyright of Webpage

The La Cena Project had an improper copyright of its grant-funded website; the faculty developer posted his name as the owner for almost two years. Policy C.1.8 Intellectual Property states that the College District should own this copyright unless the grantor reserved such rights. NLC Administration promptly remediated this copyright issue when reported to them in March 2011.

The grantor may also have taken exception with the webpage copyright by the consultant.
Noncompliance with Texas Government Code Time for Payment – 5 exceptions

**Recommendations**

12. Enforce the Texas Government Code §2251.021, Time for Payment (of Goods and Services) by Governmental Entity 45-day payment requirements

**Observations**

The Colleges paid five invoices for student travel or events late and without interest; these expenditures also posted in the wrong fiscal year due to the delayed payments:

- SAC Upward Bound Grant - bus service for Houston trip in July 2010 $2,960 invoice paid over 60 days late
- San Marcos in July 2010 trip $939 invoice paid over 20 days late
- SAC TRIO Program Grant – extra lodging for New Braunfels trip in Aug 2010 $1,200 invoice paid over 15 days late
- PAC Alamo Colleges Foundation Grants - bus service to Institute of Texan Cultures on 6/22/2010 $481 invoice paid over 120 days late
- Texas Air Museum on 7/20/2010 to $399 invoice paid over 100 days late

The Government Code requires that vendors automatically receive interest on invoices paid late by the District, or that they receive an explanation for interest withheld. Interest costs for late payments are quantifiable financial risks for Alamo Colleges. Delayed vendor payments can also result in undesired reputational risks for the District.

Noncompliance with Texas Administrative Code Security Safeguards – 4 exceptions

**Recommendation**


**Observations**

Inappropriate approval of four Banner transactions by “Super Approver” User IDs:

- Northeast Lakeview College - trip to Boston, MA on November 5, 2010
- St. Philip’s College - Conference in Boston, MA student travel in November 2010
- Respiratory Congress student trip to Las Vegas, NV in December 2010
- Job applicant’s travel expenses in August 2010

The identity of the individual employee cannot be determined for accountability when this generic operator code approves financial transactions. The Banner System can handle a unique user identification code for each employee or student. Banner Workflow functionality is available to route transactions for approvals as needed. This access control is a fundamental opportunity to detect or prevent errors, abuse, and fraud that can result in financial and business risks.
TAC requires the institution to justify and document exceptions to any of the security controls, and to coordinate these with the designated information security officer (ISO). The ISO must obtain the Chancellor’s approval before allowing security exceptions. There may not be specific financial penalties for not complying with this Texas Administrative Code (TAC) Section. Oversight controls and/or monitoring reports for “Super Approver” ID transactions are costly manual work alternatives to following the TAC requirement.

Banner Finance Module Control Weaknesses

Recommendations

| 14. Insure that the Banner invoice vendors are also the check payees by restricting access to check vendor (payee) field option |

Observations No Match of Invoice Vendor and Check Vendor (Payee)

A few Banner invoice transactions in 2010 (Jan – Apr) inappropriately showed a different invoice vendor than the corresponding check payee. This is significant because the vendor names were similar but the federal taxpayer identifier numbers and addresses were different. Other evidence showed that this happened in prior fiscal years.

- Employee/student travel – SAC Bursar entered a $300 Direct Pay (DP) invoice for employee travel advance; however, check payee was Alamo Colleges (with the ATC address)
- Employee mileage reimbursement – Human Resources Clerk entered a $42 DP invoice with another department’s employee name and then chose an HR employee as payee
- Emergency repairs – Facilities Clerk entered a $678 DP invoice with a vendor’s Banner Identifier (ID) but input a different ID number with a similar vendor name as the check payee
- Exhibitor’s booth fee – SPC Student Recruitment Clerk entered a $100 DP invoice for SA Sports Foundation then input the SA Soccer Association as the check payee
- Training registration – Police Dept. Clerk input a $79 DP invoice for a Fred Pryor Seminar then entered Career Track as the check payee
- Motivational posters – Accounts Payable Clerk input a $719 Purchase Order (PO) invoice with Successories as the PO vendor however the check payee was ISO Group Inc.

