The Regents of the University of California

COMPLIANCE AND AUDIT COMMITTEE
July 12, 2017

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

Members Present:	Regents De La Peña, Elliott, Lemus, Makarechian, Sherman, and Zettel; Advisory member Chalfant; Chancellors Blumenthal, Gillman, Khosla, and Yang; Staff Advisor Valdry
In attendance:	Regent-designate Graves, Assistant Secretary Lyall, General Counsel Robinson, Interim Chief Compliance and Audit Officer Lohse, Executive Vice President and Chief Operating Officer Nava, Vice President Duckett, and Recording Secretary Johns

The meeting convened at 9:40 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 May 17, 2017 were approved.

2. **APPROVAL OF ETHICS AND COMPLIANCE PROGRAM PLAN FOR 2017-18**

    The Interim Senior Vice President – Chief Compliance and Audit Officer recommended that the Compliance and Audit Committee approve the Ethics and Compliance Program Plan for 2017-18, as shown in Attachment 1.

    [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.]

    Interim Chief Compliance and Audit Officer Lohse briefly reported on changes in personnel at the Office of Ethics, Compliance and Audit Services before remarking that the Ethics and Compliance Program Plan for 2017-18 represented the work of hundreds of systemwide staff. The underlying risk assessment and identification process took place over seven months. Mr. Lohse noted that this was the first time that the compliance risk assessment timelines for the medical centers and the campuses had been aligned, and this was significant progress.

    Director of Healthcare Compliance and Systemwide Privacy Vanessa Ridley outlined the process undertaken at the Office of the President to synthesize the campus compliance work plans into a comprehensive systemwide work plan, including identification and prioritization of significant risk categories, implementation, and tracking. She

emphasized that the systemwide plan would not override or replace any of the campus plans.

Regent Makarechian asked how implementation of the plan would be tracked. Ms. Ridley responded that a variety of methods were employed, including staff surveys and quantitative measurements of outcomes.

Regent Makarechian asked if the Office of Ethics, Compliance and Audit Services would be able to track the progress of Management Corrective Actions. Ms. Ridley responded in the affirmative.

Upon motion duly made and seconded, the Committee approved the Interim Senior Vice President – Chief Compliance and Audit Officer's recommendation.

3.   **APPROVAL OF INTERNAL AUDIT PLAN FOR 2017-18**

The Interim Senior Vice President – Chief Compliance and Audit Officer recommended that the Compliance and Audit Committee approve the Internal Audit Plan for 2017-18, as shown in Attachment 2.

[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.]

Systemwide Deputy Audit Officer Matthew Hicks briefly outlined the annual risk assessment process used to develop the internal audit plan. The process begins in December and includes interviews with management, committee participation, surveys, review of financial information, and review of information from external sources. The distribution of planned activities was consistent with the prior year. The number of audit staff remained essentially the same as the previous year, even with the addition of the centralized cyber security audit team, formed this year. The allocation of direct hours to the various lines of service – audits, advisory services, investigations, supplemental audits, and follow-up – was also generally consistent with prior years.

Regent Anguiano asked if the demands for advisory services, which were allocated 22 percent of direct hours, were being met. Mr. Hicks responded that there was a limit to the amount of time the Office of Ethics, Compliance and Audit Services could spend on advisory services; some requests from management cannot be fulfilled. Nevertheless, feedback from the campus internal audit departments indicated that priority advisory services were being provided.

Upon motion duly made and seconded, the Committee approved the Interim Senior Vice President – Chief Compliance and Audit Officer's recommendation.

4. **UPDATE ON 60-DAY STATUS REPORT ON IMPLEMENTATION OF RECOMMENDATIONS FROM STATE AUDIT OF UNIVERSITY OF CALIFORNIA OFFICE OF THE PRESIDENT ADMINISTRATIVE EXPENDITURES**

[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.]

Executive Vice President and Chief Operating Officer Nava introduced this discussion of the Office of the President's (UCOP) implementation of recommendations made by the State Auditor regarding UCOP administrative expenditures. The previous month, UCOP had submitted its 60-day report to the State Auditor.

Interim Chief Compliance and Audit Officer Lohse recalled that the recent report of the State Auditor contained 40 recommendations, 33 directed to UCOP and seven to the Board of Regents. UCOP agreed to implement all 33 recommendations. Following the 60-day report to the State Auditor, the University would be required to report at six months, one year, and annually thereafter. As part of the follow-up process, the State Auditor's office would review the information provided by UC and make an assessment of the implementation status of each recommendation. This review typically takes one to two months, and the results are publicized on the State Auditor's website.

Ms. Nava then embarked on a discussion of how UCOP was responding to the State audit. The 33 recommendations would be addressed by ten different "workstreams," five related to staffing and five related to budget processes. For each workstream there would be an accountable official within UCOP. That individual would be responsible for leading implementation work. There were defined work plans for each recommendation and governance processes had been established.

At 30 days following the issuance of the State Auditor's report, UCOP representatives as well as Committee Chair Zettel met in Sacramento with the State Auditor to discuss implementation goals, UCOP's action plans, and anticipated milestones for the 60-day mark. UCOP would continue to meet with the State Auditor and her staff on a regular basis.

In the area of staffing and employee-related expenditures, one of UCOP's first actions was to issue a memorandum restricting the use of funds for retirement parties and gifts, morale-building activities, and employee recognition and awards. These changes became effective immediately. UCOP had also initiated benchmarking analysis for workforce planning and employee salaries, and had met with the California Department of Human Resources (CalHR) to discuss the planned approach and to understand CalHR's methodology.

UCOP had taken swift action to address specific recommendations from the State Auditor with regard to the presentation of the UCOP budget and would continue to refine its processes and make improvements. UCOP had initiated key reforms within its budget process, in particular the work with campus stakeholders to ensure that they have adequate input regarding the budget development process. An Executive Budget

Committee, including members of campus leadership and the Academic Senate, would help develop the budget. UCOP had made significant progress in developing its reserve policy and planned to bring this to the Regents for their review shortly. Ms. Nava drew attention to a website that provided weekly updates on the status of UCOP's implementation work.

Three UCOP workstreams would respond to State Auditor recommendations regarding salary ranges. The first focused on UCOP employee salary ranges, the second on leadership salary ranges, and the third on staff salaries. Two work groups had been formed to address these areas, one focused on UCOP and systemwide staff salary ranges and the other focused on leadership salaries. These groups included compensation experts from UCOP, the campuses, and the medical centers. They had identified additional survey sources, focusing on public employees, and survey protocols and methodologies. Once the data sources were finalized, the method for weighing comparable public and private pay data would be developed. The work group members were also engaged with leadership of CalHR to identify information about the State's approach to market pricing, data management processes, and salary ranges.

The fourth workstream focused on UCOP's expense reimbursement policies and practices. UCOP had begun analysis to benchmark its policies against those of the California State University, other universities, as well as other State and federal entities. UCOP would review this information, update its policies, and publish the revised policies online, in accordance with its standard procedure. While all the work in responding to the State audit was important, President Napolitano had placed particular emphasis on this area. Ms. Nava anticipated that policy changes would be proposed soon.

The fifth workstream would address workforce and staff plans. This work group had begun identifying different workforce planning models currently in use by the State and at peer educational institutions in order to better understand industry best practices. The sixth workstream would study UCOP's fund restrictions, identifying all UCOP funds, which number more than 300, understanding the fund restrictions and the origin of these restrictions, and assessing existing best practices and benchmarks. This work group would develop a process for an annual review of fund restrictions and balances. UCOP would present recommendations for the use of these funds. Workstream Seven concerned the establishment of a UCOP reserve policy. UCOP was studying the practices of other institutions of higher education such as the California State University and the State University of New York, and of industry and government entities. The work group was developing a formal UCOP reserve policy and would seek to obtain stakeholder agreement before bringing a policy to the Regents for review and approval.

Workstreams Eight and Nine focused on UCOP budget processes and presentation. Workstream Eight was concerned with clarifying the presentation of the UCOP budget, and had already produced results. Budget presentations now used actuals to forecast expenditures and featured additional details including fund balance projections and a comprehensive view of permanent and one-time funds spent. This work would continue to be refined over the coming months. Data on UCOP budget to actuals would be

presented to the Regents regularly. Workstream Nine focused on the underlying budget process, seeking the involvement of key stakeholders, documenting processes, and formalizing governance. This work group was researching best practices and addressing the restructuring of UCOP budgeting and accounting systems to ensure clear tracking of expenditures and reporting, and the ability to develop multi-year budgets. President Napolitano had reconvened and expanded the scope of the UCOP Executive Budget Committee, which would serve the President in an advisory capacity.

Finally, Workstream Ten focused on systemwide initiatives and programs. This work group was nearing completion of a comprehensive baseline review of programs including all systemwide initiatives and Presidential initiatives. The work group was reviewing the purposes of these programs, commitment levels, costs, workflows, and approval processes. These initiatives and programs would be presented through the annual budget and regular updates to the Regents.

Regent Sherman asked about the work on salary ranges, if new Market Reference Zones (MRZs) would be proposed for Regents' approval, and if new MRZs would take positions at comparable public universities and comparable State employee positions into account. Ms. Nava responded that UCOP would review the results of this work with the Governance and Compensation Committee on a regular basis. For salary benchmarking purposes, UCOP would consider public and private institutions of higher education as well as public sector and State positions. Comparable State positions had been incorporated into Senior Management Group MRZs.

