

August 9, 2022

PETER SHEARER  
Director, Institute of Geophysics and Planetary Physics (IGPP)  
0225

**Subject:        *Institute of Geophysics and Planetary Physics  
Report 2022-08***

The final report for Institute of Geophysics and Planetary Physics (IGPP) Report 2022-08, is attached. We would like to thank all members of the department for their cooperation and assistance during the review.

Because we were able to reach agreement regarding management action plans in response to the audit recommendations, a formal response to the report is not requested. The findings included in this report will be added to our follow-up system. We will contact you at the appropriate time to evaluate the status of the management action plans.

UC wide policy requires that all draft reports be destroyed after the final report is issued. We also request that draft reports not be photocopied or otherwise redistributed.

Christa Perkins  
Director  
Audit & Management Advisory Services

Attachment

cc:     Doug Bartlett  
       Judy Bruner  
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       Patrick Callaghan  
       Wayne Farquharson  
       Gabi Laske  
       Margaret Leinen  
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# UC San Diego

## AUDIT & MANAGEMENT ADVISORY SERVICES

Institute of Geophysics and Planetary Physics  
Report No. 2022-08  
August 2022

### FINAL REPORT

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ATTACHMENT A – Department Report Card

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## I. EXECUTIVE SUMMARY

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Audit & Management Advisory Services (AMAS) has completed a review of the Cecil H. and Ida M. Green Institute of Geophysics and Planetary Physics (IGPP) as part of the approved audit plan for Fiscal Year 2021-2022. The objective of our review was to evaluate whether internal controls provide reasonable assurance that IGPP operations are effective, in compliance with relevant policies and procedures, and result in accurate financial reporting.

Based on our review, we concluded we concluded that internal controls in IGPP were generally adequate to provide reasonable assurance that operations were effective, in compliance with University policy, and resulted in accurate financial reporting. IGPP continues to show dedication to effective management of operations and has recently increased financial and fund management resources to further improve oversight and stewardship of department resources. Controls for contracts and grants, travel and entertainment events, timekeeping and payroll, gift funds among other areas were found to be effective.

IGPP experienced the difficult transition to new core systems as part of the ESR initiative. The system stabilization efforts and related changes to business processes, in addition to more limited tools initially available in the new systems, caused significant impacts to department fiscal oversight efforts and internal controls. In addition, the unit experienced resource constraints and increased workload during this period. IGPP continues to work on addressing these issues and re-establishing internal controls in the new environment.

We noted opportunities for improvement in the areas of deficit monitoring and resolution, default account resolution, operating ledger review, P-Card management and equipment management. Management Action Plans to address our findings are summarized below:

### A. Financial Management

1. IGPP continues to monitor the Illustrations Support Services Fund, and expects the deficit to resolve as a result of resumption of work post COVID-19.
2. IGPP will properly classify the Cal Trans new account as a Service Agreement in OFC.
3. IGPP will create contracts, events, and invoices through OFC to facilitate efficient billing.
4. IGPP will continue to monitor the default account monthly. An additional fund manager will be hired in the future to assist in this effort.
5. IGPP will continue to assess the ability to provide quarterly financial reconciliations as the backlog of post-implementation issues continue to be addressed.
6. IGPP has cancelled P-Cards for three separated employees. Going forward, IGPP will begin copying P-Card and Travel card administrator on separation notices to ensure timely cancellation of cards.

### B. Equipment Management

1. IGPP is in the process of conducting the biennial physical inventory to ensure proper safeguarding, timely and accurate reporting of assets.

Observations and related Management Action Plans are described in greater detail in section V. of this report.

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## II. BACKGROUND

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Audit & Management Advisory Services (AMAS) has completed a review of the Cecil H. and Ida M. Green Institute of Geophysics and Planetary Physics (IGPP) as part of the approved audit plan for Fiscal Year 2021-2022. This report summarizes the results of our review.

