

UC RIVERSIDE: AUDIT & ADVISORY SERVICES

Date: April 16, 2013

To: Matthew Hicks, Systemwide Audit Manager

Cc: Sheryl Vacca, SVP Chief Compliance and Audit Officer

From: Michael R. Jenson, Director
Rodolfo L. Jeturian, Jr., Assistant Director
Elizabeth S. Clarke, Senior Principal Auditor

Re: **Annual Report on Executive Compensation for Calendar Year 2012 – R2013-13**

Background

As directed by the Systemwide Audit Manager, we reviewed the processes for the preparation of the Annual Report on Executive Compensation for Calendar Year 2012 (AREC 2012) and examined supporting documentation on a judgmental basis.

Scope

We obtained the draft AREC 2012 and reviewed the accuracy of the amounts reflected, as follows:

- Annualized Base Salary as of December 31, 2012
- Actual Base Salary Received
- Other Compensation

In addition, we verified the following:

- The compensation of a new hire in 2012 and the administrative stipend for an interim appointee against the Regents Item approvals
- Payroll/Personnel System and SuperDOPE data
- Other supporting documents

We shared our observations with the Human Resources (HR) Policy and Program Manager to ensure proper compensation amounts were reflected in the AREC 2012 for the new hire and interim appointee noted above.

Observations and Comments

Our limited review did not disclose any major observations. Minor items that were not of a magnitude to warrant inclusion in the report were discussed verbally with the HR Policy and Program Manager, and immediate corrective action was taken by the latter.

Opinion

Generally, the AREC preparation process was adequate and AREC 2012 was reasonably accurate.