Regent Elliott noted that the work group members came only from UCOP and the campuses. He asked to what extent UCOP was working with other entities such as CalHR and expressed his doubts that the new MRZs to be proposed would differ much from past MRZs. Ms. Nava responded that UCOP was working closely with CalHR and gaining a better understanding of the State's methodology in setting salary ranges. Communications with CalHR would continue throughout this process.

Staff Advisor Valdry asked if the work on salary ranges would apply only to UCOP or if it would result in a systemwide approach. Ms. Nava responded that different workstreams were examining UCOP as well as systemwide data.

Mr. Valdry asked if there had been an impact on employee engagement and innovation following the curtailment of the use of funds for employee morale-building exercises. Ms. Nava responded that it would be important for UCOP to track the reaction to these adjustments. UCOP was working with the local staff assembly group to identify potential effects and to identify other ways to support employee recognition and morale-building. Mr. Valdry asked if UCOP had a systematic approach in benchmarking this. Ms. Nava responded that UCOP would soon undertake an engagement survey. This would serve as a baseline for assessing satisfaction levels.

Regent Makarechian recalled that the University's overall budget is typically presented at the November meeting with an estimate of the UCOP budget, while the UCOP budget

itself is presented several months later. He asked how UCOP would clarify this process and develop more accurate budget forecasts. Ms. Nava responded that the State Auditor had made a strong recommendation for UCOP to base its budget primarily on actual expenditures. In order to accomplish this, UCOP should move the timing of its budget development process as far out in the fiscal year as possible to ensure that it has robust actuals as a basis for projections. The State budget process occurs earlier in the year, and the State needs data earlier to develop the Governor's January budget proposal. UCOP was aware of this issue and trying to address it in developing its budget process.

Regent Makarechian asked if UCOP was developing processes to deal with initiative and program funds and funds left over at the end of the year. Ms. Nava responded in the affirmative. As UCOP moves to a multi-year budgeting process, the process would become more transparent and it would become easier to identify two- and three-year trends, multi-year commitments, and carry-forward balances.

Regent Makarechian asked how difficult it would be for the University to change its fiscal year end to coincide with that of the State. Ms. Nava responded that this would be a significant shift for the University. All UC's financial systems are oriented to its fiscal year, which aligns with the academic year.

Chair Kieffer anticipated that there would be differences of opinion among the Regents and between the Regents and the Legislature about compensation and the development of new MRZs. This matter would require a candid discussion. He stated his view that some of the comparisons made in the State Auditor's report between UCOP positions and other public sector positions were inadequate. The University has been able to attract highly qualified employees for decades and is a unique organization, not identical to other public or private sector entities.

Committee Chair Zettel reflected that ongoing dialogue with the State Auditor would be desirable.

Student Regent-designate Graves asked how membership of the UCOP Executive Budget Committee was decided. Ms. Nava responded that the Committee included representatives of each campus – provosts, vice chancellors for planning and budget, and vice chancellors for administration. There were two representatives of the Academic Senate, as well as the systemwide Chief Operating Officer, Chief Financial Officer, and Provost. Student Regent-designate Graves asked if there had been any consideration of involving students on this committee or consulting with students during the budget process. Ms. Nava responded that there would be many opportunities to receive input from students.

Committee Chair Zettel then turned the discussion to a consideration of recommendations that the State Auditor had made to the Regents and actions the Regents themselves had taken to date to respond to these recommendations. She averred that the Regents take these recommendations very seriously, would implement them, and would do more to ensure proper oversight of the University.

The State Auditor had recommended that the Regents require that UCOP implement the State Auditor's recommendations and report periodically on progress in implementation. The Regents had confirmed that UCOP would implement all the State Auditor's recommendations and formed a working group to provide oversight. This working group included the Chair and Vice Chair of the Board, the Chair of the Finance and Capital Strategies Committee, the Chair of the Governance and Compensation Committee, and the Chair of the Compliance and Audit Committee. The Regents had developed a robust schedule for UCOP to report to the Regents on its progress, including periodic reports to the Compliance and Audit Committee as well as to the Finance and Capital Strategies Committee and the Governance and Compensation Committee on the recommendations related to budget and staffing, respectively. In addition, Committee Chair Zettel noted that as Chair of the Compliance and Audit Committee, she would be providing reports on overall progress to the Board at least every six months.

The State Auditor's second recommendation to the Regents was that they hold a public meeting to discuss UCOP's review of fund restrictions and funding commitments. The Regents had made a commitment to hold this meeting by July 2018. The third recommendation was for a financial audit of UCOP. The University's external auditor, PricewaterhouseCoopers, had been engaged to conduct this audit, and the results would be presented at the November meeting, along with the results of the overall UC financial audit.

The fourth recommendation was that the Regents contract with an independent third party to assist them in monitoring implementation of the three-year corrective action plan for UCOP. Committee Chair Zettel reported that the Regents had retained the firm of Sjoberg Evashenk Consulting to perform this work. Kurt Sjoberg is a former California State Auditor General and Marianne Evashenk had served as Chief Deputy State Auditor. They had extensive experience in higher education, public administration, and public finance.

Mr. Sjoberg explained that he and Ms. Evashenk led the California State Auditor's office for about two decades. In 2000, they created the firm Sjoberg Evashenk Consulting and had since then served about 300 clients in a wide range of activities including audit, executive coaching, and evaluations. About 95 percent of their clients were government agencies from all the Western states, all the major cities and counties in California, as well as the State of California. He and Ms. Evashenk would serve as independent observers for the Regents to review and ensure that the tasks presented to the Regents were in fact being accomplished.

Ms. Evashenk noted that her career and Mr. Sjoberg's career had been entirely in the public sector. She underscored their awareness and understanding that the work of government agencies is difficult but that there is always room for improvement and greater transparency. Sjoberg Evashenk Consulting had considerable experience in higher education and was currently finishing an assignment at the University of Washington on behalf of the Washington State Auditor, concerning the cost of delivering education. Other higher education audits by Sjoberg Evashenk Consulting had focused on tuition

and tracking the use of State funding, and in 2007 and 2008 the firm provided consulting services to UC in the area of budget policies.

Mr. Sjoberg added that in the area of public administration, the firm had been engaged by some of the most complex State agencies. Sjoberg Evashenk Consulting had worked with the California Environmental Protection Agency's Air Resources Board for more than two years, assisting with the cap-and-trade program. This agency had grown from a budget of several hundred million dollars to several billion dollars and was ill-prepared to address new challenges. Sjoberg Evashenk Consulting had also been working with Covered California, the State's health insurance exchange, since its inception. The firm also had experience with executive compensation, having reviewed executive compensation at the California State Teachers' Retirement System, the Air Resources Board, and the California Earthquake Authority.

Mr. Sjoberg reported that he and Ms. Evashenk had reviewed the University's 60-day response to the State Auditor. Their work for the Regents would include meetings with the work groups outlined earlier by Ms. Nava. They would review current activities and in October, at the six-month mark, they would assist the Regents in ensuring that UCOP's approach was on track and that the State Auditor was receiving assurance that changes were being made in line with the recommendations.

Chair Kieffer thanked Mr. Sjoberg and Ms. Evashenk for taking on this job and emphasized their high qualifications and extensive experience.

Regent Makarechian asked Mr. Sjoberg and Ms. Evashenk if their work would consist of monitoring UCOP's implementation of the recommendations, or if they would provide additional suggestions of their own. Mr. Sjoberg responded that their firm must remain independent. It cannot be an implementer of recommendations, because then it could not give the Regents an independent assessment. Sjoberg Evashenk Consulting can critique UCOP's actions.

Regent Makarechian asked if Mr. Sjoberg and Ms. Evashenk were comfortable with the implementation outline so far. Mr. Sjoberg responded that this would be determined by meeting with the work groups. The indications at this point were positive. Ms. Evashenk added that they wished to become familiar with the evidence presented by UCOP for its conclusions and position for each workstream; they would research, review, and ensure that this evidence was sufficient to support the position.

Regent Makarechian asked if Mr. Sjoberg and Ms. Evashenk would have regular meetings with UCOP, and about the extent and depth of their involvement. Ms. Evashenk responded that they would be deeply involved, meeting with work groups, obtaining documentation, and observing committee meetings. Mr. Sjoberg stressed that they would gather information with rigor.

Regent Sherman asked how often Mr. Sjoberg and Ms. Evashenk would report to the Regents on the progress of the implementation. Mr. Sjoberg responded that certain

quarterly reports were required. Sjoberg Evashenk Consulting clients often request informal briefings, and they would be responsive to the Regents' needs for updates, as well as meeting on dates required by the State audit response process. If a significant issue were to arise, they would "declare an event" and inform the Regents immediately.

Regent Sherman expressed his preference for updates at every Regents meeting in closed session. Committee Chair Zettel explained that the Regental working group would have informal meetings with Mr. Sjoberg and Ms. Evashenk, including herself and Regents Kieffer, Makarechian, Reiss, and Pérez. She agreed that it would be desirable to receive updates at every Regents meeting.

Regent Elliott stressed the importance of having Mr. Sjoberg and Ms. Evashenk communicate any concerns to the Regents posthaste. Committee Chair Zettel averred that the Regents intended to meet every deadline set by the State Auditor and expressed confidence in Ms. Nava and her team. Ms. Nava stated that UCOP was happy to work with Sjoberg Evashenk Consulting and was looking forward to their contributions and advice.