IGPP is a division of the University of California San Diego (UCSD) Scripps Institution of Oceanography (SIO), whose primary objective is to promote fundamental research in the fields of geophysics, planetary and space physics, geochemistry, paleobiology, and astrophysics. Its mission is to promote basic research in understanding the structure, origin, and evolution of the solar system and its planets.

The Cecil H. and Ida M. Green Foundation for Earth Sciences (Green Foundation) supports visiting scholars and resident scientists at IGPP. Additionally, IGPP is recognized internationally as an outstanding research and teaching institution in geophysics. The range of expertise of the IGPP faculty allows an interdisciplinary approach to research in Earth and Space sciences. In addition, the academic staff are involved in creating new national and international programs in geophysics.

IGPP has self-supporting activities classified under Recharge and Scripps Orbit and Permanent Array Center (SOPAC). One of the Recharge services is the in-house graphic designer who provides services to departments campus-wide. SOPAC provides services to external companies with a focus on analysis and archiving of precise GPS data/metadata and data products, including seismic data for geodesy, geophysics, surveying, and engineering projects. The data access is available through an annual subscription by the various companies.

Based on the employee roster report obtained from the Business Activity Hub (BAH), IGPP has approximately 130 employees consisting of administrative staff, faculty, and student employees. The central business functions include about 14 staff. Per the financial reports obtained from BAH, IGPP had approximately \$20M in external and internal revenues for FY 2021. Contracts and grants were \$13M which is about 65% of IGPP revenue.

The 2020 COVID-19 pandemic and new campus wide Enterprise System Renewal (ESR) changes impacted the department's operations and financial oversight due to the significant learning curve for UCSD fiscal administrators in adapting new workflows and ongoing changes in business processes. Among the new systems introduced by the ESR program are Oracle Financials Cloud (OFC) and Common Chart of Accounts (CCOA), UCPATH (Payroll and Personnel System), Quali Research/ Conflict of Interest, Ecotime (timekeeping system), UC Outside Activity Tracking System (UC OATS) among others.

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## III. AUDIT OBJECTIVE, SCOPE, AND PROCEDURES

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The objective of our review was to evaluate whether internal controls provide reasonable assurance that IGPP operations are effective, in compliance with relevant policies and procedures, and result in accurate financial reporting. In order to achieve our objective, we performed the following:

- Reviewed:
  - Department business documentation and information on IGPP’s website, organizational structure, financial reports, and prior audit reports;
  - Applicable federal regulations and requirements and UC policies related to core business operations, including the UC Business & Finance Bulletins (BFB), UCSD Policy & Procedure Manual (PPM), and Academic Personnel Manual;
  - Capital Asset Management System (CAMS) based on the inventory listing from IGPP;
  - IGPPs budget model;
  - OFC user roles and Concur P-card user roles;
  - Employee roster report; and
  - US Bank active P-Card holders for the department;
- Interviewed the following:
  - Chief Administrative Officer; and
  - Research Administrator;
- Evaluated:
  - Sponsored Project Reports for contracts and awards for the period of July 1, 2020 to March 31, 2022;
  - Financial Deficit Report – Operations and Sponsored Projects;
  - Distribution of Payroll Expense (DOPE) Reports for the period July 1, 2020 to March 31, 2022;
  - Default Project Reports;
  - Service Agreements; and
  - Gift Funds;
- Selected department process workflows and performed walkthroughs;
- Tested samples of the following for policy compliance and/or contract/agreement terms and conditions;
  - Contracts and awards, including the project related transactions such as payroll, P-card expenses, travel, non-payroll expenses, and subcontract expenses;
  - Service agreements; and
  - Gifts expenses for compliance with terms and conditions.

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## IV. CONCLUSION

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Based on our review, we concluded we concluded that internal controls in IGPP were generally adequate to provide reasonable assurance that operations were effective, in compliance with University policy, and resulted in accurate financial reporting. IGPP continues to show dedication to effective management of operations and has recently increased financial and fund management resources to further improve oversight and stewardship of department resources. Controls for contracts and grants, travel and entertainment events, timekeeping and payroll, gift funds among other areas were found to be effective.

