

UNIVERSITY OF CALIFORNIA, DAVIS
AUDIT & MANAGEMENT ADVISORY SERVICES

Annual Report on Executive Compensation
Audit & Management Advisory Services Project # 17-02

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As part of the fiscal year 2016-17 Audit Plan, Audit and Management Advisory Services (AMAS) conducted a review of the Annual Report on Executive Compensation (AREC).

The AREC provides compensation data for two categories of executive personnel: the senior management group (SMG) and non-SMGs whose annual income meets the reporting threshold (in 2016, the threshold was established at \$304,000). Total compensation must be reported, which includes salary, bonuses and incentives, one-time payments or reimbursements made to the employee or on behalf of the employee, and any benefits and perquisites. Each campus prepares its own report which is then submitted to the Regents for approval.

As in past years, the objectives of the AREC review were to determine if the compensation data submitted in the annual report is complete and accurate; appropriate procedures have been developed and performed to ensure submitted data has been accumulated and reported in accordance with the University of California Office of the President (UCOP) instructions; and, if any reporting anomalies existed, that they have been properly footnoted and explained in accordance with UCOP instructions.

To perform our review, we interviewed the SMG Administrator and Executive Programs Analyst responsible for compiling the report, utilized our ACL software to independently identify employees who should be included in the report, compared the 2016 AREC to the 2015 and 2014 ARECs for consistency and reasonableness of information reported, and reviewed the compensation amounts reported in the AREC for completeness and accuracy. Our review was performed during the first quarter of 2017, and encompassed activities and transactions occurring in calendar year 2016.

The SMG Administrator and Analyst have a strong process in place to identify the reportable population and validate the compensation amounts they enter into the Senior Leadership Information System (SLIS). The AREC report produced by SLIS includes a combination of UC Davis and UCOP input.

Based on our procedures performed, it is our opinion that the 2016 AREC includes the appropriate population and accurately reflects all reportable compensation and benefits.
