



The University of California



**Annual Report on
Internal Audit Activities
2009-2010**

I. Executive Summary

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I. Executive Summary

I. Executive Summary – Introduction

This Annual Report on Internal Audit Activities serves two purposes.

- **Communicates outcomes of Internal Audit activities.** The report conveys significant issues identified and addressed, progress toward ongoing improvement and corrective actions, and continuing challenges to the University's control and compliance efforts.
- **Demonstrates the accountability of the Internal Audit Program.** The report addresses utilization of our resources, performance metrics and benchmarks, and adherence to professional standards and The Regents Internal Audit Charter. In this regard, our report is consistent with and supportive of President Yudof's accountability initiatives.

Through a program of planned and supplemental audits, advisory services, and investigations there were 437 reports issued containing 1,914 Management Corrective Actions which are summarized and analyzed in this report.

I. Executive Summary

FY 2009-10 Highlights

During FY 2009-10, the UC Internal Audit Program:

- Completed 555 audit, advisory services, and investigation projects resulting in 437 reports that produced 1,914 recommendations for improvements to internal controls that produced agreed upon Management Corrective Actions (MCAs)
- Validated the closure of nearly 1,500 Management Corrective Actions that strengthened controls, as follows:
 - Beginning MCA Number – 1,163 (open at start of FY 2009-10)
 - MCAs added – 1,914
 - MCAs closed – 1,486
 - Current open inventory of MCAs – 1,591
 - Current high risk past due MCAs – 69
 - Current medium/low risk past due MCAs – 510
- Met or exceeded benchmarks for:
 - Productivity – 86.12% (goal 85%)
 - Completion of the Audit Plan – 95% (goal > 70%)

I. Executive Summary

Highlights (cont'd)

- Participated in a number of University initiatives related to:

Governance

- ARRA (Stimulus Package) Monitoring
- Ongoing involvement with LANS, LLNS Lab Management Council and Audit Committee processes
- Information Transparency
- Registration Fee Taskforce
- External Audit Coordination

Control Areas

- Student Health Insurance Programs
- Systemwide Payroll and Personnel System (PPS) Initiative
- UCOP Process Reengineering
- CIRM Construction Audits

Compliance

- Executive Compensation
- Compensated Outside Professional Activities
- Cost Transfers
- Health Sciences Vendor Policy
- Senior Management Group Policies
- Policy Development/Revisions

Budgeting

- Leveraging of resources for efficiencies – key focus
- Reworking vacant positions to provide coverage in Audit Services
- CE training opportunities provided with minimal cost/travel

I. Executive Summary

Highlights (cont'd)

- Continuous Improvement of the Internal Audit Program:
 - Streamlined and enhanced the annual audit process by implementing scheduling and time tracking modules of new audit management system
 - Launched an initiative to enhance the technical skill set of our IT auditors
 - Coordinated a comprehensive process to reevaluate and modernize our internal methodologies to ensure alignment with professional standards and make better use of technology
 - Established synergies with campus compliance departments in risk assessment, plan development, and ongoing risk monitoring efforts
 - Launched a new internal audit document database and a publicly accessible internal audit report database to support UC's transparency initiative
 - Prompted the initiation of a systemwide cash controls review performed by the Banking and Treasury Services Group
 - Significantly improved campus audit plan completion rates by establishing more realistic audit plans and reinforcing accountability for audit plan completion

I. Executive Summary

Summary and Conclusions

In conjunction with the 437 Audit, Advisory Services and Investigation reports issued, we identified no conditions that we believed to represent material deficiencies in internal controls to the University system as a whole from a financial standpoint. In addition, while we acknowledge that management has ultimate responsibility for establishing internal controls to manage risks, we identified no circumstances in which we believe that management's decisions resulted in the acceptance of unreasonable levels of risk.

Further, based on our FY 2009-10 work, we can assert the following as being generally true with no reportable exceptions:

1. Management of the University is cognizant of their responsibility for internal controls and takes seriously the need for controls and accountability.
2. There is respect for the objectives of the Internal Audit Program; a high level of cooperation is received, and there is no interference with either the accomplishment of our tasks or our responsibilities to report to The Regents.
3. Managers actively participate in the identification of risks and work collaboratively with Internal Auditors to address issues raised during Audits, Advisory Services engagements, and Investigations.

I. Executive Summary

Summary and Conclusions (cont'd)

4. Management is comfortable seeking out Internal Audit for advice and consultation on matters with internal control implications.
5. Matters of importance are reported to The Regents.

Although we did not identify material control deficiencies, there are opportunities for the University to implement more effective controls in a number of areas and there are ongoing challenges to effective controls and compliance as indicated by the frequency of observations regarding:

- IT security and information privacy
- Segregation of duties
- Impact of budget cuts on control structure
- Disaster recovery planning
- Regulatory compliance
- Policies and procedures
- Charge capture and billing (medical centers)

See Section II.C at pages 14-15 for a more detailed discussion of internal control challenges and opportunities.

II. Audit Program Results & Analysis

Introduction

The data contained in the following section provides:

- Summary statistical information for the year;
- Systemwide and significant individual audit results; and
- Significant and recurrent control issues.

The data is summarized and analyzed by type of audit service and across functional areas of the University, demonstrating the breadth of coverage. Audit findings are analyzed by functional area, severity, and status of corrective actions.

II. Audit Program Results & Analysis

A. Statistics

Projects	FY10 Plan	FY10 Actual	Prior Year
<u>Audits</u>			
Audit Program Hours	98,909	95,181	91,472
Percent of total effort	64%	67%	64%
Number of Completed Projects	283	275	260
Average hours per completed project ⁽¹⁾	262	327	354
<u>Advisory Services</u>			
Advisory Service Hours	33,000	28,151	30,825
Percent of total effort	21%	20%	21%
Number of Distinct Projects	73	181	234
Average hours per completed project ⁽¹⁾	156	128	123
<u>Investigations</u>			
Investigation Hours	22,239	17,792	21,520
Percent of total effort	14%	13%	15%
Number of Completed Investigations	N/A	99	126
Average hours per completed project ⁽¹⁾	N/A	158	174
<u>TOTAL</u>			
Audit, Advisory Services & Investigation hours	154,148	141,124	143,817
Percent	100%	100%	100%
Total Number of Completed Projects	N/A	555	620

⁽¹⁾ Not calculated from the above due to projects in process at beginning and end of period.

N/A - Not applicable to Plan Data

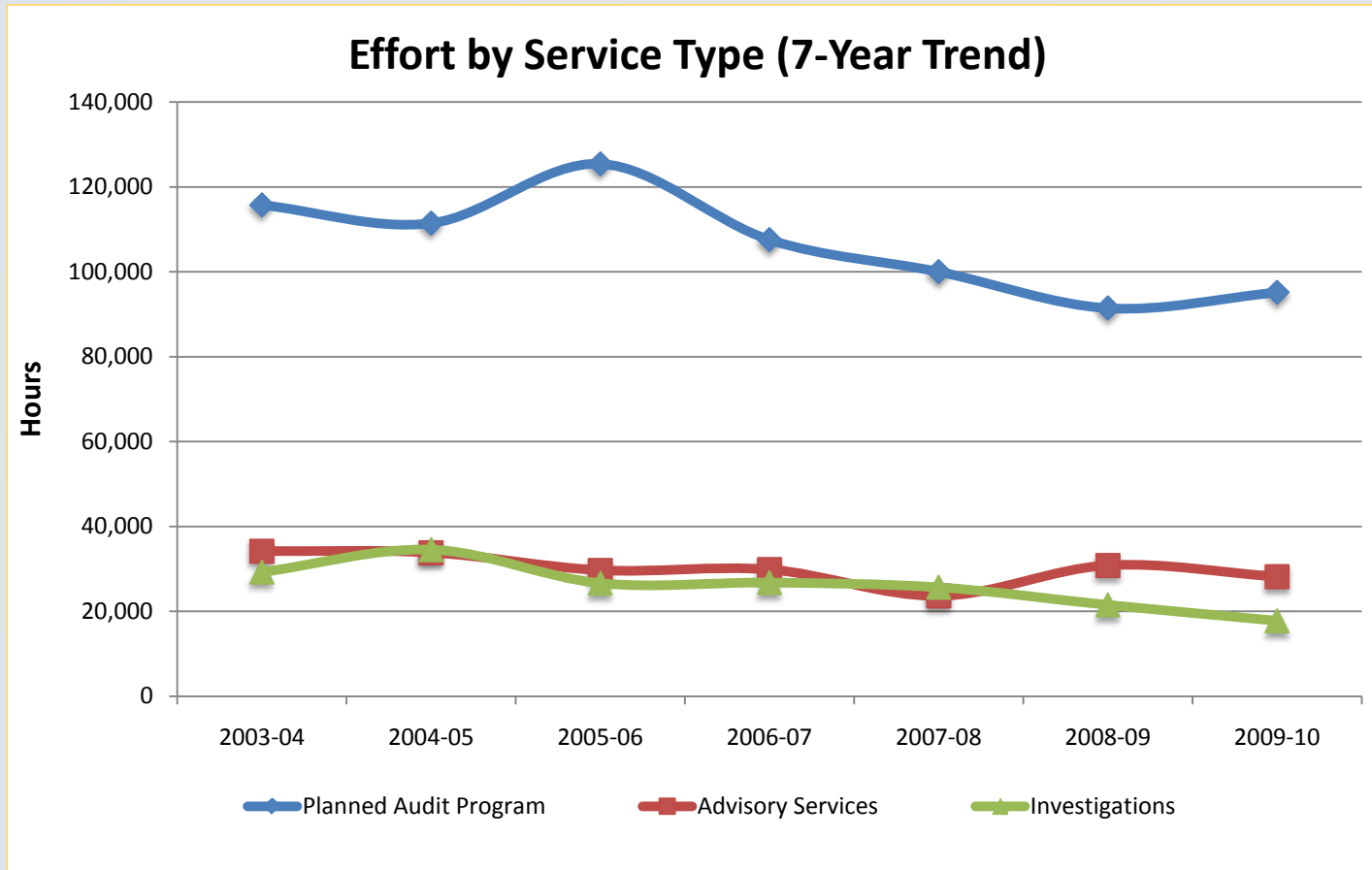
Table 1

People	FY10 Plan	FY10 Actual	Prior Year
Authorized	115	113	118
Average Actual Filled	106	102	102
Percent Filled	92%	91%	86%
Ending Head count	107	101.42	107
Turnover	N/A	9%	13%
Training hours per auditor	86	73	75
Summary Information			
Average hours - completed projects	N/A	109	230
Number of projects per auditor	N/A	5	6.1
Percent of Audit Plan Completed	100%	95%	77%
Productivity Percent	86.05%	86.12%	85.36%
Distribution of Direct Hours			
Audits	98,909	95,181	91,472
Advisory Services	33,000	28,151	30,825
Investigations	22,239	17,792	21,520
Audit Support	<u>11,055</u>	<u>12,721</u>	<u>11,041</u>
Total Direct Hours	165,203	153,844	154,858

See also information on staffing and turnover in Section III on pages 35-36.

