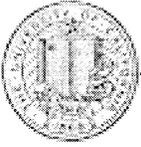


THE REGENTS OF THE UNIVERSITY OF CALIFORNIA
OFFICE OF ETHICS, COMPLIANCE AND AUDIT SERVICES



1111 Franklin Street, 5th Floor • Oakland, California 94607-5200 • (510) 987-0479 • FAX (510) 287-3334

Sheryl Vacca
SENIOR VICE PRESIDENT
CHIEF COMPLIANCE AND AUDIT OFFICER

January 24, 2014

**EXECUTIVE VICE PRESIDENT BROSTROM
CHIEF FINANCIAL OFFICER TAYLOR**

Subject: Final Audit Report Travel and Entertainment Expenditures – No. P14A017

Attached please find a copy of the final report for Project No. P14A017 - Travel and Entertainment Expenditures. With the issuance of this final report, please destroy any previous draft versions. We very much appreciate the assistance provided to us by you and members of your staff during our review. If you should have any questions, please feel free to contact me at 510-987-9646 (e-mail: Matthew.Hicks@ucop.edu)

A handwritten signature in black ink, appearing to read "Matt Hicks".

Matthew Hicks
Audit Director

Attachment

cc: Senior Vice President Vacca
Associate Vice President Arrivas
Manager Cataldo
Auditor Wong

UNIVERSITY OF CALIFORNIA
ETHICS, COMPLIANCE AND AUDIT SERVICES
OFFICE OF THE PRESIDENT
INTERNAL AUDIT SERVICES

TRAVEL AND ENTERTAINMENT EXPENDITURES
Project No. P14A017
December 2013

Work Performed by:
Benjamin Wong, Auditor

Executive Summary

Introduction

As part of the annual systemwide fiscal year 2013-2014 audit plan, the Office of Ethics, Compliance and Audit Service (ECAS) conducted a review of the Office of the President Senior Management Group's travel and entertainment (T&E) expenses' compliance with the following University policies:

- Business and Finance Bulletin (BFB) G-28, Policy and Regulations Governing Travel
- Business and Finance Bulletin BUS-79, Expenditures for Business Meetings, Entertainment, and Other Occasions.

For most UCOP departments, the travel reimbursement process is initiated with the Business Resource Center (BRC). The Office of the General Counsel, Secretary of the Regents, Office of the Treasurer, UC Press, and the Office of Ethics, Compliance & Audit Services do not use BRC to process their T&E reimbursements but have one or more trained department proxies to perform this process. All T&E expenses are processed through either University of California Los Angeles's (UCLA) Express system (Express) or BruinBuy.

Objectives and Scope

The scope of the audit covered activity for fiscal year 2012-2013 (FY13) travel reimbursements (TR) and included:

- A review of a judgmental sample of 60 travel and entertainment expenses for the President and five Senior Management Group (SMG) members that directly report to the President.
- A review of a judgmental sample of 43 travel and entertainment expenses for 15 Management Group (SMG) members who are not direct reports of the President.

We obtained travel and entertainment data from the BRC and reviewed data and documentation in Express.

Overall Conclusion

Based on audit work performed, we found UCOP FY13 SMG T&E reimbursements were generally in compliance with the University's T&E policies. We identified one opportunity for improvement as detailed in the section below.

Opportunities for Improvement and Action Plans

1. Foreign Travel Expenses Exceeding Per Diem Allowances

In our review of travel expenses for SMG members, we identified one TR on selected samples that overpaid the traveler on meals and incidental expenses.

G-28 requires foreign travel to be reimbursed in accordance with the Federal Maximum Travel Per Diem Allowances for foreign areas published by the Department of State. If actual expenses are claimed due to special or unusual circumstances, the traveler must document such circumstances by submitting a written explanation with the travel expense voucher.

Of the 103 TRs reviewed, we identified one TR reimbursement that exceeded meals and incidents expenses allowance by claiming both per diems and actual expenses causing the traveler to be inappropriately reimbursed by approximately \$203.

Action Plan:

At the time of our audit, the traveler was no longer a UC employee. Management has decided not to seek reimbursement for the amount overpaid to the traveler.