Committee Chair Zettel then explained that in addition to hiring this firm as an independent monitor, the Regents had also retained the firm of Hueston Hennigan LLP in partnership with former State Supreme Court Justice Carlos Moreno to conduct a fact-finding investigation into the alleged interference by UCOP in the State audit survey responses by the campuses. Finally, with regard to the State Auditor's recommendation that the Regents hold a public meeting to discuss the purpose, intent, and prioritization of each systemwide and Presidential initiative, the Regents had made a commitment to accomplishing this by July 2018.

Regent Elliott asked about a timeline for reports from the fact-finding investigation. Committee Chair Zettel responded that this investigation was under way. A set date for a report had not yet been determined, but she anticipated that it would occur in the current calendar year.

The meeting adjourned at 10:55 a.m.

Attest:

Secretary and Chief of Staff

University of California
Office of Ethics, Compliance & Audit Services

UC Merced

ETHICS AND COMPLIANCE PROGRAM PLAN FOR FY 2017-18

TABLE OF CONTENTS

EXECUTIVE SUMMARY

The 2017-18 Ethics and Compliance Program Plan ("Plan") for the University of California combines the individual compliance work plans and risk assessments for all University locations including the ten campuses, six UC health systems, Agriculture & Natural Resources (ANR), and the Lawrence Berkeley National Laboratory (LBNL). The Plan represents the culmination of a multi-month systematic effort to coordinate risk and compliance assessment efforts across the University enterprise. It is the first time that a deliberate effort was made to coordinate and align campus and health system compliance plans and include them all into one overall Plan. This Plan represents the input and involvement of hundreds of staff from leadership roles including compliance, internal audit, health sciences, risk services, privacy, information and security, and a variety of academic representatives. Together, these representatives came together in multiple sessions to assess, evaluate, and then design the individual plans that were then reviewed by the Ethics, Compliance and Audit Services (ECAS) staff in the Office of the President.

To develop this Plan, over 300 individually identified risk areas from the locations' plans were analyzed and compiled into the top risk priorities. Through assessing the relative likelihood, impact and control for these risk priorities, nine risk priorities were identified to be included in this Plan. Although these risks often affect the whole campus enterprise, they are categorized as follows for ease of administration:

Campus-focused Risk Priorities	Health System-focused Risk Priorities
• Cybersecurity	• Healthcare Revenue Cycle
• Sexual Violence/Sexual Harassment	• Pharmacy Services
• Americans with Disabilities Accommodations	• Privacy
• Minors and Volunteers on Campus	
• Life Safety	
• International Activities Including Export Control	

The Plan takes these nine risk priorities and lists specific compliance actions and planned mitigation activities and metrics for each. These mitigation activities will be implemented and coordinated by ECAS throughout 2017-18 in collaboration with campus and health system partners. Progress on the Plan will be reported regularly to University leadership and the Regents. Because the above risk priorities were developed from the locations' plans, these systemwide mitigation activities will parallel and support the efforts of the campuses, LBNL, and the health system. Compliance risk mitigation efforts on individual location plans will continue as well.

The 2017-18 Plan represents further evolution of efforts to improve the risk intelligence of the University of California. Working in partnership with ECAS, campus and health system leadership, risk services, and internal audit will collaborate in ongoing efforts to mitigate established risks, instigate processes that can identify future risks, and establish a culture where risk response can be more robust and effective.

John Lohse
Interim Senior Vice President/Chief Compliance and Audit Officer

Methodology

Summary: The current Plan builds on the 300+ individual risks identified in the location compliance and risk plans. These 300+ risks were then culled down to 12 overarching risk priorities and eventually developed into the nine risk priorities included in this plan. A high-level depiction of this process is illustrated in Figure 1.

The Process: Each University of California campus and health system used a campus-specific process, including interviews with stakeholders, review of government guidance, surveys, etc., to gather compliance risks and produce work plans for the coming fiscal year. In April, ECAS collected the campus and health system work plans and aligned the over 300 risks and work plan actions. In a meeting at UC Irvine in May, the Campus Ethics and Compliance Officers (CECOs) and ECAS reviewed the systemwide collection of risks and identified a subset of the 12 most important risk categories. The risks were listed as general "risk priority" topics, with examples of possible areas of focus, e.g., ADA accommodations (Physical and electronic accessibility, Accommodations, Governance). The risks included both systemwide campus risks and risks specific to the health system.

Following the in-person discussions, ECAS sent out a survey to the CECOs asking them to rank the top five risks at their location regarding the likelihood of the risk occurring on campus, the impact that such an occurrence would have on a campus, and level of control that is currently in place to mitigate the risk. Fifteen anonymous responses were received.

To identify the most pressing risk priorities included in the current Plan (that will be addressed systemwide), ECAS calculated a *Relative Residual Risk* Value from the survey responses*. The *Relative Residual Risk* Value was calculated by multiplying the relative risk likelihood values with the relative risk impact values divided by relative risk level of control values. The Relative Residual Risk Values were then sorted from highest to lowest to show the Relative Residual Risk Ranking. We picked the top systemwide and health system related compliance risks to focus the attention of our effort and ended up with nine risk priorities. The compilation of the building of this year's Plan is depicted in Figure 2.

The Final Product: It is important to remember that this Plan does NOT supplant the individual campus and health system plans. Each location will continue their own risk mitigation process based on their location's decisions. Since the current Plan does build on the campus and health system compliance work plans, this Plan will support and augment what the campuses will accomplish.

Given that the systemwide risks are derived from the campus and health system compliance work plans, there is often substantial overlap between campus efforts, health system, and systemwide plans. However, for administrative ease, the Plan has six distinct "campus" focused risk priorities and three distinct "health system" risk priorities. This approach allows the Plan to focus better attention to issues of overall concerns.

* Methodology Note: We asked only for the top five risks; therefore, the risk values are averaged by the number of responses received for each risk value. Thus, smaller numbers of responses had a larger influence on the result. The relative likelihood value of a risk is calculated by multiplying the average likelihood value with the number of responses for this particular risk and dividing by the maximum number of responses overall for risk likelihood.
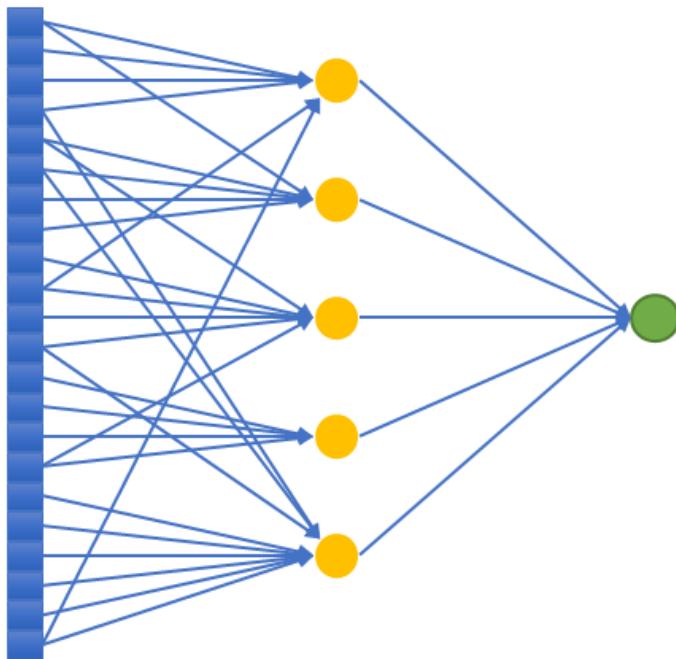
- 300+ items submitted in Campus Compliance Work Plans

- Discussions initially yield 12 Systemwide Priority Risk Areas

- Survey leads to nine highest Residual Priority Risk Areas in Systemwide Compliance Program Plan. The Plan articulates specific objectives for each of the nine.

Figure 1: Depiction of Process Used to Select Risk Priorities

Building the Compliance Plan

Final Compliance Program Plan

Final Plan articulates key objectives and metrics for systemwide collaboration within each of the nine Priority Risk Areas.

High Residual Risk Work Areas

Priority Risk Areas reviewed, combined and articulated by Ethics, Compliance & Audit Services (ECAS) into final nine Priority Risk Areas for campuses and health systems

Systemwide Risk Areas

12 Systemwide Priority Risk Areas intially identified and confirmed/ranked by Campus and Health System Compliance Officers

Campus Work Plans

300+ items submitted in Campus and Health System Compliance Work Plans

Figure 2: Building the Compliance Plan

Risk Priority Overview

From the process explained in the last section, the following *Risk Priorities* were established:

1. Campus-focused Risk Priorities
   - Cybersecurity
   - Sexual Violence/Sexual Harassment
   - Americans with Disabilities Accommodations
   - Minors and Volunteers on Campus
   - Life Safety
   - International Activities Including Export Control
2. Health system-focused Risk Priorities
   - Healthcare Revenue Cycle
   - Pharmacy Services
   - Privacy

On the following pages, each Risk Priority is highlighted and specific work plan "Compliance Action Item(s)" is/are listed. These action items highlight the approaches ECAS and the campus and/or health system partners will take over the next year to address the Risk Priority.

It is important to recognize that many of the "campus-focused" Risk Priorities apply to "health system -focused" Risk Priorities and vice versa. To the extent of such overlap, the planned mitigation activities will address the system and/or locations as a whole.

Seven Elements of an Effective Compliance Program: Each work plan Compliance Action Item is linked to one of the seven elements recommended as a foundation for an effective compliance program by the Department of Justice, the Office of Inspector General for Health & Human Services, and/or the Federal Sentencing Guidelines. This process allows this Plan to complement the overall compliance program structure of the University.