Table 2

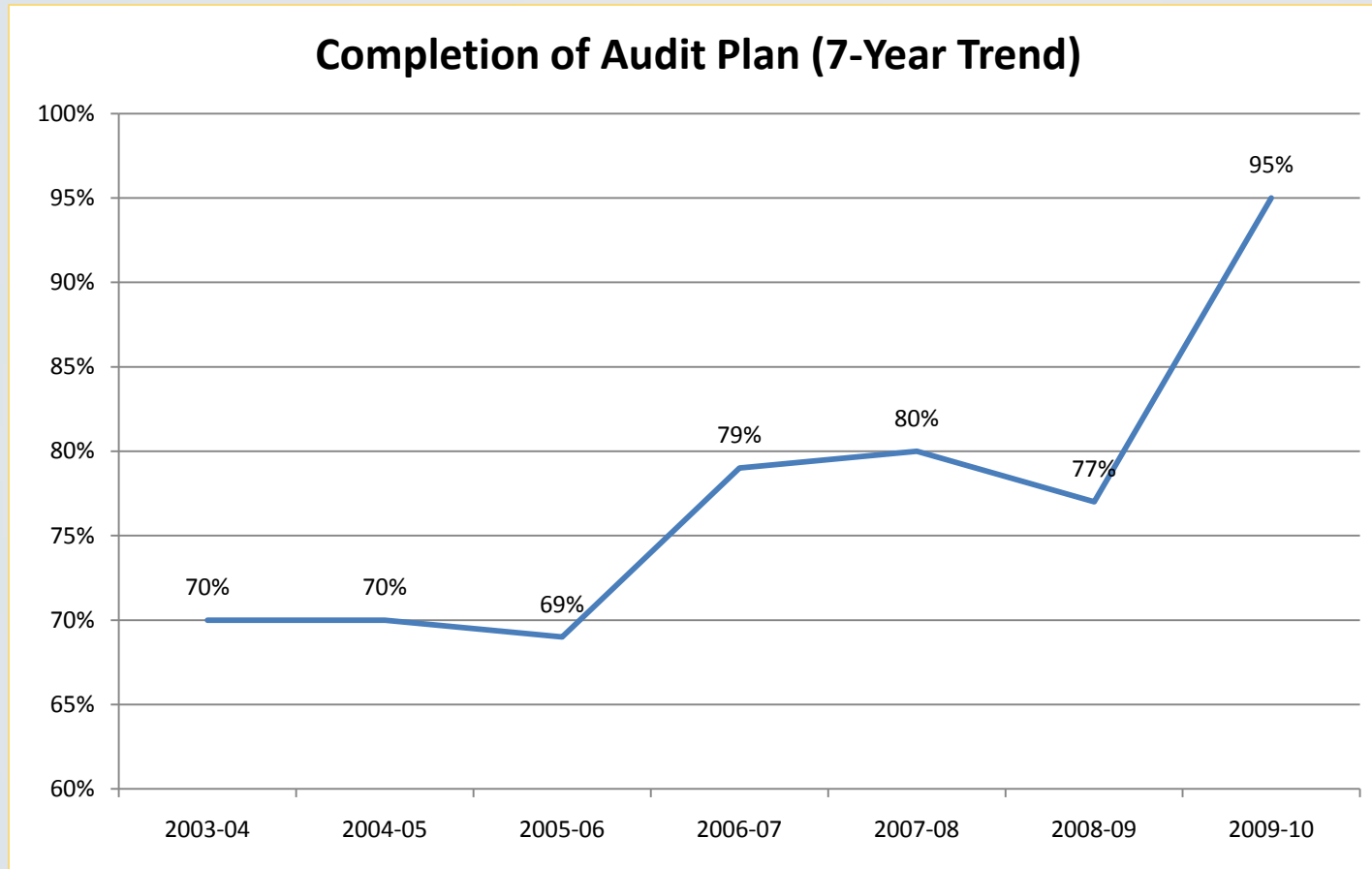
II. Audit Program Results & Analysis



This chart distributes actual effort by service type over the past seven years. It demonstrates the refocusing of our efforts on completion of the annual audit plan in lieu of additional advisory and investigations projects in FY 2009-10.

Chart 1

II. Audit Program Results & Analysis



This chart shows audit plan completion percentage for the past seven years. It indicates a significant improvement in audit plan completion in FY 2009-10 compared to previous years.

Chart 2

II. Audit Program Results & Analysis

B. Systemwide Audit Results

Cost Transfers — This review consisted of an assessment of the adequacy of the internal controls over the cost transfer process for extramurally funded projects. In general, our audit found that controls and processes over cost transfers were functioning as intended. However, policy compliance issues such as untimely processing, insufficient supporting documentation and lack of proper approval were noted at certain locations. Corrective actions taken at the local level included implementation of additional monitoring mechanisms and enhancing local guidance and training.

Executive Compensation — We continued to perform an annual review of Executive Compensation, verifying the accuracy of the Annual Report on Executive Compensation (AREC) and required reporting on President and Chancellors expenses. Relatively minor exceptions were noted and were corrected by the responsible parties at the local level. No issues were identified that required action from a systemwide perspective.

Health Care Vendor Relations Policy — The purpose of this audit was to determine the extent to which the Healthcare Vendor Relations Policy has been implemented at each applicable University Campus. We found that in general the campuses have implemented most of the policy requirements. However, improvements were needed in order to achieve full implementation of the policy at each campus. Actions are being taken at the local level to increase policy awareness and resolve specific policy compliance issues noted in this review.

Senior Management Group Policies — As part of this audit we determined the extent to which the recently published Senior Management Group (SMG) Policies have been implemented at each applicable University location. The policies included in this review addressed new compensation, benefits, and performance management requirements for SMG members. The review identified some minor policy exceptions as well as a need for improved guidance and training.

II. Audit Program Results & Analysis

C. Significant and Recurrent Internal Control Issues

From the body of audit work performed during the year, including investigations, following are the most significant and recurrent control issues. Many of these are the subject of specific management corrective actions in the environment where the issues were identified, others are the subject of broader systemwide initiatives, while still others are endemic and require continual attention by management.

IT Security and Information Privacy – Campus audits continue to identify issues related to IT security, citing decentralization of information systems as a contributing factor. Efforts are being put in place at the campus level to enhance the IT governance structure, centralize IT security management and invest in centrally supported security technologies.

Segregation of Duties – Inadequate segregation of duties continues to be identified as a significant control weakness at multiple campuses. The condition generally exists as a result of limited resources due to budget cuts. Efforts to address the issue include additional training, increased monitoring and oversight, enhanced system controls, and reassignment of resources to address the highest risk areas.

Impact of Budget Cuts on Control Structure – Due to budget cuts and attrition, departments are experiencing resource losses which provide less ability to adhere to business processes and ensure appropriate internal controls, including segregation of duties. This risk is generally being addressed by enhancing departmental policies and procedures, cross-training staff and merging administrative units of academic departments.

II. Audit Program Results & Analysis

C. Significant and Recurrent Internal Control Issues (cont'd)

Disaster Recovery Planning – Audits at several UC locations have identified that disaster recovery plans/business continuity plans for IT environments need to be created, completed or updated to reflect current risks, essential functions and actions required to continue or resume operation in the event of a business disruption.

Regulatory Compliance – Internal audits have identified regulatory compliance issues in various areas including conflict of interest, effort reporting, costs charged to contracts and grants, and human and animal subjects research.

Policies and Procedures – Systemwide and campus policies have been observed as outdated or conflicting with existing policies or regulatory requirements in several audits. A systemwide initiative to update outdated or conflicting policies and procedures was launched in FY 2009-10.

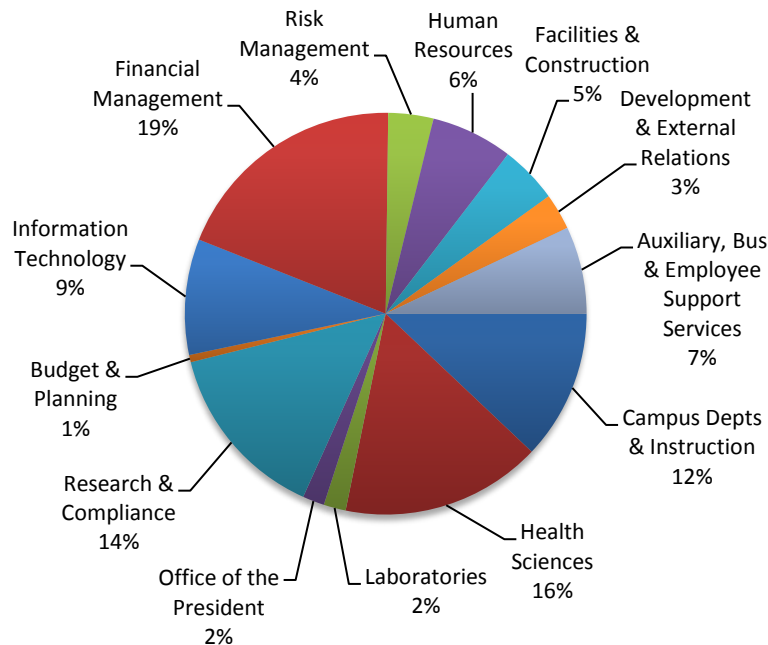
Charge Capture and Billing – As clinical charge capture and processing systems have become more automated and integrated, charge errors or omissions were identified as a significant internal control risk for campuses with medical centers in FY 2009-10.

II. Audit Program Results & Analysis

D. STATISTICAL INFORMATION – Coverage and MCAs

As previously indicated, our FY 2009-10 audit program work produced 437 audit, advisory service, and investigation reports resulting in 1,914 Management Corrective Actions (MCAs). The chart below depicts the breadth of coverage over the 13 major functional areas of the University. As shown in the table below, the distribution of MCAs correlates fairly closely with the effort expended across the functional areas. This demonstrates that there are opportunities for control improvement wherever our attention is focused.

