

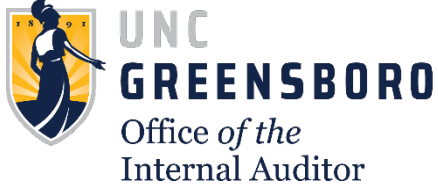
# **TRAVEL REIMBURSEMENT REVIEW PROCESS**

## **INTERNAL AUDIT**

### **CONTROLLER'S OFFICE**

#### **ACCOUNTS PAYABLE**

DECEMBER 2025



## MEMORANDUM

**To:** Dr. Franklin D. Gilliam, Jr., Chancellor  
Anita Bachmann, CARL Committee Chair

**From:** Katherine Skinner, Director of Internal Audit

**Date:** 12/09/2025

**RE:** Travel Reimbursement Review Process – Follow-Up Internal Audit

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The Accounts Payable - Travel Reimbursement Review Process Follow-up Internal Audit was completed by the Office of the Internal Auditor in accordance with the fiscal years 2026 and 2027 Internal Audit Work Plan. Provided within this communication is an Executive Summary and the Final Report of the Internal Audit activity.

Ghazala Bibi, Controller, reviewed a draft copy of this report. Her written comments are included starting on page 12.

We appreciate the courtesy and cooperation received from management and the employees of the Controller's Office and Accounts Payable during our audit.

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# EXECUTIVE SUMMARY

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## **PURPOSE**

The objective of this internal audit is to determine whether the Controller’s Office implemented internal audit recommendations or other controls to address deficiencies identified in the June 2023 Travel Reimbursement Review Process Audit findings.

The scope of the internal audit is travel reimbursement payments between March 1, 2025 and April 30, 2025 and the respective requests.

This audit was initiated to follow up on a June 2023 Internal Audit report that found deficiencies in the effectiveness and efficiency of the travel reimbursement review process.

## **BACKGROUND**

The Controller’s Office oversees Accounts Payable, which is responsible for processing authorized transactions, including travel reimbursements. While Emburse Enterprise automates much of the workflow, AP staff—particularly the Travel Auditor—continue to review high-risk items and ensure compliance with the UNCG Travel Policy and State Budget Manual. All travelers must follow these policies, exercise prudent judgment, and obtain supervisor approval before incurring expenses.

UNC Greensboro implemented Emburse Enterprise on July 1, 2024, to automate and streamline accounts payable processes including travel reimbursement requests and payments. The system manages the entire workflow, including pre-approval for overnight travel, submission of reimbursement requests, and multi-level review by supervisors and Accounts Payable (AP). Emburse Enterprise incorporates automation features such as mileage and meal per diem rates and calculations and automated compliance checks. These capabilities reduce traveler errors, enforce standardized rates, and minimize the review burden on supervisors and AP staff. By automating routine tasks, the system improves efficiency, accuracy, and compliance across the reimbursement process.

## **KEY FINDINGS**

The travel reimbursement review process is effective and efficient.

## **KEY RECOMMENDATIONS**

Internal Audit has no recommendations to improve the travel reimbursement process at this time.

# BACKGROUND

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## **Prior Audit Findings**

A June 2023 internal audit assessed the effectiveness and efficiency of the Controller's Office in reviewing and processing travel reimbursement requests. The previous audit found that the travel reimbursement review process was inefficient, sometimes exceeding 30 days and making reimbursement payment adjustments as small as \$0.01. The audit also found that the process lacked sufficient effectiveness, resulting in multiple overpayments for unallowable costs, some overpayments exceeding \$2k. The audit found that deficiencies were caused by overly manual processes.

The previous audit included a scope period of January 1, 2022, through November 29, 2022, 3,802 travel reimbursement requests, and over \$2 million in travel reimbursement payments.

## **Implementation of Emburse Enterprise<sup>1</sup> for Travel Reimbursement**

Effective July 1, 2024, UNC Greensboro implemented Emburse Enterprise to streamline and automate accounts payable processes, including travel reimbursement requests. This system manages the entire workflow from pre-approval to final payment.

