

**UNIVERSITY OF CALIFORNIA, DAVIS
AUDIT AND MANAGEMENT ADVISORY SERVICES**

**UC Davis
Chancellor's Expenses – G-45
Audit & Management Advisory Services Project #22-04**

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MANAGEMENT SUMMARY

Background

As part of the fiscal year (FY) 2022 audit plan, Audit and Management Advisory Services (AMAS) reviewed all of the Chancellor's expenses associated with the official residence.

The Business and Finance Bulletin (BFB) G-45, "*Implementing Requirements on Expenses Incurred in Support of Official Responsibilities of the President and Chancellors*," is intended to promote compliance with Internal Revenue Service (IRS) regulations. Because Chancellors play a unique role in representing the University, BFB G-45 establishes special accounting and reporting requirements for each campus. Specifically, campuses must prepare two annual reports that summarize the Chancellors' expenses in categories that are outlined in BFB G-45. These reports are known as the Annual Report of Fiscal Year Expenses of the Chancellor (Fiscal Year Report) and the Annual Report of Taxable Expenses of the Chancellor (Taxable Year Report). Per BFB G-45, the Fiscal Year Report covers the period from July 1 through June 30 and the Taxable Year Report covers the period from November 1 through October 31.

Purpose and Scope

The Offices of the Chancellor and Provost (OCP) is responsible for compiling the reports in compliance with BFB G-45. The purpose of this audit was to determine if these reports were accurate, complete, and prepared in compliance with the requirements of BFB G-45.

In order to accomplish these objectives, AMAS examined BFB G-45 and OCP Implementation Guidelines. We analyzed financial records and other relevant documents. We also interviewed OCP staff to determine the methodology they used when preparing the reports.

The timeframe under review was July 1, 2020 through June 30, 2021 for the Fiscal Year Report, and November 1, 2020 through October 31, 2021 for the Taxable Year Report.

Conclusion

We were able to verify that the reports were complete and accurate in all material aspects. Total expenses recorded in the University's financial ledgers matched the total amounts stated in the G-45 reports. Also, due to the COVID-19 Pandemic, travel and entertainment expenses were minimal and so a review of these records was not performed during this year's audit.