UCLA LUSKIN SCHOOL OF PUBLIC AFFAIRS

AUDIT REPORT #16-5002

Audit & Advisory Services

August 2016

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Background

In accordance with the Campus fiscal year 2015-16 audit plan, Audit & Advisory Services (A&AS) conducted an audit of the UCLA Luskin School of Public Affairs.

The UCLA Luskin School of Public Affairs was established in 1994 and dedicated in 2011. The School incorporates best practices in graduate scholarship, research, and teaching in the fields of public policy, social welfare, and urban planning. In March 2011, the School was named for Meyer and Renee Luskin, UCLA alumni and philanthropists, whose $100 million investment to UCLA includes funds for endowments in the School to strengthen academic opportunities, faculty research, and public outreach and civic engagement. The School identifies and develops emerging areas of research and teaching and cultivates leaders and change agents who advance solutions to society’s most pressing problems.

The School has over 90 faculty and 550 students, including approximately 80 doctoral students. There is one centralized Dean’s Office, along with three major departments and various centers and institutes. Personnel include faculty, directors, research fellows, academic appointments, lecturers, and administrative staff. For fiscal year 2014-15, total revenue was approximately $32 million, and expenditures were similarly $32 million. There was a $21 million ending balance, which included the carryforward from the prior year.

The Interim Dean, a Professor of Urban Planning and Asian American Studies, oversees the School, and was appointed in July 2015. The Assistant Dean for Administration serves as the Chief Administrative Officer (CAO) and oversees the School’s various administrative and financial areas, human resources for staff and faculty, operations, facilities, events, and finance. The Chief Financial Officer (CFO) oversees the School’s financial activity, and reports to the CAO. The Dean’s office employs approximately 25 staff.

*Major Departments*

* Social Welfare – Founded in 1974, this department guides policy makers and shapes practice and programs in areas including welfare, aging, healthcare, mental health, children and families, and long-term support, with an emphasis on empowering the disadvantaged and the vulnerable.
* Public Policy – Founded in 1994, this department conducts research directed to public issues, educates public policy professionals, and partners with public servants and the community to disseminate and apply new and existing knowledge for solving public problems.
* Urban Planning – Founded in 1969, this department researches and helps to solve urban issues and problems, particularly in Los Angeles. Master’s and doctoral degree students are prepared by this department to address the social, economic, and spatial relationships that shape society.

Centers and institutes are specialized in their respective research areas, and include the Luskin Center for Innovation, the Center for Community Partnerships, the Lewis Center for Regional Policy Studies, the Institute of Transportation Studies, and the Institute on Inequality and Democracy.

Purpose and Scope

The purpose of the audit was to ensure that there are adequate internal controls over the UCLA Luskin School of Public Affairs administrative and financial activities. Where applicable, compliance with University policies and procedures was also evaluated. The audit’s scope focused on the following activities:

* Financial Management
* Conflict of Interest
* Information Systems
* Gift Funds and Endowments
* Faculty Hiring and Diversity
* Budget and Planning Processes

The audit was conducted in conformance with *the International Standards for the Professional Practice of Internal Auditing* and included tests of records, interviews, and other procedures considered necessary to achieve the audit purpose. Interviews were conducted with Luskin and campus management and staff, and supporting documentation was also examined.

Summary Opinion

Based on the results of the work performed within the scope of the audit, the Luskin School of Public Affairs staff has established effective systems of internal controls and business practices to ensure the financial and administrative objectives of the School are met. In addition, the School’s administrative staff appear to be experienced and knowledgeable of the University’s policies and procedures. Our review did find additional areas where internal controls could be further strengthened. The following were noted:

*Financial Management*

* To help ensure that the proper terms and conditions are applied to purchases and vendors, management should regularly send out reminders that consulting and/or professional services should be processed on a Requisition for Purchase Order or Independent Consultant Agreement, when applicable. Low Value Orders (LVOs) should not be used in these instances. Campus Purchasing should be consulted for any questionable items. Also, management should consider spot checking LVOs on a periodic basis to determine whether areas are using LVOs in compliance with University policies and procedures, and whether additional training in those areas is warranted.
* Management should provide regular communication to units, to create orders in BruinBuy at the time of commitment and prior to the event taking place or the service being completed, using an estimate or quote from the vendor. Also, management should consider performing periodic spot checks for purchase transactions, to ensure that orders are created at the time of commitment. Providing ongoing communication and additional training as needed will protect the University by ensuring that the proper terms and conditions are in place, help to ensure more timely payments to vendors, and provide more accurate budgeting data.
* Management should consider revising the mandatory review structure for transactions that have more than two mandatory reviewers. This would include potentially reducing the number of mandatory reviewers, shifting these responsibilities to other individuals for certain types of transactions, or changing a mandatory reviewer’s status to become a non-mandatory reviewer instead.