IGPP experienced the difficult transition to new core systems as part of the ESR initiative. The system stabilization efforts and related changes to business processes, in addition to more limited tools initially available in the new systems, caused significant impacts to department fiscal oversight efforts and internal controls. In addition, the unit experienced resource constraints and increased workload

during this period. IGPP continues to work on addressing these issues and re-establishing internal controls in the new environment.

We noted opportunities for improvement in the areas of deficit monitoring and resolution, default account resolution, operating ledger review, P-Card management and equipment management.

**Attachment A** provides a summary of the results of business processes review. Opportunities for improvement are discussed in the balance of this report.

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## V. OBSERVATIONS REQUIRING MANAGEMENT ACTION

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<b>A.</b>	<b>Financial Management</b>
IGPP has not fully implemented a process to address deficits in operating funds and sponsored projects, and recharge accounts. We also noted that P-Cards for three separated employees had not been cancelled.	
<b>Risk Statement/Effect</b>	
Delay in review and monitoring of financial records increases the risk of overspending, unfunded project costs, and errors/irregularities that could remain undetected for extended periods.	
<b>Management Action Plans</b>	
A.1	IGPP continues to monitor the Illustrations Support Services Fund, and expects the deficit to resolve as a result of resumption of work post COVID-19.
A.2	IGPP will properly classify the Cal Trans new account as a Service Agreement in OFC.
A.3	IGPP will create contracts, events, and invoices through OFC to facilitate efficient billing.
A.4	IGPP will continue to monitor the default account monthly. An additional fund manager will be hired in the future to assist in this effort.
A.5	IGPP will continue to assess the ability to provide quarterly financial reconciliations as the backlog of post-implementation issues continue to be addressed.
A.6	IGPP has cancelled P-Cards for three separated employees. Going forward, IGPP will begin copying P-Card and Travel card administrator on separation notices to ensure timely cancellation of cards.

### A. Financial Management – Detailed Discussion

#### Deficit Monitoring and Resolution

University Policy (PPM 300-2, Financial Deficit Policy) defines management responsibilities for the monitoring, reporting, and timely resolution of Financial Deficits. This policy states that departments

will not be permitted to carry over Financial Deficits exceeding \$25,000 without a deficit resolution plan approved by the Department Chair/Designee and Dean/Vice Chancellor. We identified a deficit total of \$437,382 (97% of IGPP deficits) in the Recharge Operating Fund and reviewed the transaction details related to this balance for the accounting period of May 2022.

Fund Code	Project Code	Project Description	Beginning Net Position	Total Expenses	Ending Net Position
12100	1009214	Illustrations Support Services	(\$41,306.81)	\$97,228.91	(\$77,461.72)
12100	2013362	Cal Trans Service Agreement	(\$187,020.36)	(\$35,836.87)	(\$151,183.49)
12100	2013366	SOPAC	(\$18,837.74)	\$189,899.04	(\$208,736.78)

**Illustrations Support Services Fund:** The fund had a deficit balance of \$77,461.72 related to recharge services for graphic design provided by IGPP staff. This deficit was attributed to work disruption during the pandemic closure, while the staff payroll was still being charged to this account. In addition, there was some delay in processing recharges due to ESR system transition. As of June 2022, accounting period, the deficit was down to \$20,923.60. While the deficit was not necessarily a function of the current rate, IGPP indicated they are in the process of preparing a budget to determine a new rate for FY 22/23. University Policy, (PPM 300-87 Sales and Service of Educational Activities (SSEAs)), requires expenditures to revenue reconciliation be performed at least annually to determine any necessary rate adjustments in accordance with the UCSD Self-Supporting Activity Guidance and that every effort should be made to ensure the year-end surpluses or deficit does not exceed two months of the SSEA’s annual expenditures.

