October 13, 2014

To: Charles Nies, Interim Vice Chancellor for Student Affairs

Subject: Vice Chancellor for Student Affairs Transition Review

Ref: Report No. M15C001: Vice Chancellor for Student Affairs Transition Review

Attached is the report for the Vice Chancellor for Student Affairs Transition review (M15C001) which was performed in conjunction with a larger transition assessment. This report relates to the Vice Chancellor for Student Affairs’ (VCSA’s) immediate office and is a high level review of funds under the VCSA’s immediate control.

We appreciate the assistance provided to us by your staff during the review. If you should have any questions, please feel free to contact me.

Todd Kucker
Internal Audit Director

Attachment:

cc: SVP Vacca
    Chancellor Leland
Purpose and Scope

Internal Audit has completed an audit of the Vice Chancellor of Student Affairs’ (VCSA’s) immediate office. The primary purpose of this audit was to ensure that the accounts and activities taken over by the incoming VC of Student Affairs are in order and present little future risk of controversy. A secondary purpose was to ensure that budget funds remain available to the Interim VC of Student Affairs for the operations under his purview.

Our audit scope was limited to areas that are under the VCSA’s immediate control. This audit included discretionary funds and other fund commitments that were outside of the annual budget process.

Fieldwork was performed during September 2014 and included the following:
- Discussions with staff from the VCSA’s office and other direct reports in the Student Affairs Division;
- Tests of transactions for compliance with policy; and,
- Review of prior internal audit reports and management corrective actions when the scope included the VC Student Affairs’ office or areas that reported to her.

Background

This audit was conducted in conjunction with a larger transition assessment project undertaken by UC’s Office of Ethics, Compliance and Audit Services at the request of the Chancellor of the University of California, Merced.

Patrick Reed, CPA, retired University Auditor, on behalf of UC’s Office of Ethics, Compliance and Audit Services, led the Transition Assessment Review. A component of the Transition Assessment is the high-level review of funds under the VCSA’s immediate control. The results of Mr. Reed’s assessment will be provided to the Chancellor under separate cover.

Conclusion

During the review, we did not identify issues which could create concern for the incoming Vice Chancellor for Student Affairs. Accounts reviewed had balances that were appropriate for the continued support of normal operations of the VCSA’s Office. We did not identify any indication of misuse of funds.

As part of the related transition review, we noted two units that report to the Vice Chancellor for Student Affairs had accumulated operating deficits. The next Vice Chancellor for Student Affairs will need to address the accumulated operating deficits for the Campus Store and for the CatCard Office which totaled ($266,061) at June 30, 2014.

During the review, we noted that the former Vice Chancellor was involved with reviewing and approving monthly account reconciliations, recharges, and other transactions. We recommend division leadership review current approval processes to determine whether these approvals could be managed by others. It seems unusual for a Vice Chancellor to spend time with these approvals which would typically be handled by management service officers or other managers.