Distribution of FY 2009-10 Hours by Functional Area



Comparison of MCAs and Hours

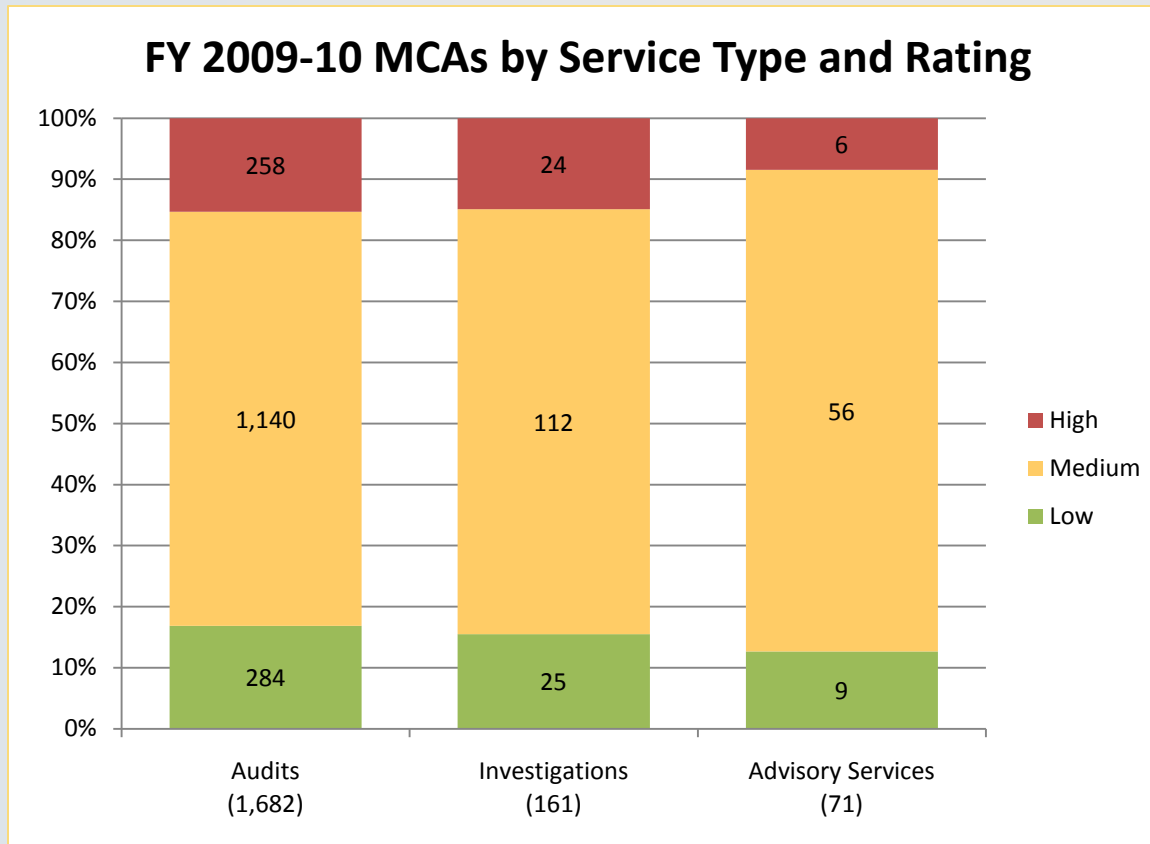
Functional Area	MCA %	Hours %
Financial Management	28%	19%
Information Technology	14%	9%
Health Sciences	13%	16%
Research & Compliance	11%	14%
Campus Depts & Instruction	11%	12%
Auxiliary, Bus & Employee Support Services	7%	7%
Human Resources	6%	7%
Development & External Relations	4%	3%
Risk Management	2%	4%
Facilities & Construction	2%	5%
Laboratories	1%	2%
Office of the President	1%	2%
Budget & Planning	1%	1%

Table 3

Chart 3

II. Audit Program Results & Analysis

The chart below shows the risk rating of the 1,914 MCAs for FY 2009-10 by service type.



Each audit finding and its associated MCA is given a rating of high, medium or low risk by the auditors. This judgment is made in a local context, and items identified as high do not necessarily convey material deficiencies or risks beyond the operating environment in which found. A primary objective of this classification is to drive a greater sense of urgency in completing the corrective action and completion of audit follow-up.

High risk MCAs would include those that are systemic or have a broad impact, have contributed to a significant investigation finding, are reportable conditions under our professional literature, create health or safety concerns, involve senior officials, create exposure to fines, penalties or refunds or are otherwise judged as significant control issues.

Chart 4

II. Audit Program Results & Analysis

Status of Completion of Management Corrective Actions

MCAs are classified initially as open and are only moved to closed status after validation by auditors that the agreed upon corrective actions have been taken and sustainable improvement has been achieved.

The number of open MCAs increased from 1,163 to 1,591 at the end of the year because of the significant volume of new MCA's resulting from current year audit activities and a reduction in the closure rate compared to the previous year. The overall processing of MCAs—with closures representing over 128% of the opening volume and over 78% of new MCAs—demonstrates that in general management completes the agreed upon corrective action in a timely fashion.

The following charts display the completion status for the entire population of MCAs with more detailed analysis of high risk past due items which are individually reported starting on page 22.

II. Audit Program Results & Analysis

The charts below demonstrate that although the level of MCAs added each year has remained relatively consistent, there has been a recent decline in the number of closures each year, resulting in an increasing inventory of open MCAs.

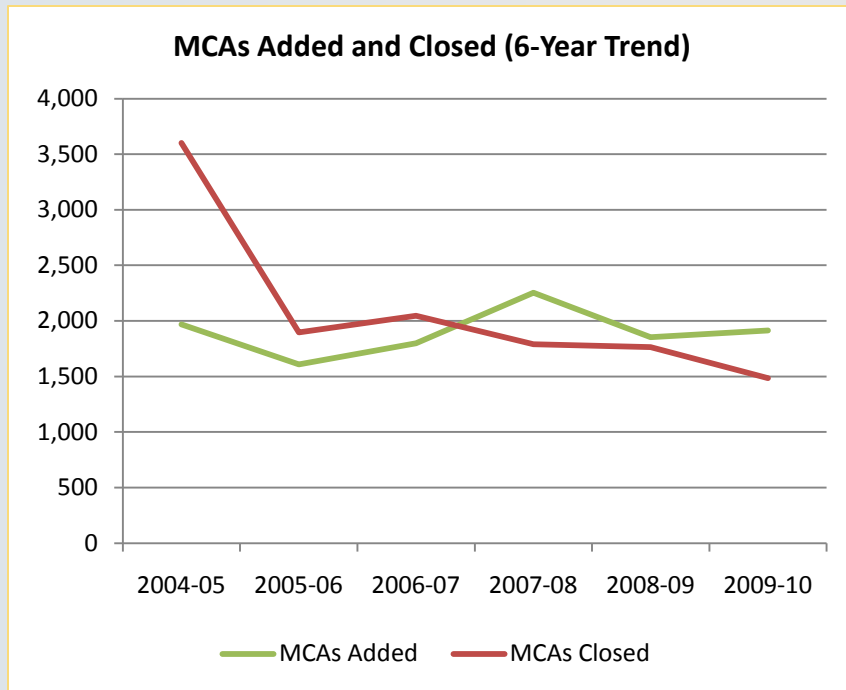


Chart 5

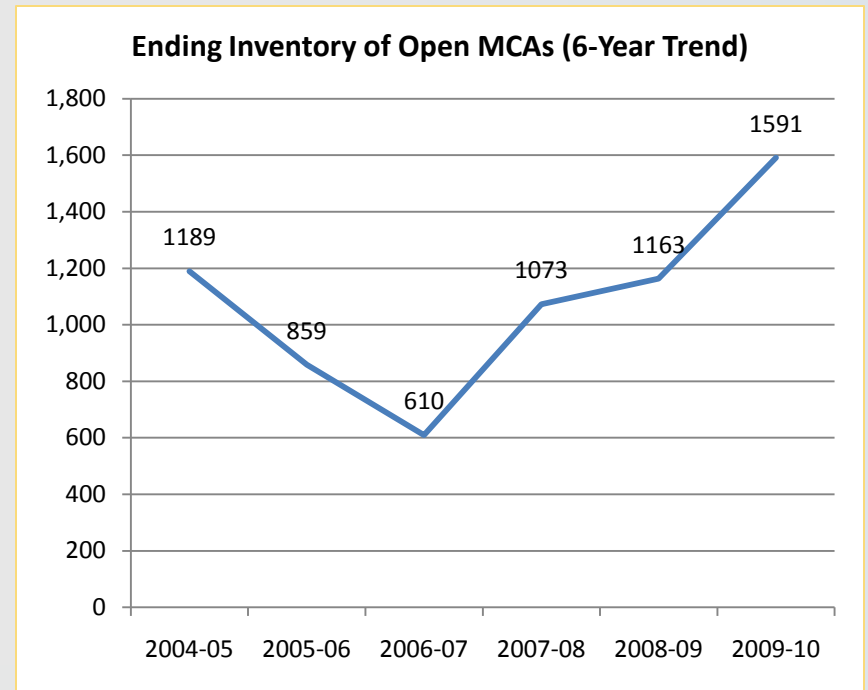
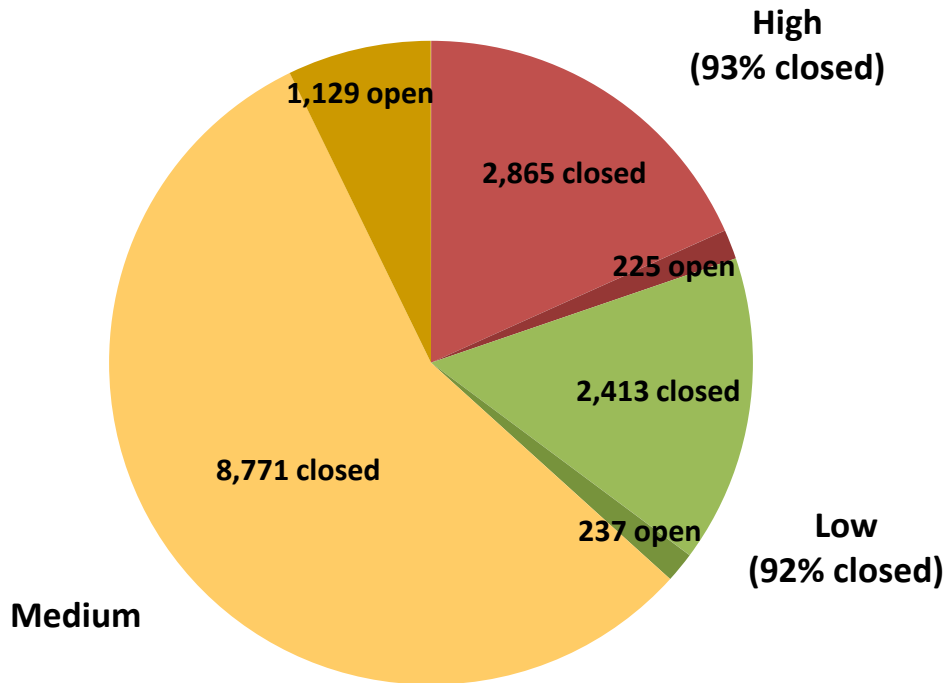


Chart 6

II. Audit Program Results & Analysis

The chart below shows the status of all 15,640 MCAs

**Status of All MCAs (15,640)
as of year end FY 2009-10**



There is a 90% overall rate of closure of the MCAs to date. There is a 93% rate of closure for high risk items.

Systems' solutions and resource constraints are the two most commonly cited factors in timely completion of MCA's.