### **Workflow Management**

Emburse Enterprise handles:

- Overnight travel pre-approval
- Submission of reimbursement requests
- Supervisor review and approval
- Accounts Payable (AP) review and approval

Travelers submit requests and supporting documentation directly in Emburse Enterprise. Expense reports are automatically routed to the appropriate reviewers, ensuring timely and accurate processing.

### **Automation Features**

Emburse Enterprise includes several automation capabilities:

- **Mileage Calculation:** Mileage reimbursements are calculated automatically using mapping software integrated within Emburse Enterprise and the programmed reimbursement rate.
- **Meal Per Diem Rates:** Approved meal per diem rates are also built into Emburse Enterprise and cannot be edited by travelers. These rates are used to calculate reimbursement totals, reducing errors and ensuring compliance.
- **Automated Checks:** Certain items are automatically verified, easing the burden on AP staff.

These features minimize traveler mistakes and reduce the review workload for supervisors and AP staff. By enforcing standardized rates and automating calculations, Emburse Enterprise improves accuracy and compliance across the reimbursement process.

## **The Controller's Office Roles**

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<sup>1</sup> Emburse Enterprise was formerly known and referred to as Chrome River.

## **The Controller's Office**

The Controller is responsible for overseeing all functions within the Controller's Office. The Controller's Office provides centralized business support and oversight for: Accounts Payable, including Travel; Cashiers and Student Accounts; Debt Service Accounting; Cash Management and Construction Accounting; Financial Reporting; Fixed Assets; Foundation Finance; General Accounting; and Payroll.

### **Accounts Payable**

Accounts Payable (AP) is responsible for timely and accurate processing of transactions that are properly authorized in accordance with University policies for payment, including travel reimbursement requests. The AP Manager is responsible for overseeing non-travel and travel reimbursement payment processes.

AP has one team member, a Travel Auditor, dedicated to travel reimbursement processing. Although Emburse Enterprise automated the travel reimbursement workflows, the Travel Auditor still performs manual reviews for high-risk items and transactions requiring human judgment. The Travel Auditor conducts detailed reviews of travel reimbursement requests and supporting documentation and refers to the UNCG Travel Policy and State Budget Manual, as applicable, to determine the allowability of expenses requested for reimbursement. This targeted approach allows the Travel Auditor to focus on areas that cannot be fully automated.

### **Travel Reimbursement Policies**

Authorized University personnel and other individuals traveling on official state business may be reimbursed for allowable travel expenses. Official state business includes travel to:

- Attend approved job-related training;
- Perform work on behalf of the State or University;
- Represent the State or University; or
- Provide a state service at the State's or University's request.

All reimbursement requests must be submitted through UNCG's travel platform, Emburse Enterprise, and comply with the UNCG Travel Policy and the State Budget Manual. Travel that does not directly benefit the State or University is not reimbursable (State Budget Manual § 5.0.3).

Employees are expected to exercise prudent judgment when incurring expenses. Costs for luxury accommodations, circuitous routes, delays, or personal convenience are not reimbursable (State Budget Manual § 5.0.2). Travelers are responsible for any unauthorized and/or personal expenses.

Before incurring travel expenses, individuals must review and follow the UNCG Travel Policy and Emburse Enterprise Reimbursement User Guide. Supervisor approval confirms that the request complies with all policies and is supported by valid documentation and receipts.

# OBJECTIVE, SCOPE, AND METHODOLOGY

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## **Objective:**

The objective of this internal audit is to determine whether the Controller's Office implemented internal audit recommendations or other controls to address deficiencies identified in the June 2023 Travel Reimbursement Review Process Audit findings.

## **Scope:**

The scope of the internal audit is travel reimbursement payments between March 1, 2025 and April 30, 2025 and the respective travel reimbursement payment requests.