Finally, each work plan Compliance Action Item lists projected metrics and progress steps to be taken. These metrics provide a clear way for ECAS and campus/health system partners to track progress and report to leadership, the President and the Regents on a regular basis.

A. Cybersecurity

Cybersecurity continues to be one of the highest priorities for the University. Several laws and regulations govern the privacy and security of our records for employees and students, including Health Insurance Portability and Accountability Act (HIPAA) and Family Educational Rights and Privacy Act (FERPA). In addition, the operation of the University depends on continued access to records and other important data. As well as educating staff and students about the perils of cyber-attacks, the University is currently updating the information security policy, *BFB-IS-3*. A part of next year's plan will be to finalize, facilitate and monitor adoption of this new policy.

OIG/DOJ/HCCA* Compliance Program Guidance	Compliance Action Item	Planned Risk Mitigation Activity/Metric
Structure	a. Review current Compliance committee sub-groups to interface with other cybersecurity activities b. Establish additional interface structures as necessary	• Identify campus groups dedicated to cybersecurity • Develop relationships with cyber-security stakeholders
Policies	a. Continue to draft and promulgate policy on data management, including Access to Student Data, Policy on Research Data Storage and necessary procedures to ensure the adoption of IS-3 such as the identification of Institutional Information Proprietors b. Adopt the new systemwide data classification standard that will be present in the IS-3 rewrite c. Develop and deploy infrastructure to enable the implementation of four CyberRisk Governance Council CIO priorities: Multifactor Authentication, EndPoint Management, Vulnerability Scanning and Network Access Control d. Develop a multi-year plan to respond to the UC wide Risk Assessment report and findings	• Develop local policies and internal controls for data breaches and other cybersecurity incidents • Recommendations for improved cybersecurity policies/procedures as necessary
Education & Training	a. Formalize training to communicate the importance of purging unnecessary data and limiting data collection to the minimum required to accomplish a task	• Track adoption of box.com or other cloud services as shared data work space • Implement cybersecurity awareness training for staff and students

OIG/DOJ/HCCA* Compliance Program Guidance	Compliance Action Item	Planned Risk Mitigation Activity/Metric
Auditing & Monitoring	a. Work with ECAS cybersecurity audit team to review vulnerability assessments and penetration testing at UC health systems and campuses b. Implement results of the campus vulnerability assessments	• Track implementation of recommendations and solutions for improving resistance to penetration
Enforcement & Discipline	a. Work with Information Technology Services (ITS) and cybersecurity teams (C3) on surveillance criteria in accordance with applicable laws and regulations	• Develop framework to balance privacy concerns with increased security demands, cloud computing and mobile device usage
Risk Assessment & Mitigation	a. Review implementation of multi-factor authentication b. Explore the implementation of encrypted storage at managed workstations	• Track number of systems and users using 2-factor authentication • Track number of systems using encrypted storage

*OIG – Office of Inspector General / DOJ – Department of Justice / HCCA – Health Care Compliance Association

B. Sexual Violence/Sexual Harassment

The University has made significant progress and devoted considerable time and resources to respond to, and prevent, sexual violence and sexual harassment. However, the campus plans continued to identify this area as a high priority for compliance risk. Consequently, the risk continues to be included in the Systemwide Plan. Much of the work identified to be conducted in this Plan follows directly from the recommendations approved by the President.

OIG/DOJ/HCCA Compliance Program Guidance	Compliance Action Item	Planned Risk Mitigation Activity/Metric
Structure	Review Title IX structure and campus infrastructure implementation as required by SVSA Task Force reports	• Review Task Force and other committee recommendations • Review President's recommendations • Work with systemwide Title IX Officer to assess progress on implementation • Provide review of campus programs and structures in partnership with Systemwide Title IX Office
Policies	Review requirements of systemwide Sexual Violence/Sexual Harassment Policy	• Review compliance implementation with campus programs and Systemwide Title IX Office • Ask for the Office of General Counsel (OGC) review of legal developments for changes to policy
Education & Training	Provide continued monitoring of completion rates for required Sexual Harassment Prevention training.	• Metrics from the Learning Management System reviewed and disseminated
Enforcement & Discipline	Review process per new adjudication models and resulting outcomes for faculty, staff and students	• Analyze complaints, timelines, findings and discipline actions for trends and consistencies across campuses
Response & Prevention	Review metric data and process reviews from campus reports on Title IX complaints to ensure compliance with timelines and other requirements	• Review Title IX reports from campus • Completion data from campus advocates, Title IX offices, and Systemwide Title IX Office

C. Americans with Disabilities Act (ADA) and Accessibility

Complying with the Americans with Disabilities Act (ADA) is a major area of regulatory compliance required for all University locations. This year's Plan includes a review of current policies, training, and response mechanism to gauge how our locations are adequately and appropriately addressing this important area. Many campuses identified this area and given the regulatory pressure being exerted on universities regarding accessibility of materials and websites, this area was identified as a key risk priority.

OIG/DOJ/HCCA Compliance Program Guidance	Compliance Action Item	Planned Risk Mitigation Activity/Metric
Policies	a. Review current UC policies and review current legal regulations and requirements b. Develop assessment for current processes and issues across the system c. Review accessibility of university policies	• Ask for OGC review of new and pending state and federal legislation for necessary changes to UC policy • Review current systemwide HR policies and procedures for ADA compliance • Continue with accessibility project of Presidential policies
Education & Training	a. Review current educational and training available b. Assess needs for further training to maintain compliance with ADA implementation	• Develop trainings as needed and required
Response & Prevention	Review system and campus processes for responding to ADA needs of faculty, staff, and students including those who are on campus for visiting appointments	• Review current campus procedures • Develop recommendations for compliance as needed to implement best practices for ADA compliance

D. Life Safety

The safety of our whole University community remains the highest priority. This priority was clearly reflected in the individual location plans and, therefore, this year's Plan includes several areas for compliance risk mitigation activities addressing life safety issues. Specifically, compliance action items focus on specific areas of safety including laboratories, Clery Act Compliance, seismic, and fire. ECAS continues to coordinate the campus Clery Coordinators and collaborate with Campus Police to comply with Clery Act requirements. Working across the University enterprise is critical for this area and ECAS will work with Risk Services and campus locations to coordinate any compliance activities to ensure a comprehensive approach is taken on any reviews and actions.

OIG/DOJ/HCCA Compliance Program Guidance	Compliance Action Item	Planned Risk Mitigation Activity/Metric
Policies	a. Review existing laws, regulations, and UC policies b. Complete systemwide Clery Policy c. Complete systemwide Video Safety/Security Policy	• Coordinate review with Risk Services • Suggest areas for policy development • Completion of systemwide policies
Structure	Review campus structures to address life, public, seismic, and fire safety mitigation and response	• Develop risk mitigation plan with Risk Services and other partners to recommend changes in structures and deficiencies identified
Education & Training	a. Review current training programs b. Develop new training to respond to identified areas of importance or deficiencies c. Implement new mandated training for Campus Security Authorities (CSA) per Clery Act and new systemwide policy	• Complete roll-out of new CSA training • Track and report compliance with training efforts
Response & Prevention	a. Review protocols for reporting safety issues and procedures to follow-up on reports b. Review prevention programs and efforts	• Update response plan as based on review • Update prevention programs as based on review

E. Minors and Volunteers on Campus

The University of California offers a wide array of programs and events involving volunteers of all ages and may include youth and minors. Minors involved in University activities present unique and important compliance obligations and responsibilities. Working with volunteers brings additional areas of concern that must be addressed including registration processes and background checks. Because of the potential risk, the Plan includes several compliance action items that came from campus and health system work plans.

OIG/DOJ/HCCA Compliance Program Guidance	Compliance Action Item	Planned Risk Mitigation Activity/Metric
Policies	Review existing laws, regulations, and UC policies	• Coordinate any suggestions for policy development
Structure	a. Review campus and location structures and processes for addressing and vetting staff and volunteer who work with youth and volunteers b. Review processes for vetting staff and volunteers who work with minors c. Review processes for managing staff and volunteer interactions with minors	• Based on campus processes, provide recommendations and implement processes for improvement in vetting process and requirements for staff and volunteers working with minors
Education & Training	a. Review current training programs b. Recommend new trainings to respond to identified areas of importance or deficiencies	• Design training and education programs as required or recommended • Track and report compliance with training efforts
Response & Prevention	a. Review protocols for reporting compliance and ethical issues b. Review prevention programs and efforts	• Update response plan as based on review • Update prevention programs as based on review

F. International Activities and Export Control

The footprint of activities for the University of California is truly global. With a presence throughout the world, University faculty, staff, and students come across a myriad of international regulations, compliance rules, and cultural issues. In addition, the University must ensure that laws and regulations from the U.S. are followed in international locations as required. Given UC's huge research focus in the international arena, export control, FCPA, and other global regulations are of critical importance to the mission of the University. Several of the campus and health system plans included this area as a top risk. Consequently, this year's Plan includes several items for compliance action.

