

UC MERCED AUDIT AND ADVISORY SERVICES

September 8, 2017

To: Veronica Mendez – Interim Vice Chancellor for Planning and Budget
Subject: Vice Chancellor for Planning and Budget Transition Review
Ref: Audit Report No. M18C001A

Attached is the report for the Vice Chancellor for Planning and Budget Transition Review which was performed in conjunction with a larger transition assessment. This report relates to the review of spending by departments that are now part of the Planning and Budget division.

We appreciate the help we received from staff in Planning and Budget and in the Administrative Coordination Team during this audit. If you have any questions, please feel free to contact me.



Todd Kucker
Director of Internal Audit

Attachment

cc

SVP Bustamante
Chancellor Leland
Associate Chancellor Putney

**UNIVERSITY OF CALIFORNIA, MERCED
AUDIT AND ADVISORY SERVICES**

Vice Chancellor for Planning and Budget Transition Review
Report No. M18C001A

September 8, 2017

Work completed by:
Brandi Masasso – Internal Audit

Purpose and Scope

Internal Audit has completed an audit of expenditures by departments in the Planning and Budget Division. The audit was conducted in conjunction with a larger transition assessment of the Vice Chancellor for Planning and Budget undertaken at the request of campus leadership. The primary purpose of this audit was to ensure that the accounts and activities taken over by the next leader over the division are in order and present little future risk of controversy. A secondary purpose was to review that spending has been in line with budgets in order to avoid deficit balances in funds and accounts.

Our audit scope included Fiscal Year 2016 – 2017 expenditures by departments that are currently in the Planning and Budget division. During recent months, Business and Financial Services (BFS) and Risk Services began reporting to the Interim Vice Chancellor for Planning and Budget. The division currently includes the following departments:

- Immediate Office of the Interim Vice Chancellor for Planning and Budget
- Budget Office (also called the Finance Group)
- Institutional Research and Decision Support
- Risk Services
- Departments within BFS:
 - Controller's Office
 - General Accounting
 - Treasury, Banking, and Cashiering
 - Student Business Services
 - Travel Services
 - Procurement Services
 - Contracts and Real Estate Services
 - Equipment Management
 - Central Payroll Services
 - UCPATH Project Management Office
 - Financial Management and Controls
 - Tax Services
 - Costing and Policy

We completed the following testing:

- Verified that monthly account reviews were completed and appropriately reviewed and approved;
- Reviewed backup documentation for 30 judgmentally selected transactions for appropriate business rationale, approvals, and for compliance with UC policy;
- Reviewed fund balances and current year spending versus the budget appropriations to identify deficits; and,
- Reviewed trends in departmental spending during the last five fiscal years.

Background

Monitoring budgets and approving expenditures are the responsibility of various department managers in the Planning and Budget division. Administrative employees in the Administrative Coordination Team (ACT) process the division's purchases and reimbursements. ACT also provides monthly financial reports to departments to help monitor actual vs. budgeted spending.

Conclusion

During the review, we did not identify any issues which could create concern for the next Vice Chancellor for Planning and Budget. We did not identify any indication of the misuse of funds.