

The Regents of the University of California

COMMITTEE ON COMPLIANCE AND AUDIT

March 24, 2016

The Committee on Compliance and Audit met on the above date at UCSF–Mission Bay Conference Center, San Francisco.

Members Present: Regents Gorman, Makarechian, Ortiz Oakley, Oved, Sherman, and Zettel; Ex officio member Lozano; Advisory member Chalfant; Staff Advisors Acker and Richmond

In attendance: Regent Blum, Davis, De La Peña, Elliott, Gould, Island, Kieffer, Lansing, Napolitano, Pattiz, Pérez, Reiss, Regents-designate Brody, Ramirez, and Schroeder, Faculty Representative Hare, Secretary and Chief of Staff Shaw, General Counsel Robinson, Chief Investment Officer Bachher, Provost Dorr, Executive Vice President and Chief Financial Officer Brostrom, Executive Vice President and Chief Operating Officer Nava, Senior Vice President Henderson, Chancellors Block and Hawgood, and Recording Secretary Johns

The meeting convened at 9:55 a.m. with Committee Chair Zettel presiding.

1. APPROVAL OF MINUTES OF PREVIOUS MEETING

Upon motion duly made and seconded, the minutes of the meeting of November 18, 2015 were approved.

2. SUMMARY OF RESULTS OF THE UNIVERSITY'S 2015 A-133 AUDIT

[Background material was provided to Regents in advance of the meeting, and a copy is on file in the Office of the Secretary and Chief of Staff.]

Associate Vice President Peggy Arrivas reported that the A-133 audit for 2015 was complete. The report contained four findings. In the previous year's report there had been three findings, two of which were corrected. The third finding had been corrected at many but not all the campuses. That third finding was included in the current report for some campuses. The University was already working to correct all the findings presented by the auditors.

KPMG representative Mark Thomas explained that the federal funding to UC covered by this audit amounted to approximately \$5.5 billion. About 60 percent of these funds were awards for research and about 33 percent was for student financial aid. Two of the auditors' four findings were considered significant deficiencies. All four were administrative requirements to be corrected.

Ms. Arrivas drew attention to the fact that there had been no misuse of University funds. UC must ensure that it follows all requirements for its contracts and grants and for financial aid.

Committee Chair Zettel emphasized that the University wishes to follow best practices in expenditure of its federal funds.

The meeting adjourned at 10:00 a.m.

Attest:

Secretary and Chief of Staff