For all high risk past due items it has been determined by the auditors that these matters are currently receiving the appropriate attention needed to bring to closure.

MCA Rating	Open	Closed	Total	% Closed
High	225	2865	3090	93%
Medium	1129	8771	9900	89%
Low	237	2413	2650	91%
	1591	14049	15640	90%

Table 4

Chart 7

II. Audit Program Results & Analysis

The charts below shows the aging statistics of the inventory of Open High Risk MCAs

Aging of the 181 Open High MCAs as of Year End FY 2008-09

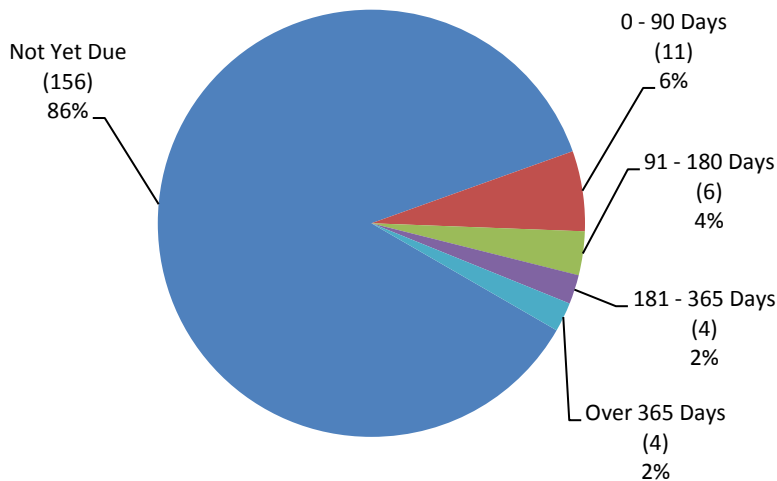


Chart 8

Aging of the 225 Open High MCAs as of Year End FY 2009-10

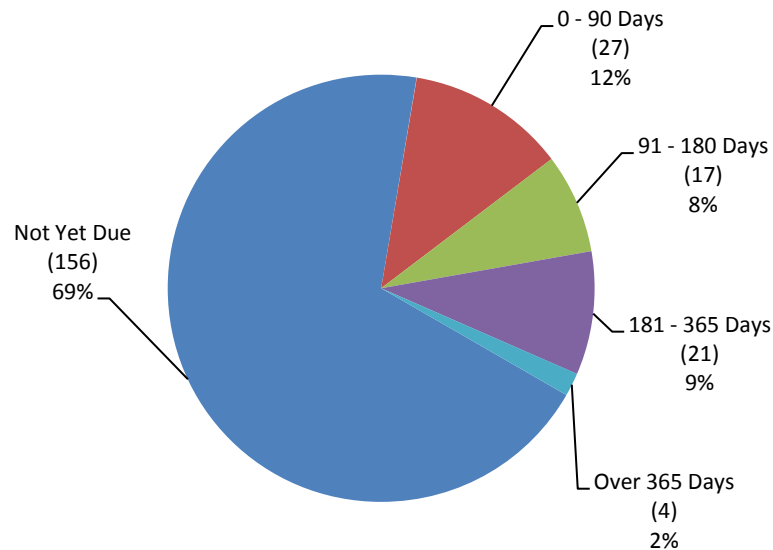


Chart 9

The chart on the left shows the aging of open high risk management corrective actions (MCAs) as of year end FY 2008-09 (June 30, 2009 for the campuses and September 30, 2009 for LBNL).

The chart on the right shows open high risk MCAs as of year end FY 2009-10. As of FY 2009-10 year end, 69 of the 225 open items were past due with active management resolution plans in process. Only 38 remain open as of October 2010.

The 69 past due MCAs as of year end FY 2009-10 are detailed on the following pages.

II. Audit Program Results & Analysis

Past Due High Rated MCAs

Location	Report Date	Report Title	Audit Issue	Management Corrective Action	Original Completion Date	Revised Completion Date	Current Status
UCB	5/20/09	Cost Transfers	EFA has not performed monthly post audit reviews for over seven months.	If the Cost Transfer Project justifies the need to perform post audit reviews, EFA will need to request additional funding by 4/30/10 during the 2010-00 Budget Request. When resources are available, EFA will implement post audit reviews.	4/30/2010	4/1/2011	The results of the cost transfer project supported the need to perform post audit reviews. The request for additional funding for individual(s) to perform post audit reviews of cost transfers was made as part of the Controller's 2010-2011 Budget Request to the Vice Chancellor for Administration. The request was not funded due to other priorities. Effective July 1 2010, payroll cost transfers in excess of 120 days of the month close of the original transaction are blocked by the payroll system. Additionally, EFA will continue its interim measure of semi-annual sampling cost transfers to assess the adequacy of related supporting documentation focused on departments with large volumes of transfers processed after 120 days. The campus is developing a research administration funding model, which among other priorities will support monitoring activities for cost transfers. The model is scheduled to be finalized by April 1, 2011.
UCB	9/18/09	Information Technology Security	The campus can improve internal controls by establishing a process to improve the completion of EIR inventories. The campus does not have a data classification scheme.	The OCIO:SPP, in coordination with the CISPC, will prepare and issue a comprehensive data classification scheme under the framework of UC's IS Bulletins, specifying minimum hardware and software security configuration requirements for various risk levels.	6/30/2010	6/1/2011	IDC has been assigned the task to develop a data classification scheme. The campus CIO serves as the technical partner of IDC. Once the scheme is available, SPP would take over responsibility for incorporating it into security policy and procedures. SPP is contemplating developing an interim classification scheme to be used with the risk assessment tool that is under development.
UCB	9/18/09	Information Technology Security	The campus can improve internal controls by creating a campus-wide process for identifying, assessing, and managing IT security risks.	By April 1, 2010, the OCIO:SPP will create and implement a more comprehensive framework/process for performing IT security risk assessments throughout the campus.	4/1/2010	6/1/2011	A data security review program is underway which works with units that have notice triggering data to conduct a detailed security review. A comprehensive risk assessment framework for information security is not available. The campus hired a chief information security officer effective July 2010, who will work to develop a comprehensive risk assessment framework.
UCD	8/26/09	Cyber Safety Health System	UCDHS IT staff indicated that a substantial number of HS accounts may have local administrative rights, but they do not have an exact count available.	UCDHS will authorize local administrative rights only to users with a legitimate business need and rights will be available only for the duration necessary to perform the work. Local administrative rights will be removed from users without a business need.	1/31/2010	4/29/2011	Use cases have been identified and UCDHS is currently evaluating software to manage rights. New target completion date is 4/29/2011. Work on the system has been impacted by the high volume of users with administrative rights (approximately 6,300 users).

II. Audit Program Results & Analysis

Past Due High Rated MCAs

Location	Report Date	Report Title	Audit Issue	Management Corrective Action	Original Completion Date	Revised Completion Date	Current Status
UCD	8/26/09	Cyber Safety Health System	Several Windows servers run outdated versions of software that is no longer supported by the vendor and cannot be patched. UCDHS IT has completed vulnerability scans of windows servers in the data center, identifying systems not patched with critical vulnerabilities.	UCDHS IT will identify servers with software that no longer receive security updates from the vendor and update the outdated software when possible or apply other controls to mitigate the risk and protect those systems from vulnerabilities.	1/31/2010	11/30/2010	UCDHS IT has identified servers that are not routinely updated with vendor security patches and is working to properly protect these servers by moving them to protected network segments as part of the new network modernization project. All new systems that are installed at UCDHS that cannot be routinely updated with security updates will be placed on one of these protected network segments. Existing systems that do not receive routine security updates will be migrated to a protected segment by November 30, 2010.
UCD	12/3/09	School of Vet Med - Cyber Safety	Significant number of SVM user's primary accounts have local administrative rights.	SVM policies will be updated to require all Admin Exception Requests are reviewed /approved by appropriate designated officials. Upon approval by designated officials, requests will go to Dean's Office for final review /approval.	6/1/2010	11/1/2010	SVM has taken steps necessary to close this MCA however final implementation will not be complete until 11-1-2010.
UCLA	6/30/09	Donated Body Program	Inventory verification practices have not been complete, as the process does not include a full reconciliation of the actual material on hand to that reported as available on the DDL database.	The DDL was created in September 2008. This new system's inventory reconciliation has yet to be completed.	6/30/2010	1/31/2011	Original efforts by Systemwide to manage inventory by integrating DDL and RFID technology were reevaluated and revised. A bar coding system will be piloted at UCLA over the next three months. Upon successful testing, the system will be rolled out to the other campuses.
UCLA	4/10/09	Housing & Hospitality Services Information Technology	There are no moisture detection devices in any of the three H&HS server rooms, even though one of the on-campus server rooms is especially vulnerable to water damage.	Agree. Effective July 2009, moisture detection and shield server hardware will be installed to prevent potential ceiling leaks.	4/10/2010	12/31/2010	Migration of servers to a central campus data center and mitigating the risks for servers remaining in HHS facilities is expected to be completed by calendar year-end.
UCLA	4/10/09	Housing & Hospitality Services Information Technology	The air conditioning units for one of the server rooms is not connected to a back-up generator or another emergency power system.	Agree. Effective September 2009, H&HS IT management will install a portable air conditioning unit connected to emergency power. Concurrently, H&HS IT management is actively working on a permanent solution.	4/10/2010	12/31/2010	Migration of servers to a central campus data center and mitigating the risks for servers remaining in HHS facilities is expected to be completed by calendar year-end.

II. Audit Program Results & Analysis

Past Due High Rated MCAs

Location	Report Date	Report Title	Audit Issue	Management Corrective Action	Original Completion Date	Revised Completion Date	Current Status
UCM	1/21/10	UC Merced - Network Security	The UC Merced IT department lacks the FTE's to provide security compliant with UC Systemwide Information Security Policy IS-3.	When UCOP leadership completes their long term strategic funding decision for UCM, a detailed action plan will be developed to increase staff as well as a new target date for completion of the staffing plan.	3/31/2010	12/31/2010	With the budget for 2010-2011 the staffing of the Information Technology Unit has been increased. This will allow UCM to address Network Security Goals. It is anticipated that hiring will be complete this December.
UCM	1/21/10	UC Merced - Network Security	Network Intrusion Detection (NIDS) sensors are not located in the network architecture since the SNORT IDS component has not been installed.	When UCOP leadership completes their long term strategic funding decision for UCM, a detailed action plan will be developed to increase staff as well as a new target date for completion of the staffing plan.	3/31/2010	6/30/2011	This implementation has been delayed due to lack of staff. With the staffing increase in 2010-2011 it will be possible to install the SNORT sensors.
UCM	1/29/10	UC Merced Administrative Computing - General Controls	Financial budgeting, capacity planning and a Data Center funding model are lacking.	UCM will also participate in the pilot project to place servers in the UC San Diego Supercomputer site. They have committed to placing 1 rack of servers at the new site.	4/1/2010	12/31/2010	The UC San Diego Supercomputer site is not yet ready for UCM to place servers in that location. UCM is working with UCB to assist in virtualizing servers that could be house either at UCM or at UCB.
UCM	1/29/10	UC Merced Administrative Computing - General Controls	The Cooling System in the Telecom Building is insufficient to maintain acceptable temperature ranges to assure optimal server operation.	When UCOP leadership completes their long term strategic funding decision for UCM, a detailed action plan will be developed to increase staff as well as a new target date for completion of the staffing plan.	3/31/2010	12/31/2012	Funding has been delaying this project. As soon as the State Budget is approved, UCM will be able to use frozen funding and can began planning for the cooling improvements. Since they can only shut down all servers during the Winter Holidays, it is expected to be completed in December 2012.
UCM	1/29/10	UC Merced Administrative Computing - General Controls	A formal Disaster Recovery Plan for the Data Center has not been developed.	As an interim step UCM will run a test on the off site backup tapes, to determine if they could recover servers. They will choose servers for the test which contain the most critical systems to the campus.	3/1/2010	6/30/2011	This testing has been delayed due to lack of staff. With the staffing increase in 2010-2011 it will be possible to conduct this test.