This routine Banner functionality can be an opportunity for mistakes or fraud if not adequately controlled and monitored. These transactions demonstrated human error that required substantial costs and time to investigate vendor inquiries about unpaid invoices. Such delayed payments can diminish Alamo Colleges’ reputation with vendors.
Banner Finance Module Control Weaknesses

**Recommendation**

15. Enforce the Banner System Requisition-Purchase Order/Receiving/Vendor Invoice "Three-Way Match" procurement control or implement appropriate mitigating controls

**Observations No “Three-Way Matching” Student Related Transactions - 20 exceptions**

Inadequate use of Banner System “Three-Way Matching” control for student travel or events:

- 11 receiving reports not entered in Banner for transportation services and lodging for 4 student trips; and 7 local events
- 9 invoice descriptions did not match the purchase order line items for 3 student trips; and 6 local events
- District Accounts Payable staff entered Banner records for 9 student trips and local events involving Requisition/Purchase Order (PO) procurement invoices without needing approvals.

Banner standard functionality gives them an option to enter the PO vendor for these invoices and a different vendor for the check payee.

This Banner control is critical to detect or prevent fraud. Not having this automated functionality or not appropriately deploying it requires costly and manual mitigating controls. This Banner control affects all purchase order procurement transactions not just student travel or events.

Banner Finance Module Control Weaknesses

**Recommendation**

16. Implement automated or more cost effective manual controls for Banner Direct Pay Invoices where the approving employee is also the vendor and payee

**Observations Improper Direct Pay Invoice Approval When Payee is Banner Approver**

Banner did not prevent two student travel and event transactions where the advisors also approved the automated record showing them as the vendors/payees.

On 11/17/2010, a SAC Advisor approved a Banner invoice for $2,627 in conference travel expenses and a return of funds. His Department Dean signed the Direct Pay Form on 11/18/2010; Accounts Payable Supervision approved this invoice on 11/19/2010. Banner did not show the Dean’s approval as part of electronic record.

On 11/15/2010, a PAC Advisor approved a Banner invoice for $22.50 to report her October CIS Ropes Course Event gas expense. Accounts Payable Assistant Supervisor also approved this transaction on 11/10/2010 after reviewing the Travel Expense Statement. On 11/05/2010, PAC’s Vice President of Student Services manually signed/approved the Travel Expense Statement for this local event that included the $22. However, Banner did not show his (the VPSS) approval as part of electronic record.

The Dean or Vice President manual approvals and the Accounts Payable manual review have been acceptable practices for Management. These are costly inefficient and alternatives for an automated control that compares Banner approver IDs with the vendor’s ID. They can be ineffective or unreliable in detecting or preventing fraud.
Banner Finance Module Control Weaknesses

Recommendation
17. Insure Direct Pays for travel advances are appropriately and timely completed (the Banner Invoice Credit Memos when there is no reimbursement occurs)

Observations Delayed Direct Pay Invoice Transaction Completion – 2 exceptions
Banner invoice transactions for travel advances remained “open” for two trips due to a system configuration issue when no reimbursements occur.
- SAC students traveled to Corpus Christi TX for a Leadership Conference in October 2010
  - An advisor received a $776 travel advance on 9/22/2010
  - Advisor returned $243 of the advanced student funds on 11/30/2010
  - Banner Invoice Credit Memo for the $243 did not occur until 5/4/2011
- SAC students traveled to Louisville KY for a Broadcasters Convention in October 2010
  - An advisor received a $2,140 travel advance on 10/21/2010
  - Advisor returned $107.53 of the advanced student funds on 12/10/2010
  - Banner Invoice Credit Memo for this $107 advance return did not occur until 2/22/2011

This Banner problem must account for reconciling items in multiple balance sheet general ledger accounts. Resolution of the “open” item can be complicated if the employee terminates from the College District before another payment event.

Banner Finance Module Control Weaknesses

Recommendation
18. Implement adequate controls for special handling of procurements without proper approvals and/or Purchase Orders

Observation Lack of Appropriate Requisition/Purchase Order Processing Controls
Banner did not prevent -
- SAC Upward Bound Program staff from improperly entering in fiscal year 2011 a Banner Requisition for July 2010 transportation services for travel to the Johnson Space Center
- Acquisitions Department personnel from inappropriately issuing and approving a related electronic Purchase Order

This Banner control is fundamental to detecting and preventing employee noncompliance with Procurement Policy and/or Procedures.
Ineffective Risk Management Control for Student Travel and Events – 30 exceptions

Recommendation
19. Require that the liability waiver forms developed by the Office of Legal Services be used for students, children, or parents participating in local events or travel as part of the District’s risk management processes and controls.

