

UCLA AUDIT & ADVISORY SERVICES



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May 30, 2017

INTERIM SENIOR VICE PRESIDENT/CHIEF COMPLIANCE AND AUDIT OFFICER JOHN LOHSE
EXECUTIVE VICE CHANCELLOR & PROVOST SCOTT WAUGH:

Re: Chancellor's Expenses (G-45) Audit #17-604003

UCLA Audit & Advisory Services (A&AS) performed a review of the Annual Report of Fiscal Year Expenses of the Chancellor (Appendix A) and the Annual Report of Taxable Expenses of the Chancellor (Appendix B) as required by BUS G-45, "Implementing Requirements on Expenses Incurred in Support of Official Responsibilities of the President and Chancellors." BUS G-45 references other University policies including BUS-79, "Expenditures for Business Meetings, Entertainment, and Other Occasions," and BUS G-28, "Policy and Regulations Governing Travel." The purpose of the review was to verify that the process for compiling data used to complete both annual reports was appropriate and that the reporting criteria was consistently applied throughout the reporting period.

A&AS performed the following audit procedures to verify the appropriateness, accuracy, and completeness of the fiscal year expenses and taxable expenses reported. Specifically, on a test basis, we traced general ledger detail to supporting documentation for the amounts reported to ensure the following:

Appendix A

- Housing expenses are associated with the Chancellor's official residence.
- Travel expenses are necessary to accomplish the official business of the University.
- Entertainment expenses are in support of University business.

Appendix B

- Support Staff and equipment expenses are attributable to the operation of the official residence.

Additionally, the general ledger detail used to support these activities was reconciled to financial system downloads used by the Chancellor's office in the calculation of the reported amounts.

Accordingly, A&AS determined that internal controls are effective, and that the campus appropriately and accurately prepared the Annual Report of Fiscal Year Expenses of the Chancellor (Appendix A) for fiscal year 2015-16, and the Annual Report of Taxable Expenses of the Chancellor (Appendix B) for the reporting period November 1, 2015, to October 31, 2016, in accordance with BUS G-45.

A handwritten signature in black ink, appearing to read 'Edwin D. Pierce'.

Edwin D. Pierce, CPA, CFE
Director

cc: K. Smith

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