## **Methodology:**

To determine the efficiency and effectiveness of the travel reimbursement review process, auditors performed the following procedures:

- Obtained and reviewed UNC Greensboro Travel Policy, Office of State Budget and Management Travel Policy, and UNC Greensboro's Emburse Enterprise User Guide.
- Interviewed Controller's Office and Accounts Payable (AP) staff.
- Obtained and analyzed March and April 2025 travel reimbursements from the Controller's Office.
- Reviewed a random sample of 45 (5%) travel reimbursement payments totaling \$19,951 using Guidance provided in the *Audit Guide, Audit Sampling* published by the AICPA in March 2014.
- Compared travel reimbursement payments to travel reimbursement requests and supporting documentation.

Because of the test nature and other inherent limitations of an audit, together with limitations of any system of internal and management controls, this audit would not necessarily disclose all performance weaknesses or lack of compliance.

As a basis for evaluating internal control, auditors applied the internal control guidance contained in professional auditing standards. However, our audit does not provide a basis for rendering an opinion on internal control, and consequently, we have not issued such an opinion.

This audit was conducted in conformance with Global Internal Audit Standards issued by the Institute of Internal Auditors, January 2024 edition.

# FINDINGS AND RECOMMENDATIONS

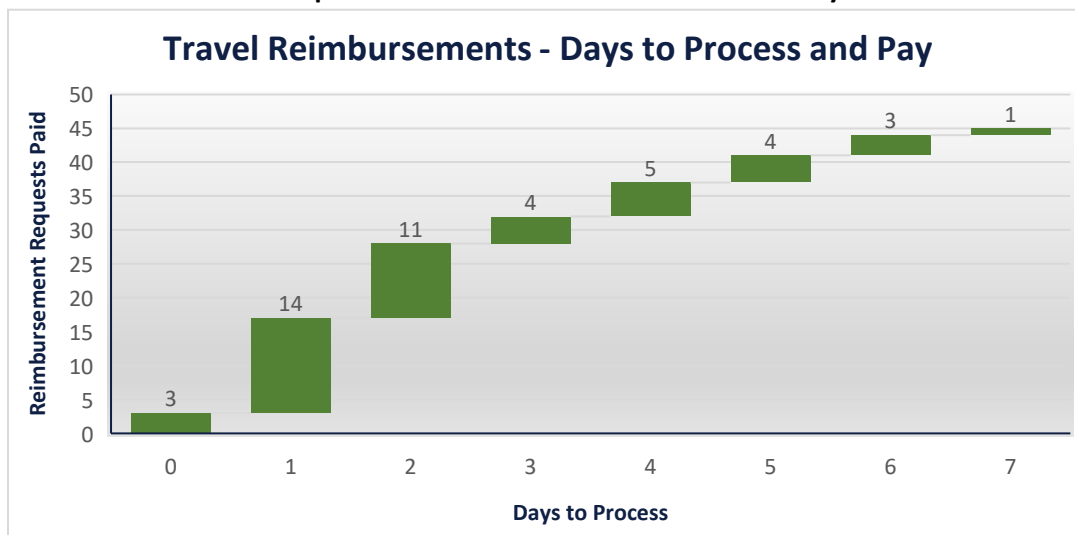
## **Finding: The Travel Reimbursement Review Process is Efficient and Effective**

Accounts Payable (AP) has an efficient and effective travel reimbursement review process. Specifically, of the 45 travel reimbursements reviewed by Internal Audit, AP reviewed and approved 91% within 5 business days and 100% within 7 business days. AP's goal is to process travel reimbursement requests within 10 business days. Additionally, of the nearly \$20k in travel reimbursement payments, only \$146 (0.7%) included payment errors and each of the payment errors was due to traveler error. Significant improvements in the efficiency and effectiveness of the travel reimbursement review process were the result of automating the processes, the proactiveness of AP staff, and the extent of training provided.