II. Audit Program Results & Analysis

Past Due High Rated MCAs

Location	Report Date	Report Title	Audit Issue	Management Corrective Action	Original Completion Date	Revised Completion Date	Current Status
UCM	12/2/09	UC Merced Student Financial Aid	The Banner Student Aid module stores sensitive personal data in an unencrypted database.	UC Merced Information Technology is working on a project to mask and protect fields that store sensitive personal information	1/1/2010	11/30/2010	Upgrading Banner to the most recent version was a necessary step in order to implement the masking of social security numbers. The upgrade has now been completed and the masking project will be complete by November 30, 2010.
UCOP	11/24/09	Departmental Computing	Web based applications are not scanned for vulnerabilities.	The Executive Director, IR&C will develop a proposal which includes software costs and staffing budgets for scanning high risk web based applications for vulnerability.	3/1/2010	2/1/2011	IR&C has put the priority on writing other proposals to Centralize (Nationalize) the ownership and purchasing of PC's and software licenses. This delayed the writing process for the proposal for scanning high risk web based applications.
UCOP	11/24/09	Departmental Computing	There are unmitigated risks related to logical access.	The Executive Director, IR&C will prepare a proposal to expand responsibilities of Tech Desk to include account ID and password management.	3/1/2010	2/1/2011	IR&C has put the priority on writing other proposals to Centralize (Nationalize) the ownership and purchasing of PC's and software licenses. This delayed the writing process for the proposal for centralizing, within the Tech Desk, the responsibilities of managing User IDs and passwords.
UCR	1/16/09	Internal Audit of Contracts & Grants - Post-Award/Effort Reporting	Twelve of 24 surveyed respondents (50%) indicated that PIs do not provide evidence of their monthly financial statement reviews.	The workgroup agreed the system should contain a PI certification process. Computing is currently coding the system and regularly updates the FSSC on the progress of the development efforts.	10/1/2009	6/30/2011	The Principal Investigator (PI) Financial Web Reporting System has been deployed on a limited pilot basis. The reporting functionality will be deployed across the campus, exclusive of reporting on shared contract and grant funds, by mid-year FY 2010-11. Electronic PI certifications of these monthly reports, including shared funds, should be enabled and fully deployed by June 30, 2011. This systems solution has taken longer than originally anticipated due to additional time needed to determine requirements in consultation with faculty, and the programming of those requirements. Part of the delay is attributed to consideration of the PI salary certification process requirements, which are the basis for UCR's pilot with the Federal government, and would replace the existing employee effort reporting system. Furloughs, competing priorities, and limited resources also negatively impacted the completion date.
UCR	1/16/09	Internal Audit of Contracts & Grants - Post-Award/Effort Reporting	Twelve of 24 surveyed respondents (50%) indicated that PIs do not provide evidence of their monthly financial statement reviews.	The CNAS Dean's Office has been actively engaged with our departments over the past several months in the development of control standards and best practices in response to the principles of SAS 112.	10/1/2009	6/30/2011	Resolution of this MCA depends on the implementation of the above MCA.

II. Audit Program Results & Analysis

Past Due High Rated MCAs

Location	Report Date	Report Title	Audit Issue	Management Corrective Action	Original Completion Date	Revised Completion Date	Current Status
UCSD	1/20/09	Cancer Center Clinical Trials Process	Charge and/or billing errors totaling \$41,395 were identified in five of six of the studies reviewed.	Cancer Center Clinical Trials Office (CTO) will continue to review the billed charges for the remaining participants in the sample studies.	7/31/2009	3/31/2011	AMAS deferred follow up on this MCA pending completion of the results of a current investigation with similar Cancer Center Clinical Trials Office and Infusion Center billing issues. AMAS will be following up with CTO personnel to review the charge analysis for additional study subjects at the conclusion of the current project.
UCSD	7/30/08	Distributed Network Security - SOM Phase I	The SOM IT Organizational structure was not optimized to provide oversight and ensure that all network equipment was in compliance with the campus Minimum Network Connection Standards (MNCS).	All SOM IT Security Coordinators and other IT staff will have a dotted line reporting relationship to the Director of IT; all network equipment will be in conformance with the MNCS.	4/1/2009	1/1/2011	The initial completion date estimated for this item was too aggressive, considering the organizational changes needed. Medical Center and SOM IT organizations have been combined under a single CIO. However, the resulting SOM IT reorganization is still in process, and a Faculty Council subcommittee is reviewing the reorganization plan. SOM is putting together a package of security tools that can be used to maintain compliance with the minimum network connection standards. Tools are currently being presented to SOM departments.
UCSD	7/30/08	Distributed Network Security - SOM Phase I	SOM IP addresses are assigned on an ad hoc basis; and the SOM VLAN is not segmented in a way to optimize network security.	SOM IT and ACT will develop a procedure for the assignment of IP addresses, and will create a plan for restructuring the SOM General VLAN.	10/1/2008	1/1/2011	The plan for restructuring the VLAN is still in process, and additional time is required.
UCSD	7/27/09	Human Subjects CORE & IS Emphasis	HRPP information system updates and system support has been provided by a former UCSD employee without executing a maintenance contract. In addition, management of system security and backup procedures needed improvement.	HRPP management will remove the ability for any user to delete documents from the HRPP information system.	12/31/2009	1/15/2011	The HRPP Director has obtained additional information and has agreed to re-program the HRPP system to eliminate user ability to delete system documents. AMAS will follow-up in January 2011 to confirm that the program changes have been completed.
UCSD	7/27/09	Human Subjects CORE & IS Emphasis	HRPP information system updates and system support has been provided by a former UCSD employee without executing a maintenance contract. In addition, management of system security and backup procedures needed improvement.	HRPP management will relocate the offsite backup storage location to another UCSD affiliated or contracted offsite storage site where HRPP staff may access the backup.	12/31/2009	1/15/2011	The alternative back-up storage site originally identified by HRPP could not be implemented as planned. Another solution has been identified and management is in the process of finalizing that agreement. AMAS will follow-up with the HRPP system administrator in January 2011 to ensure that the back-up storage issue has been resolved.

II. Audit Program Results & Analysis

Past Due High Rated MCAs

Location	Report Date	Report Title	Audit Issue	Management Corrective Action	Original Completion Date	Revised Completion Date	Current Status
UCSD	8/18/09	Transportation and Parking Office Cash Controls	Payroll and student account deductions were not processed consistently and timely.	Ensure the review of current reconciliation reports for student account deductions.	10/22/2009	11/1/2010	APS IT has worked to implement the student account deduction tool, similar to the payroll import tool. The data has been reviewed and the reports that parking will use are the accounts in T2 that have been billed compared to the accounts that Student Billing Services has collected. Further adjustments to the system are needed before parking will be able to use the reports consistently.
UCSD	8/18/09	Transportation and Parking Office Cash Controls	Internal and external policies and procedures were outdated or non-existent.	Auxiliary and Plant Services (APS) Business and Finance will review and update policies and procedures to conform to current business practices.	1/22/2010	2/11/2011	APS Business and Finance completion of corrective action has been delayed due to the lack of available resources for writing policy documents. However, a comparison of APS Business and Finance and related Transportation policies has been performed, and opportunities to update transportation policies and procedures for activities in compliance, commute solutions and special events were identified. More time is needed to align and formally and redraft policies.
UCSD	12/2/09	University Centers Management	A formal venue for obtaining valuable input from Student Affairs executive management and other key campus constituents (faculty, students, staff, and central administration) was not in place.	Establish a University Centers Executive Advisory Subcommittee of the UCAB composed of senior officers from central administrative officers and others to provide advice and council on strategic and financial matters.	6/2/2010	12/8/2010	Student Affairs progress on implementing these corrective actions was delayed during the summer months due to higher priorities and workload. However, a meeting to review the status of these MCA's was held, and an update will be provided following the first meeting of University Centers Advisory Board in the Fall Quarter.
UCSD	12/2/09	University Centers Management	University Centers strategic planning process was not as current as economic conditions warrant, and was not thoroughly documented.	Modify strategic planning process, and compile a comprehensive strategic plan document for the next five years.	6/2/2010	12/8/2010	Student Affairs progress on implementing these corrective actions was delayed during the summer months due to higher priorities and workload. However, a meeting to review the status of these MCA's was held, and an update will be provided following the first meeting of University Centers Advisory Board in the Fall Quarter.
UCSF	11/26/08	Budget Deficit Monitoring	No comprehensive policy exists that requires identifying, monitoring, and managing accounts in deficit.	A comprehensive policy addressing the monitoring and management of funds incorporating specific procedures for deficit balances will be developed.	6/30/2009	12/31/2010	The Budget and Resource Management Office currently has guidelines regarding deficit balances but does not have a policy. A policy draft for UCSF is in development and will be submitted to the Senior Management (Control Points) and the Controller for review. A final document will be completed by 10/31/2010 for approval by campus leadership.