Observation
Available documentation did not include the Student Liability Waiver Forms for twenty-two trips, and eight local events. Some of these activities included participants under age eighteen.

Although Policy F.5.2 Student Contests and Competitions (effective 5/19/2009) required College Administrators supervising intramural or club sports to obtain liability waiver forms prior to their participation.

Improper Banner Vendor Selected and Paid – 2 exceptions

Recommendation
20. Insure that the correct vendors are paid for goods and/or services

Observation
Improper Banner invoice and check vendor used by PAC; the registration forms showed American Student Government Association (ASGA) as the vendor. The Banner Vendor Master File did not list ASGA. Oxendine Publishing received a check for $2,994 instead of ASGA; while related, these vendors have unique taxpayer identifying numbers.

Improperly used Alamo Colleges as the invoice and check vendor instead of the South Texas Club Sports League (STCSL). The Banner Vendor Master File did not list STCSL. In addition, the paper invoice submitted to NVC for the membership/dues was inappropriate.

Inefficient Additional Approval of Certain Direct Pay Transactions – 3 exceptions

Recommendation
21. Implement Banner automated controls for Direct Pay transactions that require additional Management or Supervisory approvals such as memberships

Observations
The Direct Pay Form (paper document) includes two “if” requirements that are inefficient due to the additional manual handling and review involved.

- Reimbursements to the budget manager approving the Direct Pay transaction must also be signed and dated by that employee’s supervisor
- Presidents or Vice Chancellors must sign and date Direct Pay transactions for memberships

During this audit, three transactions illustrated the increased costs to process these payments and/or the potential unreliability of this control.

- NVC’s team membership fees paid to the South Texas Club Sports League
- SAC student trip and a PAC local event where the budget managers approved their reimbursements in the Banner Finance Module; their supervisors did manually approve
Redundant Direct Pay Transaction Approvals – 2 exceptions

**Recommendation**
22. Eliminate redundant approvals for Direct Pay transactions

**Observations**
The Direct Pay process has required a manual approval signature on the paper form and an electronic signature within the Banner System. However, Direct Pay Forms (paper) and the Banner electronic invoices for student trips not approved by the same individuals.
- SAC Louisville, KY broadcasters conference; Dean approved Banner record while 3 others signed paper document
- NLC Boston, MA dietician conference; Academic VP approved Banner record; Business Services VP signed paper form

Improper Use of Petty Cash for Student Events and Non-employee Activities

**Recommendation**
23. Discontinue Petty Cash for any travel advances or reimbursements

**Observations**
PAC Upward Bound Program CIS Ropes Course Local Student Event:
- Employee improperly received a $37 petty cash reimbursement for gas on 9/28/2010
- Employee and advisor stated that there was no travel advance for this expense; however, Advisor received a $164 advance for gas and food earlier in the month

NVC Moon Consultant Non-employee Activity:
- Incorrectly used petty cash to reimburse the Consultant for two $62.50 taxi fares
- Illegible College Approvers’ signatures on the two Petty Cash Voucher Forms
- NVC staff inappropriately received cash from the Bursar’s Office and not the vendor
- Improperly reimbursed second cab fare before the return trip occurred
- Did not document purpose of the Consultant’s trip as required
- Incorrectly recorded in the Non-Employee Travel Account

South Texas Club Sports League student trips in spring 2011:
- PAC personnel inappropriately used an Agency Account Non-Travel Petty Cash Request Form for two out-of-town trips with an advance totaling $500 and with a reimbursement of $750. These expenditures were for in March to College Station and April to Houston; see comments below about Fund 313015 PAC Student Trips.
Inappropriate Accounting Classification Practice – 2 exceptions

**Recommendation**
24. Discontinue using the five “negative expense” general ledger accounts (71951 through 71955) to net agency or club revenues and expenditures

**Observations**

South Texas Club Sports League (STCSL) Exceptions:
PAC Staff deposited the checks for membership fees in Fund 313015 PAC Student Trips. This fund had one general ledger account, 71955 Negative Expense – Agency Revenue. Deposits for STCSL dues from Palo Alto College, Northeast Lakeview College or local participating universities comingle with numerous other receipts and expenditures, not an appropriate accounting practice. Due to the numerous transactions posted, some of the STCSL membership fee payments were not traced to PAC Bursar deposits into this fund. Consequently, there is some risk since Alamo Colleges was the payee not the STCSL.

