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December 20, 2019

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Executive Director
EVC&P Finance & Administration

**SUBJECT: Chancellor and Associate of the Chancellor’s Expenses
Review (G-45)
Audit and Advisory Services Project #20-038**

As a planned internal audit for Fiscal Year 2020, Audit and Advisory Services performed a review of the accounting and reporting of Chancellor and Associate of the Chancellor’s funds and expenses. The objective of the review was to determine whether:

- Expenses charged to the Chancellor's Administrative and Housing Maintenance Funds in Fiscal Year 2018-19 were recorded in the campus general ledger in accordance with Business and Finance Bulletin G-45, “Implementing Requirements on Expenses Incurred in Support of Official Responsibilities of the President and Chancellors” (G-45);
- The annual reporting of Chancellor and Associate of the Chancellor’s expenses is complete, accurate, and meets the requirements specified by G-45; and
- Expenses charged to the Administrative and Housing Maintenance Funds have been appropriately reviewed, are supported, authorized, and consistent with applicable University financial policies, including Business and Finance Bulletin BUS-79, “Expenditures for Business Meetings, Entertainment and Other Occasions” (BUS-79).

For Fiscal Year 2018-2019, reportable expenses for the Chancellor and Associate of the Chancellor’s various funds were:

Fund	Expense	Purpose
Administrative Fund	\$10,796	Supplement for business related expenses
House Maintenance	\$168,081	Housing maintenance and operating costs
Residence Entertainment	\$34,300	Hosting business related events at the resident
Entertainment Outside Residence	\$50,149	Hosting business related events outside of the resident
Other Expenses	\$61,213	Supplies and set-up for leadership training
Discretionary	\$3,948	Gifts/Charitable Donations
Total:	\$328,487	

To complete the review, we examined accounting records and related supporting documentation for selected expenses. Additionally, we examined the annual reports of Fiscal Year 2018-2019 expenses for the Chancellor to



determine whether the reports were complete, accurate, and filed timely. We reviewed transactions occurring during fiscal year Fiscal Year 2018-2019. Our fieldwork was completed in December 2019.

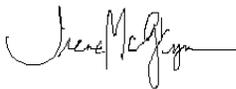
The scope of this review was limited to the procedures described above, and as such, we can make no assertions about Chancellor's expenses outside the stated funds reviewed, nor can our work be relied upon to identify all instances of potential irregularities, errors, and control weaknesses that may occur in areas not covered in this review.

Based on procedures performed, we determined that expenses charged to the Chancellor's Administrative and Housing Maintenance Funds were properly supported and consistent with policy requirements.

During the review, we noted on Appendix A three items that should have been excluded from Other General Maintenance totaling \$386 and one item that was misclassified as Entertainment Outside Residence instead of Other Expenses totaling \$143. As the amounts were deemed to not be material, no restatement was performed.

We thank you and your staff for all the assistance provided during this review.

Sincerely,

A handwritten signature in black ink, appearing to read "Irene McGlynn", with a horizontal line extending to the right.

Irene McGlynn
Chief Audit Officer