OIG/DOJ/HCCA Compliance Program Guidance	Compliance Action Item	Planned Risk Mitigation Activity/Metric
Structure	a. Continue support of UCOP International Compliance Work Group and Export Control Work Group b. Maintain UCGO website with RPAC for campus and UCOP information, guidance, and support	• UCOP Work Plan for coordination of International Activities support for campuses • Track traffic on UCGO website
Policies	Follow Academic Senate response to the draft Export Control Policy through final approval and implementation	• Review compliance implementation of the Export Control Policy with campus programs and systemwide members of the Export Control Work Group and other UC stakeholders • Continue Policy Subgroup for review of new and pending state and federal legislation for necessary changes to UC policy • Monitor campus compliance with export control regulations

Education & Training	Assess needs for further training to maintain compliance with Export Control Policy, restricted party screening, sanctions, and IT Security issues.	• Rollout new training to educate on Export Control Policy • Training on pre-travel checklists including FCPA • Training on international travel with mobile devices • Expand training on RPS and Classification screening
Auditing & Monitoring	Complete Q9 Phase II and Phase III systemwide Export Control Assessments	• 2017 Phase II Campus Desk Assessment • Review final reports with for each location with that location's leadership to address Management Corrective Actions • 2018 Phase III Campus visits to review location response to Management Corrective Actions (MCAs) and implementation of systemwide Export Control Policy
Response & Prevention	a. Review system and campus processes for responding to International Travel and collaboration requests b. Classify technology c. RPS Screening d. Work with Contracts & Grants office and RPAC to address new contracts which require compliance with NIST SP 800-171	• Work with local and systemwide IT Security on solutions to NIST 800-171 requirements and/or deployment • Work with local and systemwide Research office and IT Security to implement a travel laptop solution program

G. Healthcare Revenue Cycle

Three areas within the Healthcare Revenue Cycle Risk Priority are included: a) Medical billing and coding; b) Risks identified in the Office of Inspector General (OIG) Work Plan, and: c) Clinical Research Billing (CRB). First, UC health system compliance programs currently utilize software solutions for medical billing and coding audits. This year's plan includes reviewing these practices. Second, UC's health system routinely review the OIG work plan that identifies potential categories of improper payments made by Medicare and Medicaid (CMS). This Risk Priority includes some of the specific topics within the revenue cycle highlighted as focus areas by the OIG. Finally, CRB continues to present challenges to healthcare providers in academic settings. Reimbursement for certain items and services provided to patients enrolled in clinical trials is being challenged by enhanced documentation and billing requirements. ECAS has previously evaluated CRB practices at UC health system locations including coverage analyses, study data management, clinical trial modifiers, and third party medical billing. Compliance Action Items in this area will focus on work needed to enhance the adoption of best practices across the University.

OIG/DOJ/HCCA Compliance Program Guidance	Compliance Action Item	Planned Risk Mitigation Activity/Metric
Structure	Assemble the Healthcare Compliance Council and its sub-committees, including the Medical Billing Advisory Group and CRB Work Group, to oversee healthcare revenue cycle compliance activities	• Convene regular meetings, as documented by agendas and minutes
Policies	Evaluate CRB policies and practices to identify compliance gaps and mitigation strategies	• Identify CRB best practices at UC locations and distribute related policies and procedures across the system
Auditing & Monitoring	Monitor OIG Work Plan and identify potential areas of compliance risk, including payments to UC for Transitional Care Management (TCM) and Chronic Care Management (CCM) services	• Review UC billing practices for TCM and CCM services and other audit categories identified in the OIG Work Plan • Initiative systemwide improvement efforts to enhance compliance
Response & Prevention	Evaluate new software tools that allow comparison of billing data among various UC locations as well as similar non-UC healthcare providers to enhance internal risk-based auditing activities	• Procure and implement enterprise data software tools for billing & coding audits • Develop system measures for revenue cycle compliance • Identify any compliance gaps and initiate systemwide improvement efforts

H. Pharmacy Services

Specific areas of focus with this Risk Priority include the 340B Discount Drug Pricing Program and Controlled Substance Diversion Prevention. UC participates in the federal 340B Program that allows certain healthcare providers to purchase outpatient drugs from manufacturers at reduced prices. UC must ensure that discounted drugs are only used for eligible dispensing activities, and we must properly coordinate with the Medicaid program to avoid duplicate discounts. In June 2017, Congress initiated a review of Health Resources & Services Administration (HSRA)'s previous auditing activities that could impact UC health system locations. Consequently, the compliance action items listed below include objectives in this area. Controlled substance (CS) diversion in health systems can lead to serious patient safety issues, harm to the diverter, and significant liability risk to the organization. Despite these negative outcomes, diversion of CS remains unfortunately common in the healthcare industry. In response, various regulatory entities including the U.S. Drug Enforcement Agency (DEA) and California Board of Pharmacy have increased oversight activities in recent years. UC health system locations employ a variety of internal monitoring measures to prevent CS diversion in our system, which often involve partnerships between compliance, legal, risk and pharmacy operational teams. This year's Plan includes several action items in this critical area.

OIG/DOJ/HCCA Compliance Program Guidance	Compliance Action Item	Planned Risk Mitigation Activity/Metric
Structure	Charter a Pharmacy Compliance governance committee that includes membership from the Healthcare Compliance Council, Office of General Counsel, UC Health Pharmacy leadership and Risk Services	• Convene regular meetings, as documented by agendas and minutes
Policies	a. Assess current 340B Program compliance policies and procedures to identify any areas for improvement b. Assess current CS diversion policies and procedures to identify any areas for improvement	• Identify "best practices" and strategies to spread adoption throughout the system
Auditing & Monitoring	Review results of previous Pharmacy Compliance internal and external audits	• Ensure internal tracking mechanisms and communication protocols exist for disseminating audit results to all stakeholders

I. Privacy

Privacy across the University is an important shared value. This Plan focuses on three areas: HIPAA Notice of Privacy Practices, HIPAA Audit Readiness, and UC Privacy Program Gap Analysis. The UC Health System Notice of Privacy Practices (NPP) is a document we share with patients to inform them about how UC will use and share their health information. Based on recent developments in the use of electronic health records (EHR) and clinically integrated networks at UC, our NPP requires revision to describe better the innovative work we do. In 2016 the U.S. Department of Health & Human Services (DHHS) Office for Civil Rights (OCR), which has responsibility for enforcing HIPAA, issued three times more monetary fines than in any previous year. OCR has also increased its audit and investigation efforts every year since 2011. While UC health system locations have been reviewed for individual allegations of non-compliance, OCR has not yet selected UC for a comprehensive audit.

In FY13 the UC President's Steering Committee on Privacy and Information Security issued recommendations for establishing an overarching UC privacy framework, including governance, implementation and accountability structures. Since then ECAS has led the implementation of the approved recommendations. This year's Plan focuses on continuation of achieving the goals identified, including by promoting institutional decision-making that is consistent with the UC Statement of Privacy Principles and Values.

OIG/DOJ/HCCA Compliance Program Guidance	Compliance Action Item	Planned Risk Mitigation Activity/Metric
Structure	Assemble the Healthcare Compliance Council and Campus Privacy Officials to oversee privacy compliance activities	• Convene regular meetings, as documented by agendas and minutes
Policies	Engage various stakeholders to identify needed NPP updates	• Develop revised NPP template • Ensure new form is disseminated and provided to all patients
Education & Training	Assess currently available privacy education and training materials	• Develop privacy education and training materials to maintain compliance
Auditing & Monitoring	Conduct systemwide OCR HIPAA audit readiness activities, including a review of business associate management and EHR audit trail monitoring	• Finalize audit readiness protocol and conduct mock auditing • Identify risk areas and implement corrective actions
Response & Prevention	Conduct a gap assessment of achievement of the FY2013 President's Steering Committee on Privacy and Information Security recommendations	• Identify areas for improvement to achieve UC Privacy Program recommendations • Initiate specific activities to achieve full program compliance

SUMMARY

The FY17-18 Ethics and Compliance Program Plan summarizes a multi-month effort by hundreds of staff across the University of California to identify and then prioritize the University's highest risks. This Plan is the first time that the risk assessment process for the campus and health system locations paralleled and complemented each other. Compliance staff, regulatory experts, internal auditors, risk partners, privacy, ITS, and legal staff came together at each UC location to survey, review and discuss various risk priorities. The priorities were then reviewed by Ethics, Compliance, and Audit Services (ECAS) staff in the Office of the President.

Out of this process, nine systemwide risk priorities were identified for this Compliance Program Plan. Within each Risk Priority, several objectives and action items were developed and cross-linked to one of the seven elements that forms the basis of an effective compliance plan using benchmarks identified by industry and regulatory agencies.

Throughout FY17-18, ECAS will work with campus and health system staff to address the objectives listed in this plan. Regular reports to the President, Campus and UCOP leadership, and the Regents will be provided. Throughout the year, newly identified risks may emerge. These new items will be added to the Plan as necessary and adjustments to the Plan will be made and approved by the President and the Regents.

Internal Audit Plan
2017-18

UNIVERSITY
OF
CALIFORNIA

Internal Audit Plan Objectives

- Improve the effectiveness of campus governance, risk management and control processes;

- Assist campus leadership in the discharge of their oversight, management, and operating responsibilities;

- Assist management in addressing the University's significant financial, operational and compliance risks and making informed risk acceptance decisions;

- Support and leverage campus efforts to identify, evaluate and mitigate risks;

- Support management's restructuring and budget strategies;

- Serve the needs of campus/laboratory leadership while addressing broader issues from a systemwide perspective;

- Support the evolution of the Systemwide Compliance Program; and

- Meet the challenge to enhance the value of the Internal Audit Program.