Lack of College and District Management Reporting

**Recommendation**
25. Issue appropriate monthly reports to College and District Administrators for monitoring and to review exceptions, such as:
   - Unused travel advance funds returned late
   - Travel reimbursements substantially greater than the estimates
   - Excessive reimbursements that impact trip authorization approvals
   - Travel Expense Statements submitted late
   - Fiscal year end transactions for proper recording
   - Prepaid expenses not used
   - Procurement exceptions

**Observations**

There has been no recent reporting of travel to the Chancellor, Vice Chancellors, or College Presidents. Between 1989 and 2008, the Accounts Payable Supervisor issued a monthly report of administrator travel expenses to the Vice Chancellor for Finance and Administration. Having this data is required to appropriately monitor and manage these costs.
Table 1 shows a comparison of budget and actual expenditures for students and non-employees for six fiscal years. The variances between actual expenditures and the budget amounts are significant for each year. Large variances plus or minus can indicate the absence of monitoring, which is one of the basic detective controls.

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Student Budget</th>
<th>Student Actual</th>
<th>Student Variance</th>
<th>Non-Employee Budget</th>
<th>Non-Employee Actual</th>
<th>Non-Employee Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>$190,504</td>
<td>$156,192</td>
<td>$34,312</td>
<td>$33,887</td>
<td>$30,605</td>
<td>$3,282</td>
</tr>
<tr>
<td>2007</td>
<td>$421,579</td>
<td>$325,400</td>
<td>$96,179</td>
<td>$36,658</td>
<td>$54,842</td>
<td>($16,184)</td>
</tr>
<tr>
<td>2008</td>
<td>$444,742</td>
<td>$410,054</td>
<td>$34,688</td>
<td>$61,992</td>
<td>$121,670</td>
<td>($59,678)</td>
</tr>
<tr>
<td>2009</td>
<td>$377,548</td>
<td>$345,909</td>
<td>$31,639</td>
<td>$25,446</td>
<td>$43,772</td>
<td>($18,326)</td>
</tr>
<tr>
<td>2010</td>
<td>$480,656</td>
<td>$400,320</td>
<td>$80,336</td>
<td>$48,451</td>
<td>$12,762</td>
<td>$35,689</td>
</tr>
<tr>
<td>2011</td>
<td>$387,241</td>
<td>$311,698</td>
<td>$75,543</td>
<td>$43,170</td>
<td>$8,767</td>
<td>$34,403</td>
</tr>
<tr>
<td>Total</td>
<td>$2,302,270</td>
<td>$1,949,573</td>
<td>$352,697</td>
<td>$251,604</td>
<td>$272,418</td>
<td>($20,814)</td>
</tr>
</tbody>
</table>

Sources: Executive Summary (FGIBDSR) Banner screen prints as of 01/18/2011 for general ledger accounts 73022 Student Travel and 73021 Non-Employee Travel

A critical risk is the potential damage to Alamo Colleges’ reputation if abuse or fraud involving travel occurs. It is important to have exception and monitoring reports to detect problems, abuse or fraud. Alamo Colleges Staff and Management must review these reports and take appropriate action in a timely manner.

Lack of Board Reporting on Alamo Colleges Travel, Including Students

Recommendation
26. Provide Trustees semiannual reports that summarize trips, destinations, and costs

Observation
There was no documentation available of Board reporting during the last six years. While these amounts are insignificant compared with total annual operating expenses, there are unique business and financial risks associated with travel. Providing the Board of Trustees a summary report of employee and student travel is an appropriate oversight control.

A critical risk is the potential damage to Alamo Colleges’ reputation if abuse or fraud involving travel occurs. The Board of Trustees can demonstrate their governance oversight by reviewing periodic summarized travel reports.
AUDITING STANDARDS
The Internal Audit Department conducted this audit in accordance with generally accepted governmental auditing standards, except for Standard 3.50 External Peer Review. Those 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 the audit objectives. We believe that the evidence obtained provides a reasonable basis for the findings and conclusions.

ACKNOWLEDGEMENTS
Alamo Colleges' Management and Staff were cooperative during the audit. The Associate Vice Chancellor for Finance and Fiscal Services, the Accounts Payable Manager and Assistant Manager were instrumental in completing this project. The District Director for Purchasing and his staff were also very helpful. Northeast Lakeview, Palo Alto, St. Philip’s and San Antonio College staff provided helpful assistance as well. The Office of International Programs staff also provided requested support.

