

The logo for the University of California, Irvine, featuring the letters 'UCI' in a large, bold, serif font, followed by 'RVINE' in a smaller, all-caps serif font.The text 'INTERNAL AUDIT SERVICES' in a serif font, positioned to the right of a vertical line.

# Annual Report on Executive Compensation (AREC)

*Internal Audit Report No. I2022-106*

December 6, 2022

***Prepared By***

Helen Templin, Principal Auditor

***Reviewed and Approved By***

Mike Bathke, Director

December 6, 2022

**JULIE LANCE**  
**SENIOR HUMAN RESOURCE BUSINESS PARTNER and**  
**SENIOR DIRECTOR OF STRATEGIC & BUSINESS SERVICES**  
**UCI HUMAN RESOURCES**

RE: Annual Report on Executive Compensation (AREC) Review  
Report No. I2022-106

Internal Audit Services has completed the limited review of AREC and the final report is attached.

We extend our gratitude and appreciation to all personnel with whom we had contact while conducting our review. If you have any questions or require additional assistance, please do not hesitate to contact me.

Sincerely,



Mike Bathke  
Director

Attachment

C: Audit Committee  
Ramona Agrela, Chief Human Resources Officer/Vice Chancellor – UCI Human  
Resources

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## I. BACKGROUND

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In accordance with the fiscal year (FY) 2021-2022 audit plan, and in conjunction with the required systemwide triennial review schedule, Internal Audit Services (IAS) conducted a limited review of the Annual Report on Executive Compensation (AREC) for calendar year (CY) 2021. For this year, AREC data was reported through the Smartsheet application as the former Senior Leadership Information System (SLIS) has been retired. The University of California Executive Compensation group (UC ExecComp) hosts and maintains the Smartsheet database which is available to the campus coordinators through a web interface. Once the AREC information has been uploaded, UC ExecComp reviews and issues the certification packets.

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## II. PURPOSE, SCOPE, AND OBJECTIVES

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The purpose of this review was to evaluate the completeness and accuracy of AREC for CY 2021 as reported to UC ExecComp and compliance with relevant University and campus policies and procedures.

IAS performed the following procedures:

1. Reviewed local and systemwide policies related to executive compensation;
2. Reviewed the AREC report for CY 2020 and CY 2021 as submitted to UC ExecComp;
3. Validated reportable population and compensation data and assessed compliance with University policies relevant to Senior Management Group (SMG) compensation for CY 2021;
4. Reviewed the signed *AREC CY 2021 Individual Certifications* and the *UC Potentially Compensable Transactions Individual Certification – CY 2021* (PCT) forms for all employees included on the AREC report, verifying that the information reported was accurate and complete; and
5. Performed a fluctuation analysis on the AREC population to analyze and document any changes from previous years to this year.

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## III. CONCLUSION

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Based on the limited procedures performed for the 2021 AREC and the testing of the completeness and accuracy of the information reported, the report appears to accurately reflect the total compensation and perquisites given to reportable executives and other specified employees at UCI during CY 2021, and that the

compensation components for employees listed were appropriately approved. The certification forms were found to be accurate and complete and were all properly signed and dated.

However, since the last AREC review that was conducted in 2018, three positions have been identified with working titles of “Vice Chancellor” that were not previously identified as SMG. These positions are currently under review for SMG placement in accordance with Regents Policy 7701.