*Conflict of Interest*

* The Dean should remind faculty and staff of the need to properly disclose any potential conflicts of interest. This includes completing the "Request for Approval of Proposed Purchasing Involving Possible Conflict of Interest" form when any potential conflicts exist.

*Information Systems*

* Management should continue their efforts to gather an inventory of all information systems with Personal Identifying Information (PII) data.  Correspondingly, areas with PII data should be reminded to ensure that access controls over systems with PII data, including proper security and password controls, are in compliance with University policies and procedures.
* Superuser activity logs at the Dean’s Office should be periodically reviewed by an independent and knowledgeable individual, to ensure that these accounts are only used for authorized purposes. For other areas within the School, once it is determined where PII data resides, management should send out periodic notifications to these areas, reminding them that superuser activity should be logged and monitored.

*Gift Funds and Endowments*

* The Dean should disseminate reminder policies and information regarding categorizing monies as gifts or grants to faculty and staff within the School on a regular basis. Additional training should be provided to areas as needed. Also, areas can confer with the appropriate Campus units for guidance in determining how monies should be recognized (including Office of Research Administration, Office of Contract and Grant Administration, Office of Intellectual Property & Industry Sponsored Research, Institutional Review Boards, etc.).

The audit results and recommendations are detailed in the following section of the report.

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# Audit Results and Recommendations

## Financial Management

A sample of 50 expense transactions were judgmentally selected for review from fiscal year 2014-15 financial data. For each item, supporting documentation was reviewed to verify that that the disbursement was an appropriate University expenditure, that the expenditure charged to the fund source was reasonable, and that the selection was accurately recorded (in source documentation, general ledgers, and any related systems). Also, each disbursement was reviewed to verify that it was properly approved, and that mandatory reviewers read the transaction(s) in a timely manner.

While it appears that most transactions were proper and appropriate, the following improvements are warranted with regards to LVOs, BruinBuy order input delays, and PAN reviews.

1. Low Value Orders (LVOs)

Based on audit review, for nine transactions, an N-class order (LVO) was used to purchase items that appeared to include consulting or professional related services.

According to UCLA Policy 741, “Low Value Purchases” - Attachment A, these items should have been processed via a Requisition for Purchase Order, and not through an LVO. When LVOs are used for such services, the risk is increased of violating the UC Fair Wage/Fair Work Plan, which requires a certain minimum wage be paid to UC employees working at least 20 hours per week, as well as employees of suppliers providing services to UC. Also, without an agreement and applicable terms and conditions in place, the University is at risk if there is a problem (i.e., whether the vendor will hold the University harmless, if the vendor carries insurance, if California law will govern any legal issues, if the contract can be terminated, etc.).

Recommendation: To help ensure that the proper terms and conditions are applied to purchases and vendors, management should send out regular reminders that consulting and/or professional services should be processed on a Requisition for Purchase Order or Independent Consultant Agreement, when applicable. LVOs should not be used in these instances.

Campus Purchasing should be consulted for any questionable items. Also, management should consider spot checking LVOs on a periodic basis to determine whether areas are using LVOs in compliance with University policies and procedures, and whether additional training to those areas is warranted.

Response: The CFO will review best practices with Business Office personnel prior to the start of the Academic School year. This training will be followed by communication to Luskin faculty and staff. The Business Office will subsequently conduct periodic “spot checks”, with any questions directed to Campus Purchasing.

1. BruinBuy Order Input Delay

For 24 out of 50 sampled transactions, the order was not created in BruinBuy until after the event had occurred or goods and services were provided, which included transactions that were processed as LVOs, purchase orders, blanket agreements, etc.

Orders should be established prior to the receipt of goods or delivery of services, in order to confirm the scope of work or exchange of value, and also to record the obligation (as an encumbrance) on the University’s financial books. When an encumbrance is not created, this could result in inaccurate decisions when budgeting and allocating monies. Also, University terms and conditions should be presented to the vendor when the order is placed, otherwise the vendor’s terms and conditions may govern the transaction. Vendor terms and conditions may violate UC policies, may not provide the required protection, or may have onerous business terms.