SCOPE AND METHODOLOGY
Student and non-employee travel transactions processed between September and December 2010 were the scope of this audit. Processes and controls during this period were evaluated. Compliance with policies and procedures was tested for twenty-five student out-of-town trips totaling $52,354, eight local student events totaling $3,485, and six non-employee activities totaling $1,945. Eleven misclassified transactions totaling $5,594 were also reviewed.

AUDIT REPORT DISTRIBUTION
Board of Trustees (9)  Chancellor
Vice Chancellors or Interim (5)  Presidents (5)
Associate Vice Chancellor for  Vice Presidents of College Services (5)
    Finance & Fiscal Services  Vice Presidents of Student Affairs (5)
General Counsel  Ethics & Compliance Officer
SUPPLEMENTAL INFORMATION

Alamo Colleges spent over $9 million for travel during the last six years, as shown in Table 2. Approximately seventy-six percent related to employee domestic and international travel while twenty-one percent was for students. The average annual expenses totaled $1.5 million while the average costs for student travel amounted to $325,000.

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Employee **</th>
<th>Employee International **</th>
<th>Student</th>
<th>Non Employee</th>
<th>FY Totals</th>
<th>% Change by Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>$886,685</td>
<td>$156,192</td>
<td>$30,605</td>
<td>$1,073,482</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2007</td>
<td>$1,071,034</td>
<td>$325,400</td>
<td>$54,842</td>
<td>$1,451,276</td>
<td></td>
<td>35%</td>
</tr>
<tr>
<td>2008</td>
<td>$1,358,561</td>
<td>$410,054</td>
<td>$121,670</td>
<td>$1,890,285</td>
<td></td>
<td>30%</td>
</tr>
<tr>
<td>2009</td>
<td>$1,050,236</td>
<td>$345,909</td>
<td>$43,772</td>
<td>$1,439,917</td>
<td></td>
<td>-24%</td>
</tr>
<tr>
<td>2010</td>
<td>$1,132,573</td>
<td>$91,778</td>
<td>$400,320</td>
<td>$1,637,433</td>
<td></td>
<td>14%</td>
</tr>
<tr>
<td>2011</td>
<td>$1,126,732</td>
<td>$146,437</td>
<td>$311,698</td>
<td>$1,593,634</td>
<td></td>
<td>-3%</td>
</tr>
<tr>
<td>Totals</td>
<td>$6,625,821</td>
<td>$238,215</td>
<td>$1,949,573</td>
<td>$272,418</td>
<td>$9,086,027</td>
<td></td>
</tr>
<tr>
<td>Percent</td>
<td>73%</td>
<td>3%</td>
<td>21%</td>
<td>3%</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Average</td>
<td>$1,104,303</td>
<td>$119,107</td>
<td>$324,928</td>
<td>$45,403</td>
<td>$1,514,337</td>
<td></td>
</tr>
<tr>
<td>Partial 2011 *</td>
<td>$300,570</td>
<td>$16,802</td>
<td>$61,433</td>
<td>$1,945</td>
<td>$380,750</td>
<td></td>
</tr>
<tr>
<td>Percent</td>
<td>79%</td>
<td>4%</td>
<td>16%</td>
<td>1%</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Transactions Processed</td>
<td>2,127</td>
<td>85</td>
<td>117</td>
<td>8</td>
<td>2,337</td>
<td></td>
</tr>
</tbody>
</table>

Notes:
* Fiscal year 2011 expenditures as of 01/10/2011 include transactions from September thru December.
** For fiscal years 2006 through 2009, the Chart of Accounts in the Banner System did not separate international from domestic travel; the Chart of Accounts revised in fiscal year 2010 segregates them.
Source: Executive Summary (FGIBDSR) Banner screen prints as of 01/18/2011; fiscal year 2011 as of 09/29/2011.

Conditions – Student Out-of-town Travel

Alamo Colleges Procedures C.2.10.1 Official Functions, C.2.9.1 Employee Travel Expense Reimbursement and referenced documents provide guidance for processing overnight and non-overnight student trip expenses. Overnight student travel requires advisors to submit a Student Travel Authorization Form while non-overnight travel requires a Student Event Approval Form. The advisor is eligible to receive a travel advance of 100 percent of the total estimated reimbursable expenses; they must indicate on the form if requesting an advance. Documentation of estimated expenses and an agenda is required for the approvers to review. A dean, director, or associate vice chancellor must approve in-state travel; however, a president, vice chancellor or the Chancellor must approve out-of-state travel.

