



Audit Services

March 23, 2011

SUZANNE MURPHY

Director, Business Services
Office of Executive Vice Chancellor & Provost

**SUBJECT: Chancellor Expense Review
Audit Services Project #11-060**

As a planned audit for fiscal year 2010-2011, Audit Services has completed the annual review of expenses related to the Chancellor's housing, social and development activities. In fiscal year 2009-2010, \$147,000 was allocated from the University of California Searles Fund to the Chancellor's Administrative, Housing Maintenance, and Development accounts to supplement funding for the Chancellor's administrative, ceremonial and social function expenses.

The purpose of this annual review was to determine whether expenses of the Chancellor's Administrative, Housing Maintenance, and Developmental Funds were in compliance with University guidelines and whether all expenses were appropriately reviewed, supported, authorized, and consistent with policy requirements. In addition, the annual reporting of Chancellor Expenses was reviewed for completeness, accuracy, and timeliness.¹

To complete this review, accounting records and related supporting documentation for the expenses were examined to verify the adequacy of support and to confirm expenses had been appropriately reviewed and authorized.

¹ Business and Finance Bulletin #G-45, Implementing Requirements on Expenses Incurred in Support of Official Responsibilities of the President and Chancellors, outlines the stipulations on expenses incurred and annual reporting requirements of expenses.

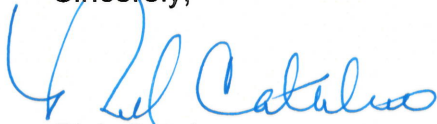
Also, the annual reports prepared were examined to determine whether the reports were complete, accurate, and filed timely. Activities and transactions reviewed occurred during the fiscal year 2009-2010. Fieldwork was completed during February 2011.

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 the expenses charged to the Chancellor's Administrative, Housing Maintenance and Development Funds were in compliance with University guidelines, and were appropriately reviewed, supported, authorized, and consistent with policy requirements. As of June 30, 2010, the Housing Maintenance account had an accumulated balance of \$158,623. Unexpended funds are allowed to be carried forward pending future major renovations/repairs that may be necessary. Lastly, the Annual Reports for the Chancellor's expenses accurately captured all relevant expenses.

Please do not hesitate to contact me if you have any questions or require further information.

Sincerely,



Rick Catalano
Director

c: Chancellor Desmond-Hellmann
UCSF Audit Committee Members