# RIVERSIDE: AUDIT & ADVISORY SERVICES

April 27, 2020

To: Karim Zahedi, Executive Officer

Strategic Executive Administrative Team

Subject: Expenses of the Associate of the Chancellor

Ref: R2020-08B

We have completed our review of Expenses of the Associate of the Chancellor. Our report is attached for your review.

We appreciate the cooperation and assistance provided by you, as well as your staff. Should you have any questions concerning the report, please do not hesitate to contact me.

Gregory Moore

Director

cc: Ethics & Compliance Risk and Audit Controls (ECRAC) Committee

UNIVERSITY OF CALIFORNIA AT RIVERSIDE

AUDIT & ADVISORY SERVICES

MEMBER OF ASSOCIATION OF COLLEGE & UNIVERSITY AUDITORS

INTERNAL AUDIT REPORT R2020-08B

EXPENSES OF THE ASSOCIATE OF THE CHANCELLOR

APRIL 2020

Approved by:

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Noahn Montemayor Rodolfo Jeturian

Principal Auditor Assistant Director

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Gregory Moore

Director

**UC RIVERSIDE**

**EXPENSES OF THE ASSOCIATE OF THE CHANCELLOR**

**INTERNAL AUDIT REPORT R2020-08B**

**APRIL 2020**

1. **MANAGEMENT SUMMARY**

Based upon the results of our review, the Associate of the Chancellor did not incur any expenses during the Calendar Year (CY) 2019. There were no expenditures recorded in the Expenses of the Associate of the Chancellor account during CY 2019 in the UCR Financial System (UCRFS)

**II. INTRODUCTION**

**A. PURPOSE**

UC Riverside Audit & Advisory Services, as part of a systemwide effort, performed a review of Expenses of the Associate of the Chancellor as part of executive compensation reviews to determine validity of expenditures and evaluate compliance with applicable University policies and procedures.

1. **BACKGROUND**

Appointment as the Associate of the Chancellor is intended to reflect and recognize the contributions and services of those individuals who are called upon to serve as ambassadors for the University and/or the Chancellor. The Associate may accompany the Chancellor in settings where this will enhance the University’s relationships with students, alumni, faculty, staff, donors, friends, public officials, private sector officials, and representatives of foreign governments. The appointment is without salary.

1. **SCOPE**

Audit & Advisory Services performed the following procedures.

* + Accessed accounting information in UCRFS to obtain records of Expenses of the Associate of the Chancellor during CY 2019, determine appropriateness of expenditures, and evaluate compliance with Regents Policy 7106 “Policy on the Associate of the President and the Associate of the Chancellor.”
  + Performed a financial analytic review of Expenses of the Associate of the Chancellor during CYs 2017 through 2019. This included identifying unusual trends or fluctuations and evaluating the reasons for any variances.

**D. INTERNAL CONTROLS AND COMPLIANCE**

As part of the review, internal controls were examined within the scope of the audit.

Internal control is a process designed to provide reasonable, but not absolute, assurance regarding the achievement of objectives in the following categories:

\* effectiveness and efficiency of operations

\* reliability of financial reporting

\* compliance with applicable laws and regulations

Substantive audit procedures were performed in March 2020. Accordingly, this evaluation of internal controls is based on our knowledge as of that time and should be read with that understanding.

**III. OBSERVATIONS AND COMMENTS**

* + 1. **Summary**

There were no expenditures recorded in the Expenses of the Associate of the Chancellor account during CY 2019.

* + 1. **Financial Analytic Review**

Expenses of the Associate of the Chancellor during CYs 2017 to 2019 were as follow:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **2019** |  | **2018** |  | **2017** |
| Expenses of the  Associate of the Chancellor | $ 0 |  | $ 0 |  | $ 144 |

Analytical review of Expenses of the Associate of the Chancellor did not disclose any unusual trends in expenditures that could not be satisfactorily explained.

**IV. MANAGEMENT RESPONSE**

The Chancellor and the Associate of the Chancellor appreciate the diligence of this review. We would like to note that the $0 expenditures for the past year reflects our aim to minimize unnecessary travel and other expenditures on behalf of the University. At the same time, the Associate of the Chancellor takes her responsibilities seriously, participating in a host of activities on campus and at the Chancellor’s Residence.