Audit Plan Development
Risk Assessment Process for 2017-18

Solicit input from the Regents, Senior Management, systemwide and campus management perspective

Rely on existing risk identification processes wherever they exist (e.g. Compliance, Risk Services, functional areas)

Gather and assess input from external sources (e.g. regulatory area, industry)

Share information among campus/laboratory auditors to leverage input and ensure consistent consideration of risks of interest, industry sources

The result of the risk assessment is an informed perspective on the current risk environment – including a prioritization of risks that are scalable to available resources.

Topics Addressed in FY18 Audit Plans

The following provides examples of the broad range of topics addressed in the audit plan for FY 18. A full listing of the planned projects is included in the Appendix.

Governance
- Joint Ventures, Partnerships and Affiliations*
- Executive Compensation
- Incentive Plans
- Outside Professional Activities
- Executive Transition Reviews

Risk Management
- Environment Health & Safety
- Volunteers
- Disability Management
- Fiat Lux (Captive Insurance)*

Compliance
- Clery Act Compliance
- Fair Wage/Fair Work*
- Contract Management
- State Audit Follow-up
- Export Control

Financial
- Financial Monitoring
- Cash Management
- Health Sciences Revenue Cycle
- Strategic Sourcing*
- Financial Aid

Operations
- Disaster Recovery & Business Continuity
- Intercollegiate Athletics
- Merced 2020*
- UC-Mexico*
- Construction
- Maintenance

Information Technology
- Cybersecurity*
- IT System Implementations*
- Mobile Devices
- Cloud Computing
- Systems Operational Readiness
- IT Asset Management

Human Resources
- Rehired Retirees
- Temporary Employees
- Recruitment Process
- Background Checks
- Off-Boarding and Continuity of Operations

Research
- Research Award Closures
- Organized Research Units
- Research Partnerships*
- Research Compliance

Health Sciences
- Pharmacy Operations
- Telemedicine
- Clinical Operations
- Claim Denial Management*
- Clinical Integration and Affiliations
- Electronic Medical Records – EPIC*

* Management Strategic Priority/Initiative

4

Focus on Strategic Alignment

Cybersecurity

Operational Efficiency/Cost Reduction

International Activities

UC Audit & Advisory Services

Innovation and Entrepreneurship

Shared Admin Systems

Diversity, Equity and Inclusion

UC Health Strategic Priorities

Financial Sustainability

Highlights of Consolidated Audit Plans

Personnel:	FY18 Plan	Prior Year Plan
Authorized staff level	113 FTE's	112 FTE's
Avg. Staff Level	108 FTE's	107 FTE's

Distribution of Planned Activities :

By Audit Activity Type (hours/%):	FY18 Plan		Prior Year Plan	
Audits	102,142	65%	98,944	64%
Advisory Services	38,424	24%	36,109	24%
Investigations	16,372	11%	17,826	12%
	156,938	100%	152,879	100%

	FY18 Plan	Prior Year Plan
By University area:		
Campus/Laboratory*	75%	76%
Health Sciences	25%	24%
	100%	**100%**

* Includes Lawrence Berkeley National Laboratory (LBNL), Agrictulture & Natural Resources (ANR), UCOP and UC Merced

Allocation of Available Resources

	FY18 Plan		3/31/17 Annualized	
Weighted Average FTE	108		109	
	Hours	**Percent**	**Hours**	**Percent**
Personnel Hours	224,588	97.8%	228,291	98.0%
Other Resource Hours	5,005	2.2%	4,614	2.0%
Gross Available Hours	229,593	100.0%	232,905	100.0%
Less: Non-Controllable Hours	35,859	15.6%	42,888	18.4%
Less: Admin/Training	22,807	9.9%	29,632	12.7%
Total Direct Hours	**170,927**	**74.5%**	**160,385**	**68.9%**

Available Resources

The table to the left depicts the staffing level assumed in the Plans and quantifies the human resources available to assign to audit activities. Total hours are reduced for non-controllable hours (vacation, holiday and illness per University policy) and for program administration and training.

	FY18 Plan		3/31/17 Annualized	
	Hours	**Percent**	**Hours**	**Percent**
Audit Program				
Planned Audits* (242 projects)	81,282	47.6%	78,329	48.8%
Supplemental Audits	13,853	8.1%	8,287	5.2%
Audit Follow Up	7,007	4.1%	7,491	4.7%
Total Audit Program	**102,142**	**59.8%**	**94,107**	**58.7%**
Advisory Services				
Planned Projects* (73 projects)	19,755	11.5%	N/A	N/A
Supplemental Hours	18,669	10.9%	N/A	N/A
Total Advisory Services	**38,424**	**22.4%**	**42,591**	**26.5%**
Investigations	**16,372**	**9.6%**	**9,936**	**6.2%**
Audit Support Activities	**13,989**	**8.2%**	**13,752**	**8.6%**
Total Direct Audit Hours	**170,927**	**100.0%**	**160,386**	**100.0%**

*Total Hours for 315 Planned Projects = 101,037 (see Planned Projects in Appendix)

Resource Allocation

The table to the left displays the deployment of the Available Resources among our activities by type (audit, advisory services and investigations). While the mix over time tends to shift somewhat between Investigations and Advisory Services, the commitment of the majority of our efforts to a substantial program of regular audits remains evident.

Distribution of Direct Hours

The chart below depicts the direct audit coverage of our FY18 plan. It demonstrates that over half of our planned direct hours have been allocated to planned and supplemental audits, with the remaining time allocated to our other lines of service, advisory services and investigations, as well as audit follow up and audit support activities. (refer to the next page for the specific detail of the direct areas).

FY18 Direct Hours

Audit Support
8%

Advisory Services
22%

Planned Audits
48%

Investigations
10%

Supplemental Audits
8%
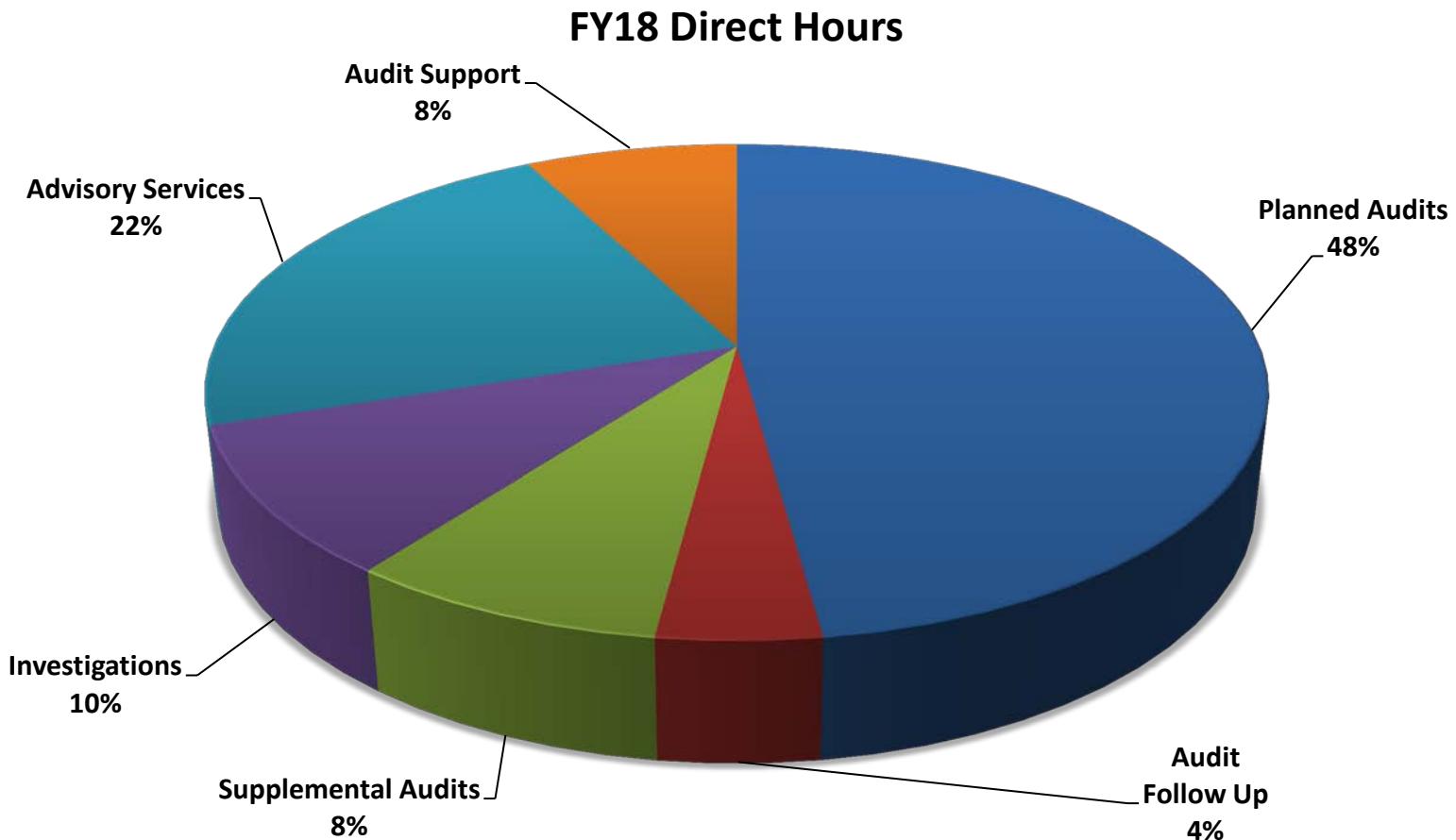
Audit
Follow Up
4%

* Audit support activities include audit planning, audit committee support, systemwide audit support, computer support and quality assurance