For the four items noted below, there also was a longer payment delay, partly due to the order being placed in BruinBuy after the event had occurred or goods were received.

For the first two selections noted below, because the order in BruinBuy was created after the services or goods were provided, adherence to standard terms and conditions that may have been applicable could not be guaranteed. As a result, this could result in additional risk exposure to the University. Further, inputting orders into BruinBuy after the invoice date could cause payment delays to the vendor. The following were noted for each selection:

* For one travel expenditure, the invoice date was November 18, 2014, while the order was not created in BruinBuy until January 14, 2015. For this selection, there was a 133 calendar day delay between the invoice date and the general ledger’s effective date of payment (March 31, 2015). The initial delay was followed by other issues, such as the University holiday timeframe.
* For one purchase order selection, the invoice date was May 13, 2015, while the order was not created in BruinBuy until June 15, 2015. There was a 37 calendar day delay between the invoice date and the effective date of payment (June 19, 2015).
* For one blanket agreement selection, the invoice date was August 18, 2014, while the order was not created in BruinBuy until December 18, 2014. There was a 123 calendar day delay between the invoice date and the effective date of payment (December 19, 2014). The initial delay was followed by other issues, such as various communications between the department, Purchasing, and Accounts Payable determining which class order to use for the purchase.
* For one blanket agreement selection, the invoice date was April 23, 2015, while the order was not created in BruinBuy until May 4, 2015. There was a 48 calendar day delay between the invoice date and the effective date (June 10, 2015). For this selection, the delay was also due to the vendor sending the invoice late.

Recommendation: Management should provide regular communication to units, to create orders in BruinBuy at the time of commitment and prior to the event taking place or the service being completed, using an estimate or quote from the vendor. Orders should not be created after the event has occurred or service has been provided.

Also, management should consider performing periodic spot checks for purchase transactions, to ensure that orders are created at the time of commitment. Providing ongoing communication and additional training as needed, will protect the University by ensuring that the proper terms and conditions are in place, help to ensure more timely payments to vendors, and provide more accurate budgeting data.

Response: The Chief Financial Officer will communicate to key requestors to create orders in BruinBuy at the time of commitment and prior to the event taking place or the service being completed, using an estimate or quote from the vendor. The Business Office will conduct periodic “spot checks.”

1. Post Authorization Notice (PAN) Review

Management reviews PAN aging reports on a monthly basis and provides feedback to individuals who do not read their PANs in a timely manner. Audit testing indicated that PANs were not read in a timely manner by mandatory reviewers for 10 out of 50 transactions, ranging from 6 to 170 calendar days. There were between two and four mandatory reviewers for these transactions.

According to UCLA Financial Policy, section III.F, “A reviewer must review all transactions within two working days of receipt.” Timely review of PANs helps to ensure that all related financial activities are appropriate and adhere to University policies and procedures.

Recommendation: Management should consider revising the mandatory review structure for transactions that have more than two mandatory reviewers. This would include potentially reducing the number of mandatory reviewers, shifting these responsibilities to other individuals for certain types of transactions, or changing a mandatory reviewer’s status to become a non-mandatory reviewer instead.

Response: The Chief Administrative Officer will continue to conduct monthly audits and transition any staff with repeat issues to non-mandatory reviewer status.

## Conflict of Interest

Audit review encompassed reviewing the School’s processes to manage conflict of interests, and included analyzing nine sampled items. A standard conflict of interest (COI) form is required by the Academic Personnel Office (APO) to be completed by faculty, to disclose any outside activities, and requires a list of spouses or near relatives. Also, the Office of Contract and Grant Administration (OCGA) requires COI forms to be completed by the Principal Investigator (PI) and key personnel when sponsored projects funds are used. Vendors must disclose their federal tax ID as well.

In six instances, review of the transactions indicated there did not appear to be any conflict of interests. For three sampled items, the following potential conflicts of interests were noted:

* For one selection, the vendor was the employee’s husband, a graphic designer, who performed website work related to a project.
* For one selection, the vendor, who was paid as a consultant, was the current partner of the employee.
* For one selection, a spouse of an emeriti faculty with no salary appointment was paid for research services performed for a project.

Due to the older nature of when these items occurred, it is unclear if the proper documentation was completed; including disclosure of these potential conflicts before payments were made to the vendor.

According to BUS-43, Materiel Management, Section IV. Compliance/Responsibilities, Part 5, Employee-Vendor Relationships, B.3c, “Near Relative - The University may purchase or lease goods from or contract for services with the near relative of any employee, provided that the Materiel Manager or designee has made a specific determination that the goods and services are not available either from commercial sources or from within the University of California.”