Employees can pay for trip expenses using the Requisition/Purchase Order, Purchasing Card, Petty Cash, and Direct Pay Processes. Within ten days of completing the trip, advisors must complete a Travel Expense Statement to report the actual costs incurred, including those that were prepaid. Meals for students can be actual costs or applicable per diem. The advisor must complete a Student Per Diem Acknowledgement Form to indicate the participants and meal allowances provided to each. The form documents the student’s signature, amount, and date received.
SUPPLEMENTAL INFORMATION CONTINUED

Student travel for the period of September through December 2010 included twenty-five out-of-town trips as summarized in Table 3. Banner general ledger account 73022 reflected $52,354 in student travel expenses, which was incorrect. Some transactions for transportation and purchasing card charges appeared in other general ledger accounts. This is especially true of the November 2010 Ft. Davis Desert Ecology Seminar for the USAID Grant (Table 3, #14).

Only airfare costs were recorded as student travel for the Guatemala round-trip (Table 3, #7) and the Santo Domingo one-way trip (Table 3, #13). No Travel Authorization or Expense Statement could be located to support these trips or the purposes. The remaining twenty-three trips had compliance exceptions; most had more than five each.

<table>
<thead>
<tr>
<th>Departure Date</th>
<th>Destination</th>
<th>Purpose</th>
<th>Campus (B)</th>
<th>Fund (A)</th>
<th>Student Travel Account</th>
<th>Exceptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>108/14/10</td>
<td>Gulf Coast States</td>
<td>Oil Spill Damage Coverage</td>
<td>SAC</td>
<td>GT</td>
<td>$3,822</td>
<td>9</td>
</tr>
<tr>
<td>208/17/10</td>
<td>New Braunfels</td>
<td>Leadership Retreat at TBarM</td>
<td>SAC</td>
<td>GT</td>
<td>$1,200</td>
<td>10</td>
</tr>
<tr>
<td>39/29/10</td>
<td>Washington, DC</td>
<td>Nat’l Student Gov’t Summit</td>
<td>PAC</td>
<td>SAF</td>
<td>$10,759</td>
<td>7</td>
</tr>
<tr>
<td>409/29/10</td>
<td>Corpus Christi</td>
<td>Texas Leadership Conference</td>
<td>NLC</td>
<td>OP</td>
<td>$698</td>
<td>7</td>
</tr>
<tr>
<td>509/29/10</td>
<td>Corpus Christi</td>
<td>Airfare from San Antonio</td>
<td>DIS</td>
<td>GT</td>
<td>$782</td>
<td></td>
</tr>
<tr>
<td>610/01/10</td>
<td>SFMS Conference</td>
<td>SPC</td>
<td>SAF</td>
<td></td>
<td>$5,115</td>
<td>8</td>
</tr>
<tr>
<td>710/10/10</td>
<td>Houston</td>
<td>Speech Competition</td>
<td>SAC</td>
<td>OP</td>
<td>$891</td>
<td>8</td>
</tr>
<tr>
<td>810/10/10</td>
<td>Ft. Davis</td>
<td>Desert Ecology Seminar</td>
<td>DIS</td>
<td>GT</td>
<td>$43</td>
<td>11</td>
</tr>
<tr>
<td>911/5/10</td>
<td>Boston, MA</td>
<td>ADAFN Conference</td>
<td>NLC</td>
<td>GT</td>
<td>$1,971</td>
<td>10</td>
</tr>
<tr>
<td>1011/5/10</td>
<td>Houston</td>
<td>Speech Competition</td>
<td>SAC</td>
<td>OP</td>
<td>$464</td>
<td>7</td>
</tr>
<tr>
<td>1111/12/10</td>
<td>Corpus Christi</td>
<td>Texas Tennis Tournament</td>
<td>SAC</td>
<td>OP</td>
<td>$1,264</td>
<td>9</td>
</tr>
<tr>
<td>1211/19/10</td>
<td>Kingsville</td>
<td>Speech Competition</td>
<td>SAC</td>
<td>OP</td>
<td>$450</td>
<td>7</td>
</tr>
<tr>
<td>1311/29/10</td>
<td>Chicago, IL</td>
<td>RSNA Conference</td>
<td>SPC</td>
<td>SAF</td>
<td>$3,056</td>
<td>6</td>
</tr>
<tr>
<td>2012/05/10</td>
<td>Las Vegas, NV</td>
<td>AARC Intl Respiratory Congr</td>
<td>SPC</td>
<td>SAF</td>
<td>$640</td>
<td>7</td>
</tr>
<tr>
<td>2111/10/10</td>
<td>Boston, MA</td>
<td>AMATYA Conference</td>
<td>SPC</td>
<td>GT</td>
<td>$1,255</td>
<td>8</td>
</tr>
<tr>
<td>Subtotal Overnight Trips</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$45,680</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Departure Date</th>
<th>Destination</th>
<th>Purpose</th>
<th>Campus (B)</th>
<th>Fund (A)</th>
<th>Student Travel Account</th>
<th>Exceptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2207/02/10</td>
<td>Houston</td>
<td>NASA Johnson Space Center</td>
<td>SAC</td>
<td>GT</td>
<td>$2,960</td>
<td>12</td>
</tr>
<tr>
<td>2307/16/10</td>
<td>San Marcos</td>
<td>Texas State University</td>
<td>SAC</td>
<td>GT</td>
<td>$939</td>
<td>10</td>
</tr>
<tr>
<td>2410/11/10</td>
<td>San Marcos</td>
<td>Texas State University</td>
<td>NLC</td>
<td>GT</td>
<td>$775</td>
<td>5</td>
</tr>
<tr>
<td>2512/04/10</td>
<td>Spicewood</td>
<td>Cypress Valley Canopy Tour</td>
<td>SAC</td>
<td>GT</td>
<td>$2,700</td>
<td>9</td>
</tr>
<tr>
<td>Subtotal Non-Overnight Trips</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$6,674</td>
<td></td>
</tr>
</tbody>
</table>