II. Audit Program Results & Analysis

Past Due High Rated MCAs

Location	Report Date	Report Title	Audit Issue	Management Corrective Action	Original Completion Date	Revised Completion Date	Current Status
UCSF	10/30/09	Campus Wireless Network	Passwords used for users and administrative accounts do not meet University requirements.	Quantitative Biomedical Research (QB3) IT management will assess the existing systems for functionality to automatically enforce password rules for user and administrative accounts.	11/30/2009	12/30/2010	Quantitative Biomedical Research (QB3) IT is working with Enterprise Information Security to assess existing functionality to enforce password requirement. A determination is expected in the coming weeks. Once a determination is made, the appropriate action will be taken to strengthen password security or request for an exception to policy.
UCSF	10/30/09	Campus Wireless Network	Accounts for users at QB3 who no longer require access to the wireless network is not adequately removed.	QB3 IT management will review existing QB3 accounts and disable access for all users that no longer require access to the Campus network.	12/15/2009	12/30/2010	The directory offload that QB3 management hope to get from Information Technology Services (ITS) will have the information required by QB3 to implement the procedures and perform the audit. QB3 management has communicated requirements to ITS and is waiting for the response from ITS.
UCSF	10/30/09	Campus Wireless Network	Accounts for users at QB3 who no longer require access to the wireless network is not adequately removed.	QB3 IT management will establish procedures to ensure active accounts for separated university employees and students are disabled in a timely manner.	12/15/2009	12/30/2010	The directory offload that QB3 management hope to get from Information Technology Services (ITS) will have the information required by QB3 to implement the procedures and perform the audit. QB3 management has communicated requirements to ITS and is waiting for the response from ITS
UCSF	10/30/09	Campus Wireless Network	Accounts for users at QB3 who no longer require access to the wireless network is not adequately removed.	Quantitative Biomedical Research (QB3) IT management will implement a process to verify active accounts with the requesting department management/faculty and disable unnecessary accounts on a periodic basis.	10/31/2009	12/30/2010	QB3 will be developing a process by 12/30/2010 to verify active accounts.
UCSF	6/30/09	Medical Center Active Directory Review	23 privileged accounts are used when not performing system administration tasks. 17 unused accounts are granted administrative privilege. Duplicated accounts are created for admin groups.	Medical Center IT management will review all privileged accounts and remove those that are not necessary for operations. The results of the assessment will be documented.	6/30/2010	10/15/2010	Medical Center IT management will be taking the needed actions in the coming weeks and will notify IA when it has been completed.
UCSF	6/30/09	Medical Center Active Directory Review	23 privileged accounts are used when not performing system administration tasks. 17 unused accounts are granted administrative privilege. Duplicated accounts are created for admin groups.	Medical Center IT management will create non-privileged accounts for use when not performing system administration tasks and instruct operations staff that privileged accounts are not to be used for non-privileged tasks.	6/30/2010	10/15/2010	Medical Center IT management will be taking the needed actions in the coming weeks and will notify IA when it has been completed.

II. Audit Program Results & Analysis

Past Due High Rated MCAs

Location	Report Date	Report Title	Audit Issue	Management Corrective Action	Original Completion Date	Revised Completion Date	Current Status
UCSF	8/31/05	Vacation Sick Leave Liability Accruals	The Campus does not accrue and fund leave liability as it is incurred.	UCSF will implement the Financial Leave Assessment Accrual module within the Campus PPS system.	6/30/2009	1/31/2011	UCSF is implementing a new system, HBS, to address time reporting and vacation leave assessment. The HBS system was successfully rolled out for time reporting to all staff/faculty as of September 2010 and the project plan is to implement vacation leave assessment by March 2011.
UCD	6/30/10	Cashiering UNEX	Student Services has a practice of holding cash exceeding the \$500 deposit threshold for several days so that it can be balanced to cash recorded in TUBS.	Cash collections that are recorded in TUBS will be delivered to the Campus Cashier's Office daily.	6/30/2010		Closed 9/16/2010.
UCD	3/31/10	Department Review - Intercollegiate Athletics	Existing practices for reimbursing travel costs associated with sport team activities increases business office workload and allows certain staff to receive personal advantages by charging University expenses to personal credit cards.	The practice of charging travel expenses in advance of travel to a personal credit card and requesting immediate reimbursement will cease immediately, unless exceptions have been approved by the ICA Director or Business Manager.	5/31/2010		Closed 9/21/2010.
UCD	10/24/07	FSNEP	The FSNEP PI delegated administrative and fiscal responsibility to the Administrative Coordinator without ensuring that an appropriate internal control structure was in place over the related activities.	A training program will be developed for PIs to review their responsibilities for administrative and financial management of contracts and grants. It will address cost sharing and the responsibility of the PI in the certification process.	6/30/2008		Closed 9/22/2010.
UCD	12/3/09	School of Vet Med - Cyber Safety	Significant number of SVM users' primary accounts have local administrative rights.	In cases where local administrative rights are approved for a justifiable business need, SVM will assign a separate local administrative account to be used only when elevated rights are required.	6/1/2010		Closed 10/6/2010.

II. Audit Program Results & Analysis

Past Due High Rated MCAs

Location	Report Date	Report Title	Audit Issue	Management Corrective Action	Original Completion Date	Revised Completion Date	Current Status
UCLA	6/30/09	Donated Body Program	The DBP has not established a process to monitor non-donated anatomical material acquired by other campus departments from outside suppliers.	A system has been established whereby the DBP has added to the calendar a system of checking with purchasing, general accounting and accounts payable, and will run checks approximately every four months, or April 1, August 1 and December 1 of each year.	6/30/2010		Closed 9/23/2010.
UCLA	6/30/09	Donated Body Program	Inordinate delays were observed in the return of cremated remains from the vendor's facilities located in Orange County.	Numerous calls and a site visit were made to the crematory asking them to return cremains in a timely manner. The DBP made a switch to a different crematory in hopes that it would receive better and timelier service. This continues to be a problem.	6/30/2010		Closed 9/28/2010.
UCLA	6/30/09	Donated Body Program	The DDL database showed incomplete inventory accountability for cadaveric specimens.	A new "unusable anatomical material" feature allows for the entire donor to be tracked, and it includes a box that can be typed in to describe what is unusable and why.	6/30/2010		Closed 9/23/2010.
UCOP	1/28/10	Admissions-Eligibility in the Local Context	Third party vendor contract and procedures need review.	Training regarding documenting closure of issues	5/1/2010		Closed 10/6/2010.

II. Audit Program Results & Analysis

Past Due High Rated MCAs

Location	Report Date	Report Title	Audit Issue	Management Corrective Action	Original Completion Date	Revised Completion Date	Current Status
UCOP	12/5/09	Building Services Contract Irregularities	Building Services Management approved amendments to the Trane contract exceeding delegated authority.	Hire Business Operations Manager to be responsible for the administrative and fiscal management of Building Services, and an Asset Management Director to oversee day-to-day property operations	1/15/2010		Closed 8/1/2010.
UCOP	12/5/09	Building Services Contract Irregularities	Building Services Management approved amendments to the Trane contract exceeding delegated authority.	Train the Business Operations Manager and the Asset Management Director on the Contract, Purchasing and Accounts Payable processes, and related policies including Delegations of Authority and laws/regulations.	1/31/2010		Closed 8/1/2010.
UCOP	11/24/09	Departmental Computing	User Access, vendor licenses, purchasing of PC's, Operating Systems, scanning web based applications.	IR&C will meet with Audit Services to rank order the proposals based on two factors, cost and feasibility.	4/1/2010		Closed 9/30/2010.
UCOP	11/24/09	Departmental Computing	There are unmitigated risks related to logical access.	In the interim, the Tech Desk Manager will contact these departments and provide guidance for them to follow to periodically confirm that all user accounts are still required.	4/30/2010		Closed 10/1/2010.
UCOP	10/29/09	Effort Reporting Post Implementation	Selected Principal Investigators (PIs) have not used the Effort Reporting System (ERS) to certify effort actually expended.	The Executive Director of Education Partnerships will identify and appoint an ERS coordinator for UCOP.	12/1/2009		Closed 7/1/2010.
UCOP	1/28/10	Admissions-Eligibility in the Local Context	Third party vendor contract and procedures need review.	Financial Review of Vendor	3/1/2010		Closed 10/15/2010.
UCOP	5/1/10	UCOP SMG Policies	Compliance requirements have not been implemented for most SMG policies.	Systemwide guidelines will be developed	6/30/2010		Closed 9/29/2010.

II. Audit Program Results & Analysis

Past Due High Rated MCAs

Location	Report Date	Report Title	Audit Issue	Management Corrective Action	Original Completion Date	Revised Completion Date	Current Status
UCSB	9/30/09	Cost Transfers	Departmental staff did not always ensure that non-payroll cost transfers were allowable, timely, and supported with sufficient documentation.	Establish a time limit for requesting high-risk non-payroll cost transfers in the online TOE System. Departments will be asked to use a "paper" UFIN Form instead of the online system, to request transfers beyond the established timeframe.	6/30/2010	7/23/2010	Closed 7/23/2010.
UCSB	9/30/09	Cost Transfers	A significant number and value of payroll cost transfers exceeded established timelines. During fiscal year 2008-09, 18 departments processed 283 transfers of payroll cost with a value of \$775,015, which exceeded the 120-day timeliness criterion.	Accounting Services and Controls will establish and communicate a reasonable time limit for requesting a transfer of payroll costs onto or between federal and federal flow-through sponsored projects.	6/30/2010	7/23/2010	Closed 7/23/2010.
UCSB	9/30/09	Cost Transfers	Controls were not established to ensure that effort reporting certification was in agreement with payroll distribution percentages.	Accounting Services and Controls will put examples of "best practices" for monitoring cost transfers as well as a blank PAR template on their web page.	6/30/2010		Closed 9/26/2010.
UCSD	9/4/08	Cancer Center - Drug Recovery Program Review	Medication and drug administration charges were not always credited to reflect replacement of medications provided by the Program and payment was sometimes actively pursued or collected.	Clinical Pharmacy management will collaborate with PFS to implement a process for ensuring that patient accounts are not charged for adjusted/refunded the medication charges associated with PAP.	3/15/2009	10/29/2010	Closed 10/4/2010.
UCSD	1/20/09	Cancer Center Clinical Trials Process	Charge and/or billing errors totaling \$41,395 were identified in five of six of the studies reviewed.	CTO will continue to perform and document a periodic review of a random sample of all study participant accounts to determine if any study related charges were posted and billed to the participant or third party payers.	7/31/2009		Closed 10/6/2010.

II. Audit Program Results & Analysis

Past Due High Rated MCAs

Location	Report Date	Report Title	Audit Issue	Management Corrective Action	Original Completion Date	Revised Completion Date	Current Status
UCSD	7/27/09	Human Subjects CORE & IS Emphasis	HRPP information system updates and system support has been provided by a former UCSD employee without executing a maintenance contract. In addition, management of system security and backup procedures needed improvement.	HRPP management will mask user passwords within the HRPP system and limit the number of individuals who have access to the user ID and password table.	12/31/2009		Closed 10/6/2010.
UCSD	10/12/09	Operating Room - Anesthesia Services	Pharmacy Technicians did not follow the prescribed procedure for storing controlled substances found unsecured on or around OR equipment.	Pharmacy and Perioperative Services will agree on process and procedures for handling controlled substances in the OR suites. Staff will be trained on new procedures.	2/1/2010	7/1/2010	Closed 9/29/2010.
UCSD	8/21/09	Thornton Admissions Cash Loss	The former Admission Supervisor made a unilateral decision to retain an employee with prior offenses reported on a routine background check. Retaining the employee for a cash-handling position poses a high security risk.	Patient Access will bond all Financial Counselors that handle cash and personal identifiable information (PII).	1/20/2010	7/6/2010	Closed 10/4/2010.
UCSF	10/30/09	Campus Wireless Network	GALEN based authentication is not adequately secured.	The Campus will replace GALEN wireless authentication with MyAccess.	6/30/2010		Closed 7/12/2010.
UCSF	10/27/09	Hospital Based Clinic – Interventional Cardiology	Pre-billing review of procedures for assuring charges are fully captured is ineffective.	Cath and EP Labs Management will develop procedures and processes for verification and reconciliation of the encounter forms to the Cardiology system data and the SMS billing system.	1/31/2010		Closed 10/6/2010.
UCSF	10/27/09	Hospital Based Clinic – Interventional Cardiology	Incorrect billing of EP procedures.	Cath and EP Labs Management will perform an assessment to identify an optimal billing model to assure correct and timely billing occurs and to meet the operational needs of both the Cath and EP Lab departments.	6/30/2010		Closed 7/20/2010.

