



Chancellor's Expenses

Internal Audit Report No. I2014-106

June 18, 2014

Prepared By

Helen Templin, Senior Auditor

Reviewed and Approved By

Mike Bathke, Director



INTERNAL AUDIT SERVICES
IRVINE, CALIFORNIA 92697-3625

June 18, 2014

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

**RE: Annual Report of Fiscal Year Expenses of the Chancellor Review
Report No. I2014-106**

Internal Audit Services has completed the limited review of the Annual Report of Fiscal Year Expenses of the Chancellor 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
Desiree von Haag, Operations Manager – Chancellor's Office

I. BACKGROUND

University of California, Irvine (UCI) Internal Audit Services (IAS) conducted a limited review of expenses incurred in support of the responsibilities of the UCI Chancellor for compliance with University of California Office of the President (UCOP) policy G-45: "Implementing Requirements on Expenses Incurred in Support of Official Responsibilities of the President and Chancellors" (G-45). G-45 clarifies procedures for identifying and reporting expense of the President and the Chancellors associated with their official residences. It also describes allowable expenses incurred by the officer, such as travel, entertainment, and gift expenses. For fiscal year 2012-2013, this review was optional for campuses. The Operations Manager for the Chancellor's office requested that IAS review the submitted reports. The review consisted mainly of determining the reasonableness of 2013 amounts and comparing them to the 2012 amounts.

II. PURPOSE, SCOPE AND OBJECTIVES

The purpose of this review was to determine whether the reportable activity of the Chancellor's expenses complies with G-45 for fiscal year 2012-2013.

IAS performed the following procedures:

1. Reviewed local and systemwide policies related to the Chancellor's expenses;
2. Performed a fluctuation analysis on the Chancellor's expenses to analyze and document any changes from last year to this year; and
3. Determined whether activity in support of the Chancellor was reasonable and properly reported through the appendices in G-45: Annual Report of Fiscal Year Expenses (Appendix A) and the Annual Report of Taxable Expenses (Appendix B – Reporting Period November 1, 2012 - October 31, 2013).

III. CONCLUSION

Based on the limited procedures performed, the expenses recorded in Appendices A and B that support the Chancellor and the residence were appropriate and used in accordance with University policies and procedures. However, IAS noted that the annual reporting of the Event & Residence Manager's salary and benefit expenses in Appendix B were only reported from November 2012 through August 2013. This was discussed with the individual who prepared the report who stated that the Event & Residence Manager transferred to another position and her replacement was not hired until January 2014. Although the former Event & Residence Manager continued to assist the Chancellor's Office with this position through January 2014, her expenses for this time were not paid out of a fund controlled by the Chancellor's Office. Since none of the Event & Residence Manager's time was used to benefit the Chancellor personally, the reported salary and benefit expenses are accurate and no change to the report is necessary. No other issues were noted.