**Cal Trans Service Agreement:** The Caltrans balance appears to be misclassified in the Recharge Operating Fund, as it is a Service Agreement. The Fund Manager indicated that the deficit of \$151,184 is the result of a misdirected payment from CalTrans. Caltrans issued a check for \$147,000 for services provided, but it did not include identifying information unique to IGPP; therefore, the check was misdirected. Caltrans will be re-issuing a new check in June 2022, which should substantially clear this deficit. Additional invoices in the amount of \$15,206.44 are expected to be paid which will eliminate the deficit. The fund manager noted Caltrans’ current contract will be over at the end of June. Caltrans’ new Service Agreement will be properly set up in OFC to ensure the payments are recorded in the Service Agreement account and timely receipt of payments. The department advised that in the future, all billings will be prepared in OFC.

**Scripps Orbit Permanent Array Center (SOPAC):** The department generally received payments via wire or paper checks deposited directly into the SOPAC account via the cashier’s office. However, due to COVID-19 and OFC system issues, invoices were sometimes prepared outside of OFC using an internal billing process, checks were sometimes sent directly to the cashier’s office via mail or lost, and the fiscal staff were not able to locate the payments in a timely manner. Consequently, this has caused a deficit in the SOPAC account as the department is still in the process of locating the missing checks. The department plans to establish a process of creating events and invoices in OFC, which will allow for SOPAC payments to be deposited directly in the correct project and task.

[Default Project Reconciliation](#)

As previously mentioned, the implementation of UCPath and a new Chart of Accounts created issues due to system controls that directed charges to a “default project” when incomplete, invalid, and



incorrect chart strings were recorded in Oracle. OFC controls also prevented expenses from posting to projects if the expenditure date is outside the project period of performance, or the award is closed. Departments are expected to regularly review any expenses redirected to a default project, which requires a thorough review of project end dates, chart strings, and information in UCPATH and OFC. Cost transfers are necessary to correct any charges that did not route to the appropriate project or fund source.

IGPP indicated that most of the balances in the default project consist of payroll and recharge costs due to an incorrect chart string. The department has been clearing the default balances via cost transfers and direct retros monthly using the Default Project Payroll report and ensuring these transactions are recorded in the appropriate projects. However, the department is experiencing challenges in clearing the balances timely due to staff turnover and other competing priorities for fund managers, such as completing PIs proposals timely.

As of May 17, 2022, the default project balance reflected on the Default Project Payroll report totaled \$185,000. Below are additional details of those transactions per discussion with the department fiscal staff:

- Approximately \$76,000 of the balance was due to UCPATH issue that led to the overpayment of two PIs salaries caused by title changes from Researcher to Professor;
- Approximately \$49,000 of the balance was due to payroll costs being posted to a project with an original end date in September 2020. Although a no cost-extension was obtained, it was not processed in time to prevent October 2020 salaries from posting to the default account;
- Approximately \$26,000 of the default balance has been cleared through cost transfers.
- Approximately \$14,300 was due to incomplete, invalid, and incorrect chart strings; and
- Approximately \$10,100 in direct retros have been processed that will be available in the July 2022 DOPE report.

Currently, IGPP has one person dedicated to clearing out the default account. As of June 1, 2022, three fund managers were hired who will be able to ensure the default balances are cleared up promptly.

### Operating Ledger Review

The *Statement on Auditing Standards (SAS) 115, Communicating Internal Control Related Matters Identified in an Audit*, is a financial reporting standard that establishes guidelines for determining the seriousness of internal control issues. With the transition to OFC tools that facilitated documentation of key controls, such as Transaction Sampling (an online tool that selected a sample of transactions for staff to review monthly) were deprecated. Though the tools were eliminated with the implementation of OFC FIS, management is still responsible for performing fiscal oversight and key control responsibilities in a way that complies with policy and best practices.

We noted that due to the system transitions and limited resources, IGPP focused on time-sensitive priorities such as proposals and performed limited reviews as needed, but were unable to perform routine operating ledger reviews on a monthly basis. IGPP utilizes a shared server to post reconciliations as they are completed. Management believes they have made progress, but are still working to resolve the backlog of issues during this post-implementation period. The UCDS Campus Controller issued guidance in Spring 2022 for departments to document internal controls in the new environment, and a new Transaction Details report has been developed to assist departments in identifying high risk transactions for ledger review.