Distribution of Available Hours

	FY18		3/31/2017 Annualized	
	Plan	Percent	Actual	Percent
INDIRECT HOURS				
Administration	14,555	7.5%	22,913	12.1%
Professional Development	7,780	4.0%	6,719	3.5%
Other	472	0.2%	-	0.0%
Total Indirect Hours	**22,807**	**11.7%**	**29,632**	**15.6%**
DIRECT HOURS				
Audit Program				
Planned New Audits, PN	81,282	42.0%	78,329	41.2%
Supplemental Audits, PS	13,853	7.2%	8,287	4.4%
Audit Follow up, PNF	7,007	3.6%	7,491	3.9%
Total Audit Program Hours	**102,142**	**52.8%**	**94,107**	**49.5%**
Advisory Services				
Consultations/Spec. Projects, SC	23,390	12.1%	27,053	14.2%
Ext. Audit Coordination, SE	7,743	4.0%	7,143	3.8%
Systems Dev., Reengineering Teams, etc.	2,981	1.5%	2,133	1.1%
Internal Control & Accountability, SI	2,199	1.1%	1,459	0.8%
Compliance Support, SU	1,720	0.9%	3,697	1.9%
IPA, COI & Other, SP	391	0.2%	1,105	0.6%
Total Advisory Services Hours	**38,424**	**19.8%**	**42,590**	**22.4%**
Investigations Hours, IN	**16,372**	**8.5%**	**9,936**	**5.3%**
Audit Support Activities				
Audit Planning	3,862	2.0%	3,496	1.8%
Audit Committee Support	1,885	1.0%	1,087	0.6%
Systemwide Audit Support	4,076	2.1%	4,800	2.5%
Computer Support*	3,145	1.6%	3,349	1.8%
Quality Assurance	1,021	0.5%	1,020	0.5%
Total Audit Support Hours	**13,989**	**7.2%**	**13,752**	**7.2%**
Total Direct Hours	**170,927**	**88.2%**	**160,385**	**84.4%**
TOTAL NET AVAILABLE HOURS	**193,734**	**100.0%**	**190,017**	**100.0%**

Distribution of Available Hours

The table to the left provides a more detailed breakdown of planned time as a basis for ongoing accountability. From this detail the continuing commitment to timely audit follow-up is displayed by the plan to invest approximately 7,000 hours. The category of Compliance Support is intended to facilitate our efforts to integrate the Compliance and Audit Programs into joint efforts such as annual plan development, project coordination and ongoing risk monitoring.

* Includes time spent on TeamMate (Audit Management System) upgrades and functional enhancement

9

Appendix – List of Audit and Advisory Service Projects by Location

This appendix lists all the planned audit and advisory service projects at each location, their proposed general scope and corresponding planned hours budget. The progress and status of these projects are reported quarterly.

Systemwide - Audits	Scope Statement	Hours	Est. Qtr. Completion
UCPath Center	Evaluate internal controls over payroll processing at the UCPath Center.	250	1
Outside Professional Activities (systemwide)	Assess documentation, approval and reporting of outside professional activities for compliance with policy.	150	4
Fair Wage/Fair Work (systemwide)	Assess conformance with policy and guidance related to procurement activities under the Fair Wage/Fair Work Plan.	100	4
UCOP Executive Compensation (systemwide)	Review of Annual Report on Executive Compensation, Annual Report of Fiscal Year Expenses for the President and Annual Report of Taxable Expenses of the President.	150	4
Medical Centers Clinical Enterprise Management Recognition Plan (CEMRP)	Phased assessment which will include review of FY 2017-18 goals and FY 2016-17 award calculations.	300	2
Office of the Treasurer Annual Incentive Plan (AIP)	Phased assessment which will include review of FY 2017-18 goals and FY 2016-17 award calculations.	300	1
Cybersecurity - Vulnerability Assessments and Penetration Testing (systemwide)	Perform vulnerability assessment and penetration testing at UC locations across the system to assess the effectiveness of vulnerability management programs.	900	4

Systemwide - Advisory Services	Scope Statement	Hours	Est. Qtr. Completion
Cybersecurity - NIST Framework Advisory	Assist management with initiatives related to the adoption and implementation of the NIST cybersecurity framework across the system.	200	2
Cyber security - Incident response	Perform an advisory review of the Information Security Incident Response processes across the system to advise management on the effectiveness of processes in place as well as recommend areas for improvement.	1200	3
Cyber security - UC Health Affiliates	Assist management in developing new and improved cybersecurity control standards for UC Health affiliates, and how UC Health will provide access to affiliates to patient data.	200	4
RASC Redwood Design Review	Provide guidance on internal controls and pre-system implementation standards for the future retirement administration system.	200	2
Diversity - Campus Climate Action Plan Review Assistance	Assist in the review and analysis of campus action plans in response to campus climate survey results, including systems of accountability.	50	3

		Hours	
UCPath Pilot Deployment	Independent assessment of the readiness and highlight any key risks that could adversely impact the pilot deployment as well as capture any lessons learned from the pilot rollout.	700	2
Retirement Administration Service Center (RASC) User Access	Review access assignments for all Customer Information Control System (CICS) users and design standard access levels aligned to user role and responsibility. Review change control process for systems access.	150	1
	Systemwide Sub-total	4,850	

LBNL - Audits	Scope Statement	Hours	Est. Qtr. Completion
FY17 Cost Incurred	Certification review to ensure that the costs incurred and claimed are allowable in accordance with the terms of the contract between UC and DOE.	800	4
FY17 Home Office Costs	Annual audit to verify whether Home Office costs charged to LBNL only include costs for activities that benefit LBNL, are allowable, reasonable, and allocable in accordance with regulations	350	3
Continuous Controls Monitoring	Assess whether key controls are working to address previous questioned costs and deficiencies. Data analytics of entire population will focus on certain transactions and control elements to identify areas for management attention.	500	4
OMB A-123 IT General Controls	Assess selected information technology (IT) controls related to financial reporting and determine whether the controls provide reasonable assurance that cyber security management is effective.	250	2
COI/COPA - AskUs Implementation Plan	Post implementation review of the new system to determine effectiveness in tracking and monitoring COI/COPA.	300	2
Construction Projects	Review construction-related projects for effectiveness and efficiency , as well as compliance with applicable government regulations, Lab policies, and standard procedures.	400	3
Subcontracts Time & Materials - Payments, Contract Performance	Assess compliance with standard procedures and business practice pertaining to Time and Materials subcontracts. Scope will focus on invoice payment certification, supporting documents for cost reimbursements, and contract performance evaluation.	600	2
Fraud Risk Assessment	Assess the organization's vulnerabilities to internal and external fraud, and evaluate effectiveness of controls to prevent and detect fraud.	450	3
Pcard - Data Analytics and Internal Controls Structure	The review will use ACL data analytics tool to assess effectiveness of controls that ensure Pcard charges are allowable and in compliance with policy.	300	2
Employee Concerns, Whistleblower Protection Program	Assess adequacy of management reporting of results from review of whistle blower complaints, and coordination between departments handling those complaints.	350	1

Onsite Security - Allied Universal Contract Performance, Contract Cost	Review costs paid under the Allied Universal subcontract and assess compliance with the subcontract.	450	3
Director's Administrative Fund	Evaluate adequacy of controls over the Director's Administrative Fund and review if expenses reimbursed from the fund were in compliance with UC and Lab policies and procedures.	250	1

LBNL - Advisory Services	Scope Statement	Hours	Est. Qtr. Completion
CY17 AREC	This review will focus on data accuracy of executive compensation and outside professional activities information submitted to UCOP for reporting to the UC Regents.	250	2
Pre-audit: CEC Research Grants	A pre-audit of research projects funded by California Energy Commission grants (multi-year approximately $40M). Scope will include compliance with CEC contractual requirements.	450	2
	LBNL sub-total	5,700	

UC Berkeley - Audits	Scope Statement	Hours	Est. Qtr. Completion
General Prior Year Cleanup	N/A	300	1
Affiliated Organizations	Assure that campus resources allocated to affiliated organizations in delivering keys services are effectively managed including the return on investment.	300	4
Berkeley Resource Center for Online Education and New Academic Ventures	Provide assurance that the supporting campus infrastructure is sufficient to effectively evaluate new ventures, manage active ventures, repay internal loans for startup expenses, and establish metric for continuing and decommissioning ventures.	300	4
Bowles Hall	Assure that campus resources allocated to affiliated organizations in delivering keys services are effectively managed including the return on investment.	300	3
Business Continuity	This project is focused on assuring that the campus can on an ongoing basis provide mission related services aligning supportive administrative activities and managing resources.	300	2
Campus Shared Services	Evaluate the current structure of Campus Shared Services to identify opportunities for greater efficiency, better alignment with campus central offices, while meeting customer service needs.	400	3
Human Resources – Management and Supervisor Training	This project is intended to assure that manager have the necessary skills, information and tools to effectively manage the workforce.	300	2
Information and Privacy – Data Usage in Online Services	This project is intended to assure the privacy is effectively protected and managed in online platforms.	300	4