Recommendation: The Dean should remind faculty and staff of the need to properly disclose any potential conflicts of interest.  This includes completing the "Request for Approval of Proposed Purchasing Involving Possible Conflict of Interest" form and coordinating with campus Purchasing when any potential conflicts exist.

Response: The Dean will communicate the need to properly disclose any conflicts of interest to faculty at the start of the Fall Quarter of the Academic Year.

## Information Systems

Audit review included interviews with management and a tour of the Luskin server room. Areas of focus included determining whether the School retains PII data, and reviewing controls over superusers, physical security, and technical controls. Concerns regarding PII data and superuser reviews are noted below.

1. Personally Identifiable Information (PII) Data

During the audit, Luskin Information Technology (IT) management conducted a survey to determine which areas retain PII data. Approximately 43 faculty members and 70 staff members across the Urban Planning department, Social Welfare department, Public Policy department, and Dean's Office were surveyed.  Of the 113 individuals surveyed, approximately 69 responses were received (61% response rate).  The results were as follows:

* In 12 instances, individuals indicated that they have possible PII data.  Possible PII data included social security numbers, credit card numbers, and human resources health related information.
* In 11 responses, individuals indicated that they are unsure if PII data is retained.
* In 46 responses, individuals indicated that they do not carry any PII data.

Because survey results were not complete, A&AS was not able to determine the full scope of PII that is retained by the School.

Per UCLA Policy 404 – Encryption of Electronically Stored Personal Information, Section III and IV, “Each organization must maintain an inventory of their electronically stored Personal Information, including individuals responsible for this Personal Information . . . Organization Heads have ultimate accountability for compliance with this Policy in their organization, even if specific responsibilities are delegated. Each Organization Head must:

* Ensure that Data Stewards in their area of responsibility are aware of and comply with this Policy;
* Review all requests for an exception to encryption within their organization and recommend whether the exception should be granted. The authority to make this determination cannot be delegated.”

Recommendation: Management should continue their efforts to gather an inventory of all information systems with PII data.  This will help determine where any potential risk exposures may lie. Correspondingly, individuals who maintain PII data should be reminded that access controls over systems with PII data, including proper security and password controls, should be adequate and in compliance with University policies and procedures.

For any questions that may arise regarding PII, Luskin management should remind units to consult with the campus Chief Privacy Officer and/or the campus Chief Information Security Officer to determine whether any actions, such as creating confidentiality agreements and/or giving notification to research participants, etc. is required.

Response: The Luskin IT Unit will continue to gather an inventory of users who may carry PII data that relates to University business and regularly remind Luskin faculty and staff that access controls over systems with PII data, including proper security and password controls, should be adequate and in compliance with University policies and procedures. If the response rate from faculty and staff continues to remain low, the Dean will communicate to outstanding individuals at the start of the Fall Quarter of the Academic Year.

1. Superuser Review

For information systems within the Dean’s office, superuser access to critical systems is limited. A superuser account allows for administrative rights to the system(s). While superuser log-in activity is captured in a log file, superuser activity is not actively reviewed by an independent person.

As noted above in section A, there was a 60% response rate to the PII survey that management sent out. As a result, A&AS could not determine whether overall controls over superuser access to systems with PII within the School are adequately controlled.

According to guidance on privileged users stated in UC Business and Finance Bulletin IS-3, section III.C.2.b.iii, "activities performed using a privileged account should be logged, where feasible, and the logs should be reviewed on a regular basis by an independent and knowledgeable person." Additionally, "use of privileged accounts should be monitored periodically to ensure they are being used for authorized purposes."

Recommendation: Management should continue logging superuser activity at the Dean’s Office; however, these logs should be periodically reviewed by an independent and knowledgeable individual to ensure that privileged accounts are only used for authorized purposes.

For other areas within the School, once it is determined where PII data resides, management should send out periodic notifications to these areas, reminding them to ensure that superuser activity is properly logged and monitored.

Response: The Luskin School has chosen to designate one lead as the superuser to oversee privileged accounts and conduct monitoring on a periodic basis to ensure that privileged accounts are only used for authorized purposes. The superuser will send out periodic review reminders to any who have PII data.

1. Physical Security

Physical and access controls over the Luskin server room were reviewed. The server room is equipped with a traditional sprinkler system and a CO2 fire suppression system. Also, servers are on server racks, which are secured to the floor in case of an earthquake, and the room is located away from potential hazards.