P-Card Management

University Policy (BFB-BUS-43 Purchases of Goods and Services; Supply Chain Management) stipulates that the Procurement Card Administrator shall ensure the Procurement Cards are canceled and surrendered by the cardholder upon the termination of a cardholder’s need or termination of employment.

Departments are responsible for ensuring P-Cards for employees who have separated from the University are canceled in a timely manner. We noted three terminated employees whose P-Cards are still active according to the U.S. Bank cardholder list. These employees separated in July 2020, November 2020, and September 2021. Management confirmed that as of August 4, 2022 the three P-Cards have been cancelled by the department.

At the time of our review, IGPP noted their process required the department administrator to terminate the access of the P-Card. In order to ensure this process is working, the department administrator should coordinate with P-Card Program Administrator to obtain an active P-Card list. The list of current card holders was not readily available, therefore IGPP has requested this list of active cardholders from Central Office in order to perform the review. The department administrator can periodically review this list to ensure only current employees with a P-Card are included.

There is an increased risk of unauthorized use when the P-Card remains active for employees who have separated from the University.

<b>B.</b>	<b>Equipment Management</b>
The department has not performed the required biennial physical inventory. The last physical inventory was conducted in 2019.	
<b>Risk Statement/Effect</b>	
Conducting periodic physical inventory ensures the departments assets are accurately recorded for financial reporting.	
<b>Management Action Plans</b>	
B.1	IGPP is in the process of conducting the biennial physical inventory to ensure proper safeguarding, timely and accurate reporting of assets.

**B. Equipment Management – Detailed Discussion**

University Policy (BUS-29) requires biennial inventory validation of taking physical inventory of all Inventorial Equipment. IGPP should conduct physical inventory to ensure that all University equipment is accounted for and recorded at its correct value to ensure accurate financial reporting and security of University assets.

The required biennial physical inventory was not conducted due to COVID-19 pandemic remote work arrangements. On November 4, 2020, the University received an exception letter from Department of

Health & Human Services approving the delay of physical inventory of property for one fiscal year 2020. The University was required to resume the biennial physical inventory process in fiscal year 2021. Per the inventory listing, the total value of inventory that had not been validated in the CAMS was approximately \$20 million. The department had validated only \$1.4 million of equipment. Conducting physical inventory ensures the departments assets are accurately recorded for financial reporting.

**Institute of Geophysics and Planetary Physics**  
**Attachment A – Audit Results by Business Office Process**  
**Audit & Management Advisory Services Project #2022-08**

AMAS Audit Review Procedure							
Business Office Process	Analytical Review of Financial Data	ICQ / SOD Matrix / Interviews	Process Walk-through (Limited Document Review)	Transaction Testing (Sample Basis)	Risk & Controls Balance Reasonable (Yes or No)	Audit Conclusion <sup>1</sup>	Comments
Financial Management and Oversight	√	Documented Internal Control process within the Department.	√	Reviewed financial oversight process, available OFC financial reports, and departmental P/L statement. Examined GL and sub-ledger balances and detailed transactions for judgmentally selected projects.	No	Improvement Needed	OFC challenges and staff turnover were some issues that impacted the Department's financial management and oversight. The Department focused on time sensitive priorities such as proposals and utilized external billing process due to system issues. Therefore, timely review and financial monitoring was not consistently performed to comply with the Statement of Auditing Standards (SAS 115). <b>Finding A</b>
Deficit Management	√	n/a – Department does not have a documented	√	Examined Deficit Balance Report as of 5/17/22 and reviewed with management.	No	Improvement Needed	Opportunity for improvement was identified in deficit balances monitoring and resolution of issues. <b>Finding A</b>
Operating Ledger Review & Financial Reporting	√	Documented Internal Control process within the Department.	√	Examined operating ledgers and financial reports, including management of deficits and default projects.	Yes	Improvement Needed	Opportunity for improvement was identified in financial management review and monitoring of the deficit, default, and billing process. <b>Finding A</b>
Recharge & Other Sales/Service Activities / Recharge Rate Activity	√	Documented Internal Control process within the Department.	√	Reviewed approved rate, budget, and judgmental sample of recharge activity.	Yes	Improvement Needed	Opportunity for improvement was identified for Recharge rates. One of the Department's self-supporting services rates had not been reviewed since 2019. <b>Finding A</b>

