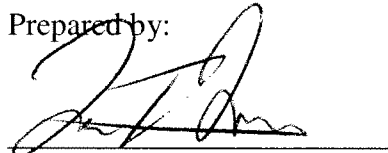


**UNIVERSITY OF CALIFORNIA, IRVINE  
ADMINISTRATIVE AND BUSINESS SERVICES  
INTERNAL AUDIT SERVICES**

**REPORTING ON EXECUTIVE COMPENSATION  
FOR THE CALENDAR YEAR 2010  
Report No. 2011-110A**

**March 31, 2011**

Prepared by:



Loran Lerma  
Senior Auditor

Reviewed by:



Mike Bathke  
Campus Audit Manager

Reviewed by:



Bent Nielsen  
Director

IRVINE: INTERNAL AUDIT SERVICES

March 31, 2011

**SHERYL VACCA**  
**VICE PRESIDENT/CHIEF COMPLIANCE & AUDIT OFFICER**

**RE: Reporting on Executive Compensation**  
**For Calendar Year 2010**  
**Report No. 2011-110A**

Internal Audit Services has completed the review of the Reporting on Executive Compensation for Calendar Year 2010 and the final report is attached.

Please let me know if you have any questions regarding this document.



Bent Nielsen  
Director  
UC Irvine Internal Audit Services

Attachment

C: Michael Drake  
Michael Gottfredson  
Audit Committee

**REPORTING ON EXECUTIVE COMPENSATION  
FOR CALENDAR YEAR 2010  
Report No. 2011-110A**

**I. BACKGROUND**

University of California, Irvine (UCI) Internal Audit Services (IAS) conducted a review of UCI executive compensation and data included in the Senior Leadership Information System (SLIS) for the calendar year 2010 at the request of the University of California Office of the President (UCOP). The compensation data is included in the Annual Report on Executive Compensation (AREC) and the Outside Professional Activity Audit Report. These reports are approved by the Chancellor and submitted to The Regents, the Legislature, and the public.

IAS used a standard system-wide audit program that was developed for the executive compensation review.

**II. AUDIT PURPOSE AND SCOPE OF WORK**

The purpose of the review was to determine whether the executive compensation for the named and non-named Senior Management Group (SMG) positions as defined by the Regents, are in compliance with UCOP and UCI policies and procedures.

The review included the following procedures for calendar year 2010.

1. Reviewed local and systemwide policies related to executive compensation;
2. Reviewed and evaluated all elements of SMG compensation and benefits, and other employment arrangements;
3. Validated population and compensation data recorded in the SLIS system to source documents and records. Assessed compliance with University policies related to SMG compensation and approved action by The Regents;
4. Reviewed and evaluated the W-2 worksheets and traced the reconciliation data to source systems. Verified that the W-2 compensation agreed with the elements of compensation included in the SLIS system;
5. Reviewed certification letters for unreported additional elements of compensation. Ensured that the additional elements, if any, had been included in the SLIS.

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**III. CONCLUSION**

IAS performed a review of the 27 employees reported on the AREC report for calendar year 2010 as follows:

- Thirteen employees in an SMG position;
- Five employees in an SMG named position;
- Seven employees in an MSP position;
- Two athletic coaches.

Based on our review of the 2010 Annual Report on Executive Compensation, the information that has been input into the SLIS accurately reflects the total compensation and perquisites from the University of California during the calendar year 2010. The components that make up the total executive compensation for the 27 employees noted above were in compliance with UCOP and UCI policies and procedures and authorized by Regental approval.