Additionally, the server room has adequate cooling and ventilation systems, including a traditional air conditioning unit which serves as a back-up. Further, smoke alarms are located inside the server room and are linked to the sprinkler system, and there are moisture alarms in the air condition vents and a water alarm for the chilled water unit.

There are nine individuals with access to the Luskin server room.  Based on audit review, access for all nine individuals appears appropriate.

There were no significant control weaknesses noted in this area.

1. Technical Controls

Based on interviews conducted during the audit regarding the Dean’s office systems, controls over password security, user access, network security, desktop security, patch management, and back-up/disaster recovery appear to be adequately controlled. The following were noted:

*Password Security*

Users have unique user IDs and passwords to access the network and various systems. Also, passwords have a high level of complexity and are masked when entered on the screen. Further, passwords are stored in such a way that they cannot be viewed or accessed by a system administrator, and users are trained regarding the proper handling of their user ID and password.

*Access Controls*

The School utilizes a Windows 2008 R2 Active Directory for user and file access permissions in a redundant domain controller setup.  Luskin file servers run Windows 2008 R2 with up-to-date patches.  File permissions are set by security groups, and individual permissions are based on departmental groupings, restricting access to necessary files and folders.

User accounts are reviewed every quarter by management.  Also, student accounts are maintained separately, in order to prevent unintentional access to additional resources.  Additionally, student files are housed on a separate file server running Windows 2008 R2, and student accounts are created with expiration dates to prevent unauthorized usage after a student graduates.

*Network Security*

The School utilizes multiple security features offered by Cisco.  Security features include a redundant supervisor engine to handle access control lists, limiting network connections from outside the School into Luskin’s network infrastructure, and restricting network access within the School to only the necessary functionality such as network printing, network file shares, user authentication, and web access.  Also, a firewall blade is installed on the router to assist in preventing unauthorized network access.

*Desktop Security*

Desktops require an Active Directory log-on for desktop security, and have a host of virus scanning software and built in security updates.  Group policy enforcement adds additional security measures such as minimum length for password, as well as enforcing password complexity.

Also, other group policy enforcements include restricting workstation access to features such as the command line, account lockout after a certain number of failed log-on attempts, logging account log-on successes and failures for auditing purposes, and restricting users from installing software on desktops.

*Patch Management*

Regular maintenance is performed to patch software, and to implement anti-virus and anti-spyware measures.  Patches are administered monthly for regular updates, or immediately for emergency updates.

*Back-up and Recovery*

The School uses Veeam Backup & Replication for VMware and a disk-to-disk backup setup to back up the entire virtual machine (VM) environment.  A full backup is conducted once a week and incremental backups are conducted daily.  Back-up data is stored on a storage-area network in the Social Science Computing (SSC) Server Room.

A status report of the backup process is e-mailed to both the Luskin IT Directors and the SCC system administrators.  The Veeam system maintains a database of the backup events.  A number of Luskin VMs are restored to a test environment to ensure that backups are operational.  Also, backup media is restored and validated every six months.  Further, backup and recovery tasks are outsourced to SCC and guaranteed as a part of a service level agreement.

## Gift Funds and Endowments

Audit review included selecting a sample of 15 gift funds as of December 31, 2015, from the campus Consolidated Gift Fund Report.  For each fund, the fund purpose was reviewed and the reasoning for what appeared to be limited financial activity was discussed with management.

Out of the 15 sampled gift funds, the limited financial activity for these funds appeared reasonable.  However, for two sampled funds noted below that relate to the same organization, upon review of related documentation from UCLA External Affairs and the UCLA Foundation, it appears that the monies that came in should have been categorized as a grant, rather than as a gift.

* Fund 62689O - Sound Body Sound Mind Robert F. Kennedy (RFK) Community Schools Project - Luskin, which was set up on December 13, 2012, in the amount of $28,755.  As of the audit review, $24,667.96 remained in this fund.
* Fund 62676O - Sound Body Sound Mind RFK Community Schools Project - Dream, which was set up on December 7, 2012, in the amount of $43,000.  As of the audit review, $40,432.50 remained in this fund.

There appeared to be deliverables and a specific scope of work associated with these two funds.  The fund purposes indicated that the monies are "to support the evaluation of the Sound Body Sound Mind RFK Community Schools PE Curriculum."  Supporting documentation indicated that to evaluate the project (a program with a 10 month time line), the evaluation would survey 600 students, 600 parents, and the physical education teachers at the RFK Schools, and that the study would track specific information.  Also, the evaluation process would include meeting with students, parents, teachers, and administration, collection and analysis of all data, and the compilation of findings.