<sup>1</sup> Scale: Satisfactory - Improvement Suggested - Improvement Needed - Unsatisfactory

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Business Office Process	Analytical Review of Financial Data	ICQ / SOD Matrix / Interviews	Process Walk-through (Limited Document Review)	Transaction Testing (Sample Basis)	Risk & Controls Balance Reasonable (Yes or No)	Audit Conclusion <sup>1</sup>	Comments
Billing & Invoicing	√	N/A- No interviews or ICQ was performed.	√	Reviewed a judgmental sample of billing transactions for selected projects and examined invoices for accuracy, timeliness, and agreement with contract requirements.	No	Improvement Needed	The billing process for Service Agreements and Annual Services was impacted by the new OFC invoice module. As a result, this delayed billing and revenue recognition. <b>Finding A</b>
Purchasing & Procurement Card	√	Documented Internal Control process within the Department.	√	Reviewed oversight for Procurement Cards. Examined a judgmental sample of PCard expense reimbursements and transactions, traced to supporting documents, and reviewed for compliance with PCard guidelines and policy.	Yes	Improvement Needed	PCard transactions were reasonable, adequately supported, and conformed to PCard guidelines. Opportunity for improvement was identified in the proper cancellation of cards. As of June 2022, IGPP had three cardholders whose PCards were active and had not been canceled. <b>Finding A</b>
Equipment Management	√	Documented Internal Control process within the Department.	N/A	Evaluated the CAMS 2020 Inventory Report by Financial Unit as of November 3, 2021.	No	Improvement Needed	Opportunity for improvement was identified in ensure that inventorial equipment is validated annually. <b>Finding B</b>
Cash/Cash Equivalent Controls	√	N/A- Department does not hold cash or cash equivalents.	√	Detailed testing was incorporated in review of receivable transactions on selected projects.	N/A	N/A	The Department does not hold cash or cash equivalents. Therefore this process was not reviewed.
Clinical Funding / Financial Activity	√	N/A – This process is for health services departments.	√	Detailed testing not deemed necessary based on the overall risk assessment.	N/A	N/A	The Department does not have any clinical funding or financial activity. Therefore this process was not reviewed.

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Business Office Process	Analytical Review of Financial Data	ICQ / SOD Matrix / Interviews	Process Walk-through (Limited Document Review)	Transaction Testing (Sample Basis)	Risk & Controls Balance Reasonable (Yes or No)	Audit Conclusion <sup>1</sup>	Comments
Conflict of Commitment Certification	√	Low risk account.	√	Detailed testing not deemed necessary based on the overall risk assessment.	N/A	N/A	This process was not addressed on the review procedures.
Contracts, Grants, Service Agreements (Post-Award)	√	Documented Internal Control process within the Department.	√	Reviewed a judgmental sample of five projects and associated details in GL and PPM, evaluated selected transactions, expenditures, Key Personnel effort, and DOPE reports.	Yes	Satisfactory	Expenditures were adequately supported, and consistent with the approved budget, award terms/conditions. Key personnel effort seemed accurate and consistent with the award requirement.
Contracts, Grants, Service Agreements (Pre-Award)	√	Documented Internal Control process within the Department.	√	Detailed testing not deemed necessary based on the overall risk assessment.	Yes	Satisfactory	Department has a process in place for PI eligibility based on policy. Any exceptions are submitted via ONBASE by the PI. Exception documents were filed in Kualu Research.
Cost Transfers (Non-Payroll)	√	Documented Internal Control process within the Department.	√	Reviewed a sample of non-payroll cost transfers from awards selected above for timeliness and business justification.	Yes	Satisfactory	Non-payroll cost transfers reviewed were properly supported, approved, and documented the adequate business justification of the expense.
Direct Retro (Payroll Cost Transfer)	√	Documented Internal Control process within the Department.	√	Reviewed a sample of Direct Retro payroll cost transfers from awards selected above for timeliness and business justification.	Yes	Satisfactory	Department has a process to monitor and perform payroll cost transfers as needed by the Fund Managers.