## **Travel Reimbursement Review and Approval Process Is Efficient, Taking 2.5 Days on Average**

The travel reimbursement review process is efficient with an average processing time of 2.5 days from supervisor approval to AP approval for payment.<sup>2</sup> Of the 45 travel reimbursements reviewed by auditors, Accounts Payable (AP) processed and paid all 45 (100%) within 7 business days exceeding their goal of 10 business days. AP's travel reimbursement review process has significantly improved since the 2023 audit that found an average processing time of 8.1 days with some instances of AP taking over 30 days to approve payments. Currently, as reflected in the graph below, most travel reimbursement requests were paid within just a few days after being approved by supervisors.

**Graph 1. Paid Travel Reimbursement Efficiency**



## **Travel Reimbursement Review and Approval Mitigates Payment Errors**

The travel reimbursement review process is highly effective and mitigates payments errors. Specifically, the travel reimbursement payment error percentage rate is less than 1.0% with only minor payment errors totaling \$146 of the nearly \$20k tested (0.7%). Minor payment errors were primarily due to

<sup>2</sup> AP's review process begins after the traveler's supervisor approves a travel reimbursement request.

reimbursements for meal per diems that were not allowable based on the time of travel. For example, four travelers requested and were paid for breakfast per diems when travel on the day of departure was *not* before 6 AM<sup>3</sup> as required by Travel Policies. Departure times were not reported by travelers; Internal Auditors calculated departure times based on supporting documentation such as timestamps on airport parking receipts.<sup>4</sup>

The effectiveness of the travel reimbursement review process has significantly improved since the 2023 Travel Reimbursement Review audit. The *prior audit* found errors as high as \$2,800 for premium airfare which is an unallowable expense. During the current audit, the highest payment error was \$33, and it was the result of a typo. Auditors did not identify any payments for unallowable expenses during this audit. Additionally, the Controller’s Office is in the process of updating Emburse Enterprise to require accurate departure and arrival times which will further mitigate potential meal per diem payment errors.

Between March 1, 2025, and April 30, 2025<sup>5</sup>, AP processed and paid 998 travel reimbursement requests totaling approximately \$385k for business-related travel. Auditors reviewed a random sample of 45 (5%) travel reimbursement requests totaling \$19,951 (5%). See table 1.

**Table 1. Travel Reimbursement Payments**

<b>Travel Reimbursement Requests Processed and Paid</b>	<b>Number of Invoices</b>	<b>Payments</b>
<b>Population and Sample</b>		
Testable Population (Payments 3/1/2025 – 4/30/2025)	998	\$ 385,374.31
Travel Reimbursement Payments Tested	45	\$ 19,950.77
Percent of Population Tested (approximate)	4.5%	5.2%
<b>Test Results</b>		
Over-payments	4	\$ 146.20
Under-payments	0	\$ -
<b>Total Incorrect Payment Amounts</b>		<b><u>\$ 146.20</u></b>
<b>Percentage of Travel Reimbursement Payment Errors</b>		<b>0.7%</b>

**Improved Efficiency and Effectiveness Because of Automation, Proactive AP Staff, and Training**

UNCG’s travel reimbursement review process significantly improved in both efficiency and effectiveness because the Controller’s Office successfully automated the travel reimbursement process by implementing Emburse Enterprise. For instance, Emburse Enterprise prevents errors associated with

<sup>3</sup> Breakfast is allowable on the day of departure for an overnight trip if the traveler departs before 6 AM; see Appendix A.

<sup>4</sup> A traveler who lives in Greensboro and flies out of the Greensboro airport at 10:30 AM is unlikely to have left home before 6 AM, more than 4.5 hours before the flight. Similarly, if a parking receipt shows arrival at the airport at 9:30 AM and the airport is less than 20 miles from a traveler’s home, it is highly unlikely that the traveler left home before 6 AM.