II. Audit Program Results & Analysis

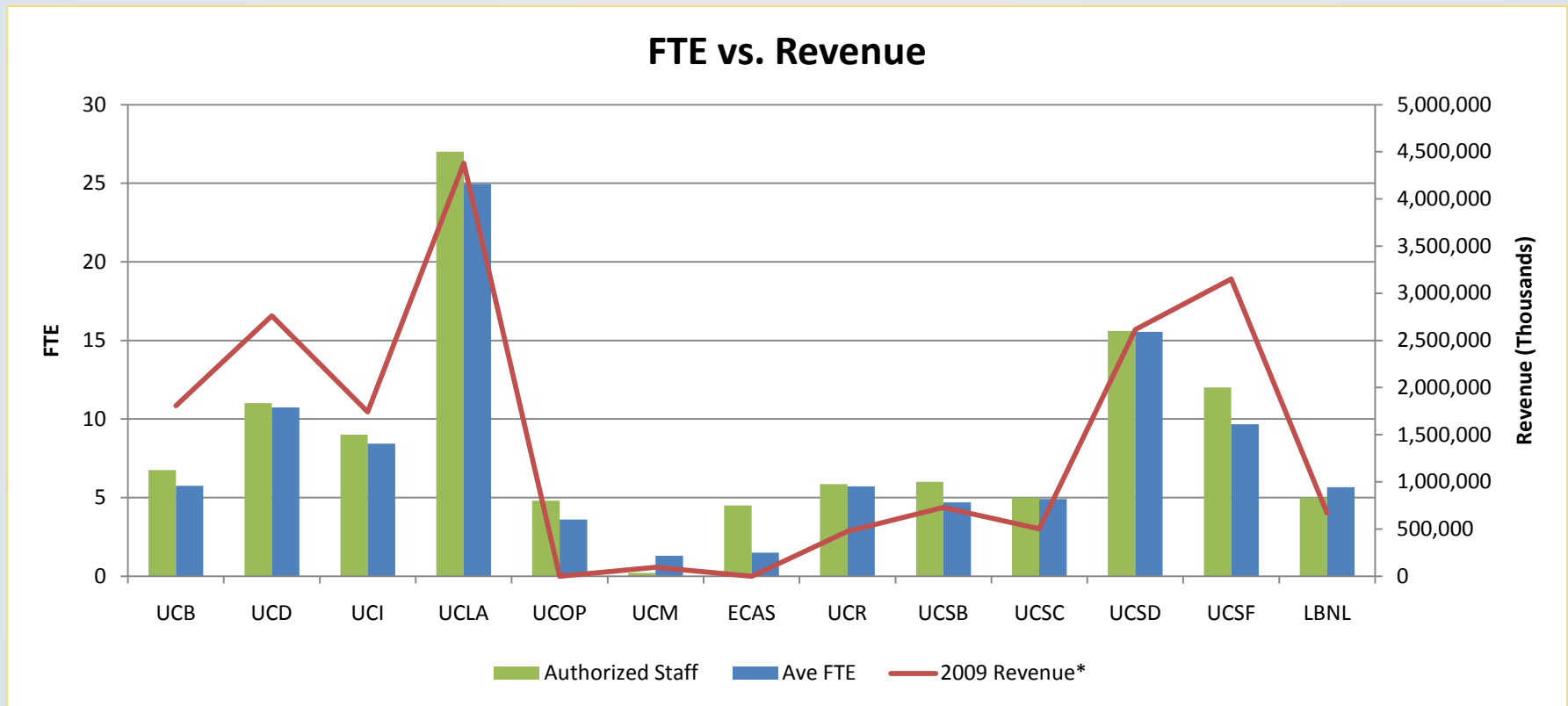
Past Due High Rated MCAs

Location	Report Date	Report Title	Audit Issue	Management Corrective Action	Original Completion Date	Revised Completion Date	Current Status
UCSF	3/13/09	International Research Administration	Terms and conditions addressing known international research risks were not always present in award agreements.	All new international awards will be required to reference the appropriate affiliation agreements in the online OSR Approval form.	7/1/2009		Closed 9/20/2010.
UCSF	6/30/09	Medical Center Active Directory Review	An excessive number of employees were granted access to the server rooms/data centers.	ESS management will commence quarterly review of employees who have access to server rooms where domain controllers are placed. Any employees identified without a demonstrated need for access will be removed immediately.	1/31/2010		Closed 9/20/2010.
UCSF	10/6/09	Medical Records – CMS Conditions of Participation	Reporting of compliance results to the Medical Records oversight committee is insufficient and incomplete.	ASA, NA and ED will commence providing quarterly medical record compliance auditing results by service line to the Medical Records Committee. The Committee chair will monitor and address attendance of committee members.	12/31/2009		Closed 10/6/2010.
UCSF	12/30/08	Stem Cell Research	All HESC data is not captured in a common uniform repository.	90 days after completion of the RAS system changes, OSR will identify active Stem Cell contracts in RAS to capture CHR approvals, the type of research and funding source.	12/29/2009		Closed 9/20/2010.
UCSF	12/30/08	Stem Cell Research	All HESC data is not captured in a common uniform repository.	OSR working with OAAIS will create the ability within RAS to capture CHR approval information and the type of CHR research including funding source during the award set up process in order to identify Stem Cell projects and funding source.	9/30/2009		Closed 7/19/2010.

III. Internal Audit Program – Staffing Analysis

	UCB	UCD	UCI	UCLA	UCOP	UCM	ECAS	UCR	UCSB	UCSC	UCSD	UCSF	LBNL	Total
Authorized Staff	6.75	11	9	27	4.8	0.2	4.5	5.85	6	5	15.6	12	5	112.7
Ave FTE	5.75	10.75	8.43	24.96	3.60	1.30	1.50	5.72	4.69	4.91	15.56	9.67	5.66	102.49
2009 Revenue*	1,808,926	2,760,238	1,741,149	4,378,347	N/A	95,573	N/A	474,693	728,451	501,722	2,615,958	3,152,058	667,983	

Table 6



*In thousands of dollars; UCD,UCLA, UCI, UCSD and UCSF include medical centers.

Chart 10

Note: Other functions may audit controls within a campus but the statistics provided here relate to the campus internal audit function only.

III. Internal Audit Program – Staffing Analysis

Staffing Statistics

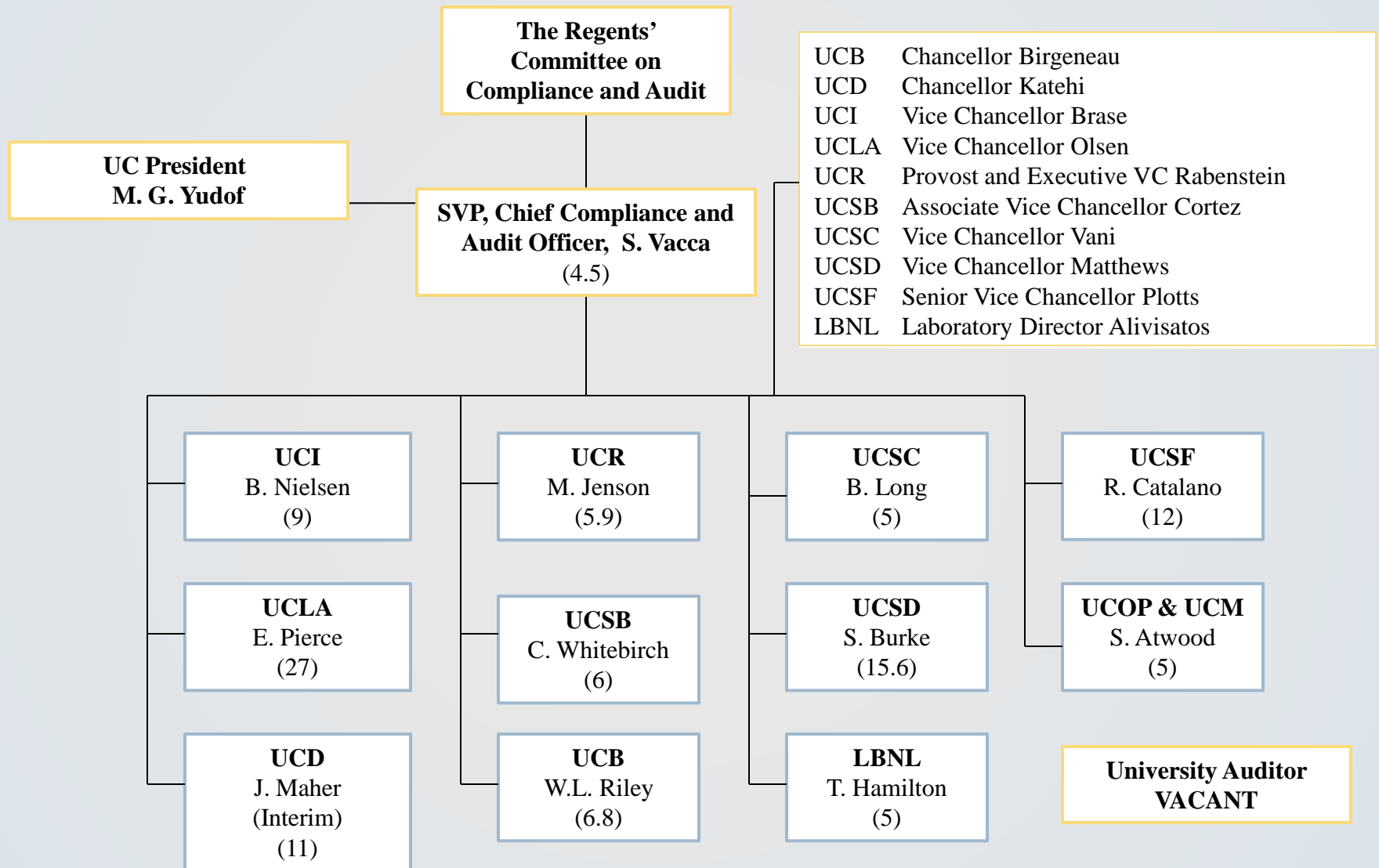
Professional Staff:

Average Years Total Audit Experience	18 years
Average UC Audit Experience	11 years
Average Years Audit Director Experience	27 years
Percent of Audit Staff with Bachelors Degree	99 %
Percent of Audit Staff with Advanced Degrees	34 %
Percent of Staff holding Professional Certifications	83 %
Staff Turnover*	9%

**** Staff turnover included 4.09 departures for positions within UC, which is generally viewed positively, 6 departures outside of UC, 2 retirements and 2 long-term leave.***

Chart 11

Appendix 1 – Internal Audit Organization Chart



Total Professional Staff, including the Director, is in parentheses. Total Authorized Professional Positions = 112.7 as of year end FY 2009-10(LANL & LLNL Audit Departments not reflected in UC Audit Program)

Appendix 2 – Final Audit Reports issued FY 2009-10

Lawrence Berkeley National Lab

Cost Allowability Clauses
Effort and Time Reporting
Transparency and Oversight over Recovery Act Funds
Backup and Recovery Planning
Executive Compensation & Benefits and Policies (Systemwide)
Cost Transfers (Systemwide)
Subcontract Audit of Electric Power Group
Signature Authorization
Meals & Conference Services
National Institutes of Health Agreements
Check Requests

UC Berkeley

IT Planning and Organization
IT Security
Private Gift Stewardship
Experiential Learning
BP (BP Technology Ventures, Inc.) Contract Management
IT Project Management
Sponsored Projects Close-out
Sole Sourcing
Recharge Activities
Stimulus (American Recovery and Investment Act) Fund Reporting
Senior Management Group Policy Compliance (Systemwide)
Health Care Vendor Policy (Systemwide)
Associated Students of the University of California Auxiliary
Biology Scholars Program Department Management Survey
College of Chemistry IT Unit Survey

UC Davis

Research Management & Oversight
Department Review - Intercollegiate Athletics
Department Review - Orthopaedics
Cost Transfers (Systemwide)

UC Davis (Continued)

Veterinary Genetics Laboratory
Chancellor's Expenses - BFB (Business and Finance Bulletin) G-45 (Systemwide)
Food Stamp Nutrition Education Program Review
Cashiering - University Extension
Annual Report on Executive Compensation (Systemwide)
Senior Management Group Compensation Policies (Systemwide)
Overtime
Clinical Trials
Pricing Hospital Services
Equipment Leases
Purchasing
Radiology Charge Capture
Transplant Services
Chancellor's Office Transition
Sea Grant Post Award
Controlled Substances
Outside Professional Activities
Health Sciences Advancement Gift Documents
Cash Self Pay Global Accounts
University of California Davis Health System Travel
School of Veterinary Medicine Cyber Safety

UC Irvine

Payroll Processing
Communications Office
Contracts and Grants: OMB A-21 Compliance
UCIMC - Emergency Department
IT - Physician Billing Group (PBG)
Health Care Vendor Policy (Systemwide)
Housing
Cost Transfers (Systemwide)
Export Controls
School of the Arts
Senior Management Group Compensation Policy Review (Systemwide)

Appendix 2 – Final Audit Reports issued FY 2009-10

UC Irvine (Continued)

Annual Report on Executive Compensation (Systemwide)
Athletics - NCAA Compliance
Chancellor's T & E (Systemwide)
Cashiering
Financial Aid
UC Irvine Medical Center Equipment Maintenance
UC Irvine Medical Center - Clinical Trial Billing
Effort Reporting (Systemwide)
School of Medicine-Clinical Laboratory Compliance
Health Sciences Laboratory Fee Billing System

UCLA

Associated Students of UCLA-Restaurants-Ackerman
Associated Students of UCLA-Cash Managers Office
Real Estate
Senior Management Group-Travel & Entertainment
Ronald Reagan Center for Health Sciences-Nutrition Cashiering
Ronald Reagan UCLA Medical Center Main Cashiering
Major Supplies Management-Receiving
Vascular Surgery
Communications Technology Services Voice Tool Crib
Store – LuValle Commons Division
Student Support/Student Union Services Division
Design, Landscape, and Project Management – Materials & Equipment
General Operations; Energy Services/Utilities
On-Campus Housing Maintenance Shop
UCLA Catering
University Apartments Major Maintenance Reserve
University of California Police Department Equipment Inventory
Cashier's Office/Meter Collection
Parking Recharge Activity
Fleet & Transit Equipment Management/Shop Operations
Executive Compensation & Benefits – SMG Compensation (Systemwide)
Contract & Grant Compliance – Cost Transfers (Systemwide)
Chancellor's Travel & Entertainment (Systemwide)
Academic Dept. Reviews - Multiple

UCLA (Continued)

Registry Services - Ronald Reagan UCLA Medical Center & Santa Monica Hospital
Associated Students of UCLA Store Operations/Receiving
House Staff Meal Card Allocation-Pediatrics
Bruin Café
Ecology & Evolutionary Biology/Life Sciences South Administration
UCLA Cultural and Recreational Affairs
Near Eastern Languages and Cultures

UC Merced

UCM Personnel records/ I-9 Docs
UCM Review for NACHA (Electronic Payments Association) Bank Account Info
Senior Management Group Policies (Systemwide)
Cost Transfers (Systemwide)
IT Infrastructure-Network
Review of UC Merced Affiliated Entity: Great Valley Center
Administrative Computing General Controls
UC Merced Financial Aid System
Effort Reporting (Systemwide)
Indirect Cost Waivers (Systemwide)

UC Office of the President

Agriculture and Natural Resources (ANR): Sea Grant Extension
Review of Department of Computing: General Controls
Short-Term Investment Pool (STIP) Administrative Fees and Allocation
Senior Management Group Policies (Systemwide)
Cost Transfers (Systemwide)
UC Retirement System (UCRS)-Accounting for Beneficiary Payments and Investment Returns
Admissions Process: Eligibility in the Local Context
Laboratory Management Office (LMO) Cost Allowability FY2008
Laboratory Management Office (LMO) Cost Allowability FY2009
Building Services Contract Irregularities
Effort Reporting Post Implementation
Indirect Cost Waivers (Systemwide)

Appendix 2 – Final Audit Reports issued FY 2009-10

UC Riverside

Agriculture Operations
Chemistry Shops & Facilities
Office of Design & Construction - Restart of Frozen Projects
Graduate School of Education
Analytic Review & Fraud Detection
Arts Block, Including Cashiering
MESA (Mathematics, Engineering, Science Achievement) Schools Program Center
Controlled Substances
Contracts & Grants (Including Cost Transfers) (Systemwide)
Implementation of Senior Management Group Policies (Systemwide)
Annual Report on Executive Compensation (Systemwide)
Chancellor Housing Expenses
Chancellor Travel & Entertainment (Systemwide)
IT Architecture
Student Health Center Pharmacy Follow-Up
IT Key Controls
University Extension-International Education Programs Contractual Agreements Internal Controls
Housing - Lothian Convenience Store Internal Controls
University Library-Time Reporting Internal Control Report
Athletics - Team Travel Meals
SAS 112 - Departmental Key Controls
Athletics
Highlander Newspaper

UC Santa Barbara

Gift Processing
Business Contracts - International
Campus Security
Subagreements in Research
Cost Transfers (Systemwide)
Senior Management Group Policy Review (Systemwide)
Associated Students
Major Construction
Design and Construction Services - Contractor Agreement
Department of Recreation
Koegel Autism Center

UC Santa Cruz

University Relations Gift Processing Controls
Cost Transfers (Systemwide)
Records Management
SAS 112 Controls - Sub Ledger Systems
Senior Management Group Policies (Systemwide)
G-45 Chancellor Allocations (Systemwide)
Executive Compensation and Benefits (Systemwide)
Lab Safety Programs
Health Insurance Portability and Accountability Act (HIPAA) Review
Environmental Health and Safety (EH&S) Permit and Licensing Controls
Alumni Association
Early Education Services and IT Security

UC San Diego

Health Sciences Vendor Policy Compliance (Systemwide)
Department of Psychology
Distributed Network Security – Research Affairs
Construction Change Orders - Recreational and Intramural Athletic Complex (RIMAC) Annex
Balance Sheet Account Reconciliation
Small Dept. - Vice Chancellor - External Relations
Small Dept. - Vice Chancellor Academic Affairs
Admission and Registration
Operating Room - Anesthesia Services
Outpatient Treatment Centers – Business Operations
Research – Conflict of Interest
Interventional Radiology PatientKeeper Charge Capture Review
Physician Receivables
Counseling and Psychological Services (CAPS)
ARAMARK Contract Close-Out Review
Electronic Fund Transfers
Transportation and Parking Office Cash Controls
Emergency Medicine - University Extension Resuscitation Training
National Institutes of Health Animal Care Compliance
Tax Accounting - 1099 Preparation Process

Appendix 2 – Final Audit Reports issued FY 2009-10

UC San Diego (Continued)

Academic Personnel On-line Part Three
Scripps Institution of Oceanography Aquarium Education Programs
Executive Compensation - Compensation Policy (Systemwide)
Cost Transfers (Systemwide)
Large Academic Unit (Physics)
Department Limited Scope Reviews (Electrical and Computer Engineering)
Department Limited Scope Reviews (Sociology)
College Audits (Sixth College)
Distributed Network Security – Marine Sciences (Scripps Institution of Oceanography)
Facilities Design & Construction Recharge Practices
Medicare Payments to Organ Procurement Organizations
Blood Bank Laboratory
Gastrointestinal Endoscopy Clinical Program Review
Transportation Services Cash Controls - Phase II
Academic Personnel On-line (APOL) Part Four
Immunogenetics and Transplantation Laboratory
Human Subjects

UC San Francisco

Medical Center - Gifts Administration
Campus Wireless
Children's Hospital - Mission Bay
Departmental Reviews - School of Dentistry
Health Care Vendor Relations Policy (Systemwide)
Research - Cost Transfers (Systemwide)
Miscellaneous and Other Natural Class Accounts (NCAs)
Delegated Authority
Medical Records - Centers for Medicare & Medicaid Services Condition of Participation
Hospital Based Clinic – Cardiology
Medical Staff Administration – Credentialing
Advance Beneficiary Notices
Student Financial Aid
Business Contracts
Pharmacy – System Interfaces

UC San Francisco (Continued)

Compliance - Red Flags Rule
Chancellor's Special Allotment Funds
Executive Compensation (Systemwide)
Departmental System Vulnerability Assessment
Charge Description Master
Charity Care
Chancellor's Transition Review
Student Registration Fees
Dentistry Clinics - Billing Review
Pharmacy - Pyxis Contract Review
International Student & Scholar Services Program

Ethics, Compliance and Audit Services (Systemwide)

Senior Management Group Policies
Executive Compensation
Health Care Vendor Relations Policy
Cost Transfers