

# UCLA AUDIT & ADVISORY SERVICES

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April 23, 2018

SENIOR VICE PRESIDENT/CHIEF COMPLIANCE AND AUDIT OFFICER ALEX BUSTAMANTE  
EXECUTIVE VICE CHANCELLOR & PROVOST SCOTT WAUGH:

Re: Chancellor's Associate Expenses (G-45) Audit #18-604002

UCLA Audit & Advisory Services (A&AS) performed a review of the Annual Report of Fiscal Year Expenses of the Chancellor (Appendix A) as required by BUS G-45, with a focus on expenditures outlined in Section M "Account for the Expenses of the Associate of the President/Chancellor" and Appendix C, "Tax Guidelines Governing Expenses of an Associate of the President/Chancellor." BUS G-45 references other University policies including BUS-79, "Expenditures for Business Meetings, Entertainment, and Other Occasions," and BUS G-28, "Policy and Regulations Governing Travel." The purpose of the review was to verify that the process for compiling data used to complete the annual report was appropriate and that the reporting criteria was consistently applied throughout the reporting period.

A&AS performed the following audit procedures to verify the appropriateness, accuracy, and completeness of the fiscal year expenses. Specifically, on a test basis, we traced general ledger detail to supporting documentation for the amounts reported to ensure the following:

#### Appendix A

- Housing expenses for events hosted by the Chancellor's Associate are related to the Chancellor's official residence.
- Travel expenses for the Chancellor's Associate are necessary to accomplish the official business of the University.
- Entertainment expenses for the Chancellor's Associate are in support of University business.

Additionally, the general ledger detail used to support these activities was reconciled to financial system downloads used by the Chancellor's office in the calculation of the reported amounts.

Accordingly, A&AS determined that internal controls are effective, and that the campus appropriately and accurately reported expenses for the Associate of the Chancellor on the Annual Report of Fiscal Year Expenses of the Chancellor (Appendix A) for fiscal year 2016-17 for the reporting period July 1, 2016, to June 30, 2017, in accordance with BUS G-45.

A handwritten signature in black ink, appearing to read 'Edwin D. Pierce'.

Edwin D. Pierce, CPA, CFE  
Director

cc: K. Smith

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