<sup>5</sup> Travel is typically more common in March and April than in other months; therefore, the extent of travel invoices and payments during the scope period may be higher than average.

incorrect reimbursement rates or miscalculated reimbursements. The review process is also faster because AP staff know that Emburse Enterprise accurately controls reimbursement rates and calculations. Previously, travelers completed paper forms and could type or write in any reimbursement rate requiring a more detailed review by AP to check rates and calculations.

Accounts Payable is also proactive in the review process and provides ample training to travelers. For example, AP has a dashboard in Emburse Enterprise that shows all open travel reimbursement requests and the status of each request. Additionally, Emburse Enterprise and the AP website offer a variety of training materials and tutorials designed to help users complete travel reimbursement requests accurately and more quickly.

#### **UNCG Travel Policy and State Budget Manual Limit Travel Reimbursement**

Accounts Payable (AP) staff use the UNCG Travel Policy to determine allowability of expenses requested for reimbursement. Travelers will only receive reimbursement for legitimate business expenses that comply with the allowability, limits, and rates as described in the UNCG Travel Policy and the State Budget Manual. Additionally, all reimbursement requests must be submitted in Emburse Enterprise and supported by uploading receipts, paid invoices, and other expense details into Emburse Enterprise. Travel expenses must also be approved by both the traveler's supervisor and AP.

Travel reimbursement rates are updated as required in Emburse Enterprise and the rates are not editable by travelers.

#### **Recommendation**

Internal Audit has no recommendations to improve the travel reimbursement process at this time.

# APPENDIX A – MEAL PER DIEMS

**Limitations on reimbursable travel amounts, per UNCG Travel Policy:**

A state employee may be reimbursed for meals, including lunches, while on official state business when the employee is in overnight travel status. Employees receive allowances for meals for full days of travel. Specific allowance rates that can be claimed are as follows:

**Rates of Allowances & Departure/Return Time Requirements**

Meals	In-State	Out-of-State	Day of Departure	Day of Return
Breakfast	\$ 10.10	\$ 10.10	Leave before 6 AM	N/A
Lunch	\$ 13.30	\$ 13.30	Leave before 12 PM	Return after 2 PM
Dinner	\$ 23.10	\$ 26.30	Leave before 5 PM	Return after 8 PM

Allowances will be paid for meals for partial days of travel when the partial day is the day of departure or the day of return portion of the overnight travel. When traveling a partial day, the time of departure and/or return must be properly input on the Travel Expense Report when filing for reimbursement.

Meals included in other related activities, such as registration fees and conferences must not be duplicated as a subsistence reimbursement request. Agendas must be uploaded to Emburse Enterprise.

# AUDITEE RESPONSE

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## **Controller Response to Audit Report:**

The Controller's Office appreciates the work of Internal Audit on the Travel Reimbursement Review Process Follow-Up Audit and concurs with the conclusions presented in the report. The results confirm that the changes implemented since the 2023 audit have produced a consistent, efficient, and well-controlled reimbursement process.

The improvements cited in the report reflect a deliberate redesign of the travel workflow, the implementation of Emburse Enterprise, and sustained attention to training and user support. These efforts reduced manual work, increased accuracy, and created a more reliable process for both travelers and Accounts Payable in the Controller's Office.

For context, the staffing model supporting travel reimbursement has also evolved as part of the broader process modernization. During the 2023 audit period, Accounts Payable maintained two full-time travel processors and an AP supervisor who actively supported their work. With the transition to Emburse Enterprise and the tightening of controls through automation, the structure was consolidated. We now maintain only one dedicated travel reviewer reporting directly to the Assistant Controller for Operations. The AP supervisor and second travel auditor positions were eliminated as part of this realignment, allowing the University to realize ongoing savings while sustaining performance.

The Controller's Office will continue monitoring the process, updating Emburse Enterprise configurations, and refining training resources to maintain the efficiency and accuracy demonstrated in this review.

We appreciate the professionalism and collaboration from Internal Audit throughout this engagement.

Dr. Ghazala Bibi, D.B.A.,

University Controller