In general, awards to support specific research studies should be accepted as grants with appropriate overhead.  Based on the University’s Contracts and Grants Manual, Chapter 9: Gifts and Endowments, 9-500: Distinguishing Between Private Gifts and Grants for Research,

"In general, classify funds as grants when the following characteristics exist:

* provision for audits by or on behalf of the grantor;
* the grantor is entitled to receive some consideration such as a detailed technical report of research results or a report of expenditures;
* testing or evaluating of proprietary products is involved;
* the research is directed to satisfying specific grantor requirements (e.g., terms and conditions stating a precise scope of work to be done rather than a general area of research);
* a specified period of performance is prescribed or termination is at the discretion of the grantor;
* funds unexpended at end of period shall be returned to the grantor;
* patent rights requested by grantor.

Since, in many situations not all of the above characteristics will be present, campuses must exercise judgment in order to classify the gift/grant in accordance with the intent of this Policy. The decision as to whether a particular award should be considered a gift cannot be made based upon the presence or absence of a single characteristic or criterion. Rather, one must look at the award as a whole in order to make a judgment as to its proper classification."

Luskin management indicated that they have discussed the topic of recognizing monies as gifts versus grants with PIs and development officers.

Recommendation: The Dean should disseminate reminder policies and information regarding categorizing monies as gifts or grants to faculty and staff within the School on a regular basis. Additional training should be provided to areas as needed.

Also, when applicable, management should advise areas to confer with the appropriate Campus units for guidance in determining how monies should be recognized (including the Office of Research Administration, OCGA, Office of Intellectual Property & Industry Sponsored Research, Institutional Review Boards, etc.).

Response: The Dean will communicate policies and information regarding categorizing monies as gifts or grants to all faculty and staff at the beginning of the Fall Quarter. Training will be made available, if needed.

## Faculty Hiring and Diversity

Based on audit review, it appears that adequate steps are taken surrounding recruitment, hiring, retention, and separation to establish and maintain a diverse staff and faculty population in the School. The following were noted:

*Hiring*

Department chairs ensure there is a diverse pool when hiring.  Committee creations are chaired by Luskin’s Diversity Liaison.  The Diversity Liaison works in conjunction with the School’s Associate Dean of Academic Personnel. Final searches for faculty are vetted through these two individuals.  Also, faculty candidates meet with staff, faculty, and students, who also have input during the interview process.

Every department has to forward their final list of candidates to the Diversity Liaison and Associate Dean of Academic Personnel, who then forward the list on to the Office of Equity, Diversion & Inclusion - Vice Chancellor for review.

*Retention*

The School encourages the retention of all strong staff, not to the detriment of race, gender, etc.  The School seeks to retain the best and the brightest, and are open to all types of individuals.

*Separation*

On the academic side, if a faculty member is departing, the details are handled through the chair and APO.  Information is kept confidential, and is retained within the archives of the department and the School.

Exit interviews are conducted with every staff member that departs, which is kept confidential, unless consent is waived.

*Training*

It appears that the bulk of the annual diversity training is geared towards field faculty, Student Affairs Officers, and students.  Training is required for faculty and students as part of the Luskin School orientation.  However, while diversity training is provided to staff attending campus new hire orientation sessions with a campus HR staff member, other staff may not receive such formal training.

The Staff Diversity and Compliance office provides diversity education for staff.  Training topics include affirmative action, equal opportunity, disability discrimination, managing diversity, and the complaint resolution process.   Also, this office conducts briefings and trainings for departments.

Management indicated that they have reached out to this area for formal staff training. A&AS supports management's efforts to provide diversity training to staff.

## Budget and Planning Processes

Audit review included discussions with management, and review of related policies and procedures. Also, organization level CBIG reports for fiscal year 2014-15 and fiscal year 2015-16, including variance reports were reviewed.

Budgets are developed annually and monitored throughout the year. Significant variances are investigated and explained, including how any variances will be covered.  The Dean's Office, the fund manager, and the department manager are involved in these discussions as well.  Further, any significant variances are discussed with the appropriate parties within Academic Planning and Budget.

Test work indicated the School is in the black and any shortfalls are covered by carryforwards from prior years. The most significant variance at June 30, 2015, was in their Professional Degrees Supplemental Tuition revenue, which was the result of lower than anticipated student enrollment.

There were no significant control weaknesses identified in this area.

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