TOTAL STUDENT TRAVEL COSTS IN GL ACCOUNT 73022 $52,354

Sources: Fiscal year 2011 transactions from Banner account 73022 Student Travel as of 01/10/11 and supporting documentation
Notes: (A) Funding – GT = Grant; OP = Operating Funds; SAF = Student Activity Fee
(B) Campus – SAC = San Antonio College; SPC = St. Philip’s College; PAC = Palo Alto College; NVC = Northwest Vista College; NLC = Northeast Lakeview College; DIS = District
SUPPLEMENTAL INFORMATION CONTINUED

Conditions – Local Student Events

Alamo Colleges Procedure C.2.10.1 Official Functions defines non-overnight student travel to include on-campus, off-campus, and day trip events. Procedure C.2.9.1 Employee Travel Expense Reimbursement and referenced documents provide guidance for processing non-overnight student event expenses. Non-overnight travel requires advisors to submit a Student Event Approval Form with documentation of estimated expenses and an agenda for the approvers to review. A dean, director, College President, or associate vice chancellor must approve the event.

Within ten days of the event, advisors must complete a Travel Expense Statement to report the actual costs incurred, including those that were prepaid. Meals for students can be actual costs or applicable per diem. The advisor must complete a Student Per Diem Acknowledgement Form to document the students participating and the disbursement of funds to each.

Student travel for the period of September through December 2010 included eight local events that were not on College District property; and all events had multiple exceptions. The expenses were primarily for transportation, admission tickets, and refreshments.

<table>
<thead>
<tr>
<th>Event Date</th>
<th>Destination</th>
<th>Purpose</th>
<th>Campus (B)</th>
<th>Student Travel Account</th>
<th>Exceptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>06/22/10</td>
<td>Institute of Texan Cultures</td>
<td>Field trip</td>
<td>PAC</td>
<td>$481</td>
<td>8</td>
</tr>
<tr>
<td>07/20/10</td>
<td>Texas Air Museum</td>
<td>Field trip</td>
<td>PAC</td>
<td>$399</td>
<td>8</td>
</tr>
<tr>
<td>9/22; 9/23/10</td>
<td>Communities in School ROPES Course</td>
<td>Teambuilding</td>
<td>PAC</td>
<td>$116</td>
<td>10</td>
</tr>
<tr>
<td>10/07/10</td>
<td>Our Lady of the Lake</td>
<td>Tour</td>
<td>PAC</td>
<td>$425</td>
<td>6</td>
</tr>
<tr>
<td>10/27/10</td>
<td>UTSA</td>
<td>Tour</td>
<td>SAC</td>
<td>$451</td>
<td>9</td>
</tr>
<tr>
<td>11/06/10</td>
<td>Cafe College</td>
<td>Seminar</td>
<td>SAC</td>
<td>$595</td>
<td>10</td>
</tr>
<tr>
<td>01/14/11</td>
<td>SA Symphony</td>
<td>Cultural activity</td>
<td>PAC</td>
<td>$366</td>
<td>6</td>
</tr>
</tbody>
</table>

