

The logo for UC Irvine, featuring the letters 'UC' in a large, bold, serif font, followed by 'IRVINE' in a smaller, all-caps, serif font. A vertical line separates the 'UC' from 'IRVINE'.

UCIRVINE

INTERNAL
AUDIT SERVICES

Annual Report on Executive Compensation (AREC)

Internal Audit Report No. I2016-202a

August 7, 2016

Prepared By

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Reviewed By

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Approved By

Mike Bathke, Director



INTERNAL AUDIT SERVICES
IRVINE, CALIFORNIA 92697-3625

August 7, 2016

**RAMONA AGRELA
ASSOCIATE CHANCELLOR
CHANCELLOR'S OFFICE**

**RE: Annual Report on Executive Compensation Review
Report No. I2016-202a**

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.

Mike Bathke

Mike Bathke
Director
UC Irvine Internal Audit Services

Attachment

C: Audit Committee
Julie Lance, Chief of Staff and Director of Strategic Initiatives

I. BACKGROUND

University of California, Irvine (UCI) Internal Audit Services (IAS) conducted a limited review of UCI executive compensation. The review consisted mainly of verifying that executive compensation, as reported in the Senior Leadership Information System (SLIS), complies with University of California Office of the President (UCOP) and UCI policies and procedures.

II. PURPOSE, SCOPE AND OBJECTIVES

The purpose of the review was to determine whether the executive compensation for the Senior Management Group (SMG), including reportable Other Specified Employees (OSE), complies with University of California Office of the President (UCOP) and UCI policies and procedures.

IAS performed the following procedures:

1. Reviewed local and systemwide policies related to executive compensation;
2. Reviewed signed Individual Certification forms and Local Outside Professional Activity reports for all employees included on the AREC report verifying that the information reported was accurate and complete;
3. Performed a fluctuation analysis on AREC to analyze and document any changes from previous years to this year; and
4. Validated population and compensation data and assessed compliance with University policies related to SMG compensation.

III. CONCLUSION

Based on the limited procedures performed for the 2015 AREC, the information reported in AREC appears to accurately reflect the total compensation and perquisites given to reportable executives at UCI during calendar year 2015, and that the compensation components for employees listed were appropriately approved.