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Business Office Process	Analytical Review of Financial Data	ICQ / SOD Matrix / Interviews	Process Walk-through (Limited Document Review)	Transaction Testing (Sample Basis)	Risk & Controls Balance Reasonable (Yes or No)	Audit Conclusion <sup>1</sup>	Comments
Diversity, Inclusion & Equity	N/A	N/A	√	Detailed testing not deemed necessary based on the overall risk assessment.	N/A	Satisfactory	Diversity, Inclusion & Equity is managed by SIO. The Department participates in the planning and management discussion of EDI.
Effort Reporting	N/A	N/A	N/A	Excluded from review scope.	N/A	N/A	Effort reporting was paused by campus Sponsored Projects Finance due to ESR related issues.
Export Controls	N/A	N/A	√	Detailed testing not deemed necessary based on the overall risk assessment.	Yes	Satisfactory	Department relies on Export Control by communicating international activities. Export Control office manages the export risks and provides export licenses in support of the research activities by faculty.
Faculty Appointment & Compensation	√	N/A	√	Reviewed DOPE reports and appointment information for judgmentally selected faculty, examined documents supporting appointment, effort, incentives/Z and total salaries paid.	N/A	N/A	Faculty Appointment & Compensation was not addressed in this review.
Gift Funds Management	√	N/A	√	Reviewed list of gift funds for Department for consideration of timely spending per PPM 410-5, and reviewed transactions in selected projects.	Yes	Satisfactory	Department gift funds are current and have active spending.
Information Systems Environment / IT & Information Systems	N/A	N/A	√	Detailed testing not deemed necessary based on prior review performed in the current year.	N/A	N/A	Information Systems Environment had been currently reviewed by UCOP at the start of this department review.

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Business Office Process	Analytical Review of Financial Data	ICQ / SOD Matrix / Interviews	Process Walk-through (Limited Document Review)	Transaction Testing (Sample Basis)	Risk & Controls Balance Reasonable (Yes or No)	Audit Conclusion <sup>1</sup>	Comments
Non-Payroll Expenditure Transfers	√	N/A	√	Reviewed a judgmental sample of non-payroll cost transfers.	Yes	Satisfactory	Department cost transfer justification was documented and approved. High-risk transactions had the required justification.
Timekeeping & Payroll (Personnel Management & Payroll Transfers)	√	N/A	√	Reviewed a judgmental sample of direct retros to verify proper explanation was provided.	Yes	Satisfactory	The Department has an adequate process for monitoring and approving payroll transfers.
Transaction Processing - Non-Payroll Expenditures	√	Documented Internal Control process within the Department.	√	Reviewed a judgmental sample of high risk non-payroll expenditures; traced to supporting documents and business justifications for reasonableness.	Yes	Satisfactory	The Department has a process to review non-payroll expenditures for adequate justification and approval.
Travel & Entertainment / Events	√	Documented Internal Control process within the Department.	√	Travel and entertainment transactions were not separately evaluated. They were evaluated in conjunction with Awards testing. A judgmental sample of travel expenses was selected.	Yes	Satisfactory	The limited number of travel transactions we evaluated were well supported and approved in accordance with the University's Travel Policy.
Vacation Usage Reporting & Monitoring	N/A	N/A	N/A	Detailed testing not deemed necessary based on the overall risk assessment.	N/A	N/A	Vacation Usage Reporting & Monitoring was not reviewed.