TOTAL STUDENT LOCAL EVENT COSTS IN GL ACCOUNT 73022: $3,485

Notes: (A) All events funded by grants
(B) Campus – SAC = San Antonio College; PAC = Palo Alto College

Non-employee Travel

Alamo Colleges Board Procedure C.2.10.1 Official Functions authorizes the payment of travel expenses for consultants. The individual’s name, event/visit purpose, and event notice are required. For reimbursement, Accounts Payable must receive this information within three business days of the event. This Procedure does not specify whether a Travel Authorization Form or Travel Expense Statement is required. Procedure C.2.10.1 does not address how to process expenses for interview candidates or volunteers, such as advisory board members. Although not required, a Travel Authorization Form and/or Travel Expense Statement were submitted for two non-employee activities. (Table 5, #1, #5)
SUPPLEMENTAL INFORMATION CONTINUED

Between September and December 2010, the Banner general ledger account 73021 Non-Employee Travel showed expenses of $1,945. **Table 5** notes the multiple exceptions for the six activities that accounted for these transactions.

<table>
<thead>
<tr>
<th>Date</th>
<th>Category</th>
<th>Description</th>
<th>Campus (B)</th>
<th>Fund (A)</th>
<th>Non-Employee Travel Account</th>
<th>Exceptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>08/12/10</td>
<td>Candidate-Interview</td>
<td>Travel from Alpine to San Antonio</td>
<td>SPC</td>
<td>OP</td>
<td>$587</td>
<td>8</td>
</tr>
<tr>
<td>09/27/10</td>
<td>Consultant - CAEL</td>
<td>Airfare costs from Chicago, IL</td>
<td>DIS</td>
<td>OP</td>
<td>$282</td>
<td>4</td>
</tr>
<tr>
<td>11/19/10</td>
<td>Consultant - Moon</td>
<td>Cab fare to/from airport and NVC</td>
<td>NVC</td>
<td>OP</td>
<td>$125</td>
<td>7</td>
</tr>
<tr>
<td>11/06/10</td>
<td>Field Trip</td>
<td>Meals during UTSA visit (misclassified student event)</td>
<td>SAC</td>
<td>GT</td>
<td>$154</td>
<td>(B)</td>
</tr>
<tr>
<td>11/12/10</td>
<td>Alamo Tech Prep</td>
<td>National Career Pathway Network Conference in Dallas</td>
<td>DIS</td>
<td>GT</td>
<td>$444</td>
<td>10</td>
</tr>
<tr>
<td>Nov; Dec</td>
<td>Board Members</td>
<td>Local mileage reimbursements</td>
<td>DIS</td>
<td>GT</td>
<td>$353</td>
<td>6</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$1,945</td>
<td></td>
</tr>
</tbody>
</table>

Sources: Fiscal year 2011 transactions from Banner account 73021 Non-Employee Travel as of 01/10/11 and supporting documentation
Notes: (A) Funding – GT = Grant; OP = Operating Funds;
(B) Campus – SAC = San Antonio College; SPC = St. Philip's College; NVC = Northwest Vista College; DIS = District

Higher Education Industry Better Practices

**Houston Community College** has implemented three key controls or better practices.

- The Board receives a report of trips taken and costs in March and September
- A special report on Trustee travel published twice a year
- Trip expenses must have been budgeted

**Austin Community College** uses "pre-loaded" travel advance cards as a control tool for:
- Efficiency and cost savings
- Automated limits for amounts, dates, and vendors
- Electronic expenditure reporting
- On-line workflow for supervisory review and approval, and for payables processing

**Several Texas colleges** have strong travel related risk management tools such as:
- A waiver/release of liability required from students participating in trips
- All student organizations and clubs must purchase travel accidental insurance
- Optional special medical insurance coverage for school events available for students
- Prohibit transporting students in employee vehicles