

The logo for UC Irvine, featuring the letters 'UC' in a large, bold, serif font, followed by 'IRVINE' in a smaller, all-caps, serif font. A vertical line separates the 'UC' from 'IRVINE'.

UCIRVINE

The logo for Internal Audit Services, featuring the words 'INTERNAL' and 'AUDIT SERVICES' stacked vertically in an all-caps, serif font.

INTERNAL
AUDIT SERVICES

Annual Report on Executive Compensation (AREC)

Internal Audit Report No. I2018-110b

June 22, 2018

Prepared By

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Reviewed By

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Approved By

Mike Bathke, Director



INTERNAL AUDIT SERVICES
IRVINE, CALIFORNIA 92697-3625

June 22, 2018

**RAMONA AGRELA
ASSOCIATE CHANCELLOR
OFFICE OF THE ASSOCIATE CHANCELLOR/
CHIEF HUMAN RESOURCES EXECUTIVE**

**RE: Annual Report on Executive Compensation (AREC) Review
Report No. I2018-110b**

Internal Audit Services has completed the limited review of AREC 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
Julie Lance, Director of Strategic and Business Services

I. BACKGROUND

In accordance with the fiscal year (FY) 2017-18 audit plan, Internal Audit Services (IAS) conducted a limited review of the Annual Report on Executive Compensation (AREC) for calendar year (CY) 2017. This review consisted mainly of verifying that executive compensation, as reported in the Senior Leadership Information System (SLIS), complies with University of California Office of the President (UCOP) and UCI policies and procedures.

II. PURPOSE, SCOPE AND OBJECTIVES

The purpose of the review was to review and evaluate the completeness and accuracy of AREC for CY 2017.

IAS performed the following procedures:

1. Reviewed local and systemwide policies related to executive compensation;
2. Reviewed the AREC report for CY 2017 as submitted to UCOP;
3. Validated population and compensation data and assessed compliance with University policies related to Senior Management Group (SMG) compensation;
4. Reviewed the signed Individual Summary Compensation Certification and Potentially Compensable Transactions Individual Certification (PCT) forms for all employees included on the AREC report, verifying that the information reported was accurate and complete; and
5. Performed a fluctuation analysis on the AREC population to analyze and document any changes from previous years to this year.

III. CONCLUSION

Based on the limited procedures performed for the 2017 AREC, the information reported in AREC accurately reflects the total compensation and perquisites given to reportable executives and other specified employees at UCI during CY 2017,

and that the compensation components for employees listed were appropriately approved.