		Hours	Est. Qtr. Completion
Information and Technology – Electronic Data Warehouse and Business Intelligence Tools	This project will assess the accuracy, reliability, timeliness, availability information in the enterprise data warehouse for decision support.	300	3
Organized Research Units	Evaluate organized research units to determine financial viability and the ongoing need for some ORUs and assure an effective process to monitor and access by management.	300	3
Scholarships	Identify accumulation of funds which may be used to provide current scholarships and assure that scholarships are deployed in compliance with donor agreements.	300	4
Self-Supporting Operations	Assess the financial viability and management of self supporting operations as well as the campus effectiveness of evaluating such operations.	300	2
Student Information System Post Implementation Review	Assure that the new student information system is performing as intended and identify operational gaps.	300	2
Executive Compensation and Chancellor's Expenses	Support Regental request for assurance on the accuracy of annual reporting of executive compensation.	300	3
Outside Professional Activities (systemwide)	Assess documentation, approval and reporting of outside professional activities for compliance with policy.	50	3
Fair Work/Fair Wage (systemwide)	Assess conformance with policy and guidance related to procurement activities under the Fair Wage/Fair Work Plan.	150	4

UC Berkeley - Advisory Services	Scope Statement	Hours	Est. Qtr. Completion
Operational Efficiency	Identify opportunities for efficiency gains.	300	2
Vice Chancellor Transition Reviews	Assure an effective transition of new vice chancellors.	600	1
IDC Recovery Data Analysis	Understand nature of variances in IDC recovery to better set governing principles for waivers and the portfolio mix for sponsored projects.	100	1
	UC Berkeley sub-total	5,500	

UC Davis - Audits	Scope Statement	Hours	Est. Qtr. Completion
Accounts Payable	Focus on internal controls surrounding purchase orders. An area of particular focus will be assessing the risks involving confirming purchase orders and split purchase orders.	300	2
Campus Data Warehouse IT Operations	Focus on IT operations and data security controls being used to manage the CDW platform, and assess whether there are opportunities to improve IT services.	300	4
Chancellor's Expenses (BFB G-45) (systemwide)	Review the annual fiscal and tax year reports of expenses incurred on behalf of the Chancellor.	150	3

Financial Aid	Focus on undergraduate financial aid operations in the Financial Aid and Scholarships office. We will review processes and internal controls designed to ensure compliance with university and Department of Education regulations and requirements.	350	2
Student Accounting	This audit will review internal controls surrounding the assessment, billing, and collecting of student tuition and fees.	300	1
Temporary Employment Services	This review will assess the efficiency and effectiveness of the business operations of TES.	300	3
Vet Med Teaching Hospital	This audit will focus on the business operations of the VMTH including a review of efficiency and effectiveness of high risk VMTH operations.	300	4
Annual Report on Executive Compensation (AREC) (systemwide)	The AREC review is conducted every year as requested by the Office of the President. The AREC report prepared by the campus will be reviewed for completeness and accuracy.	150	3
Fair Wage/Fair Work (systemwide)	Assess conformance with policy and guidance related to procurement activities under the Fair Wage/Fair Work Plan.	200	4
Outside Professional Activities (systemwide)	Assess documentation, approval and reporting of outside professional activities for compliance with policy.	100	4
Police and Fire IT Operations	Review of IT operations and data security controls for the Police and Fire Departments to determine if adequate security controls are in place to protect the IT infrastructure and data, and if there are opportunities to improve IT services.	300	2
UCD/UCDH E-mail Practices and Security	This audit will assess UCD email governance and support practices and their resulting impact on IT operations at the Campus and UCDH.	300	3
Cancer Center	This review will assess internal controls over financial and administrative processes within the Cancer Center and evaluate the current state of operations and key inherent risks facing the Cancer Center.	300	1
Charge Router	This review will assess processes and controls in place to ensure work queues and error pools associated with the Epic charge router are being addressed.	300	4
Claim Denial Management	This review will focus on the policies, procedures and practices related to reporting on, analyzing and addressing root causes of claims denials.	300	2
Department of Radiology	This review will assess internal controls over financial, administrative and operational processes within the Department of Radiology.	300	3
Emergency Room	This review will assess internal controls over financial, administrative and operational processes within the Emergency Room. EMTALA compliance.	300	4
Environmental Health and Safety	This review will encompass financial management and administrative practices within EH&S, including Emergency Preparedness, Hazardous Materials Management, along with other activities to protect the safety of employees and students at UCDH.	300	4

	Scope Statement	Hours	Est. Qtr. Completion
EPIC Cashiering	This review will assess internal controls over the collection, recording and reconciliation of cash/cash equivalents in the Epic environment.	250	1
Food and Nutrition Services	This review will assess internal controls over financial, administrative and operational processes within Food and Nutrition Services. .	300	4
Pharmacy	This review will assess internal controls over financial, administrative and operational processes within the Pharmacy.	350	2
Vendor On-Site Monitoring	This review will assess the processes and systems used to monitor compliance with policies, procedures and regulations governing vendor interaction with UCDH units and personnel.	250	3
Volunteers	This audit will focus on the will focus on the policies, procedures and practices in place to provide oversight for and management of volunteers at UCDH.	300	2
Write-Off Accounts	This review will focus on the policies, procedures and practices surrounding accounts receivable write-offs. Specific areas of emphasis may include collection efforts (including use of collection agencies), approval of write-offs, automatic write-offs and/or reinstatement of accounts receivable.	300	3

UC Davis - Advisory Services	Scope Statement	Hours	Est. Qtr. Completion
Academic Affairs Administrative Review	This review will assess internal controls over financial and administrative processes within the Vice Provost's office sand we will evaluate the current state of operations and key inherent risks facing Academic Affairs.	250	1
Aggie Surplus	This review will assess the efficiency and effectiveness of the business operations of Aggie Surplus.	300	4
Counseling Services	This review will assess the efficiency and effectiveness of the Counseling Services operations through means such as metrics; benchmarking; and review of processes to assess student satisfaction with services provided.	300	4
Office of Research Administrative Review	This review will assess internal controls over financial and administrative processes within the Vice Chancellor's office and we evaluate the current state of operations and key inherent risks facing the Office of Research as well as how those risks impact administrative operations.	300	1
ACL Analytics and Transition	This project will provide the resources to develop and catalog the ACL scripts for use in current and future projects and potential continuous controls monitoring projects.	300	4
External Audit Coordination	AMAS is responsible for the external audit coordination function. In addition to guiding departments through audits performed by outside concerns such as funding agencies, AMAS also gathers data to facilitate and expedite the external reviews.	1200	4

		Hours	Est. Qtr. Completion
Faculty Start-Up Funds	This project will rely on data mining and interviews to review, consolidate, and report on campus practices regarding faculty start-up funds.	300	3
Law Fellow Development	Each year AMAS employs a Law Fellow who works as a member of the AMAS team on group and independent projects. These hours are for the work performed by the Law Fellow.	750	4
Quest (McClellan) Data Center	This review will emphasize the operational and security controls being used to manage the Quest Data Center.	300	1
Basic Science Departments	This review will analyze funding sources for the basic science departments at UCDH, with a focus on comparison of funding for compensation between the departments.	300	1
UCD Health Administrative Review	The purpose of this review will be to identify the highest strategic and operational risks facing the UCDH from an administrative and financial perspective and assess the existing strategies to mitigate those risks.	350	2
	UC Davis sub-total	11,250	

UC Irvine - Audits	Scope Statement	Hours	Est. Qtr. Completion
School of the Arts	This review will cover overall administration to determine if the School has adequate systems of internal control. It will include the dean's office and the School's departments.	300	1
Real Estate Lease Payments and Income	Assess the management of University-owned leased real property, specifically, whether lease payments are accurate and timely collected and accounts receivables are properly monitored.	250	1
Gastroenterology	The review will cover controls over department operations including revenue and expenses, cash handling, payroll, compliance with federal contract and grant regulations, HR/personnel, HIPAA privacy, and IT controls over computer systems and servers.	300	1
Returning Retirees	Determine whether the rehiring of retirees were properly approved and comply with University policies.	150	1
Disability Services Center	This review will cover operations including revenue/expenses as well as financial and administrative management, and adequacy of internal controls.	200	1
Information Security – Restricted Data and Electronic Inventory Resources	This review will assess the processes in place to identify and secure restricted institutional data (business data or research data) under the purview of management; (2) Validate the accuracy of restricted data reported; and (3) Review pertinent IT controls implemented within the environment.	400	2

Graduate Division	The review will focus on financial and operational controls and subject to results of the risk-based preliminary survey, the detailed scope of the review may include fellowship and grant records and activities, graduate fees, payroll and personnel, timekeeping, information systems, equipment management, space management, travel, entertainment, purchasing, recharge activities, and/or financial reporting.	350	2
Neurology	The review will cover controls over department operations including revenue and expenses, cash handling, payroll, compliance with federal contract and grant regulations, HR/personnel, HIPAA privacy, and IT controls over computer systems and servers.	300	2
Accounts Payable (Medical Center)	The review will focus on disbursement activities to determine whether practices and procedures provide reasonable assurance of compliance with University policies including whether payments are appropriately authorized and accurate in accordance with contracted prices, payments are only made upon confirmation of receipt of goods or services, payments are made in a timely manner and errors in disbursement processing and duplicate payments are prevented or detected.	350	2
Stipend Payments	Determine whether payment of administrative stipends were properly approved and comply with University policies.	200	2
School of Humanities	The School is operating in a deficit and is under new management so the review will focus on financial trends over the past several years, reserves, commitments, and overall financial standing of the unit.	300	3
Cloud Computing and IT Vendor Management/Contracts	This review will assess the processes in place for cloud services used on campus policies and strategies for cloud computing including identification of cloud service vendors, selection of vendors, and ongoing management of contract and services to ensure the protection of University data.	450	3
Cost Transfers	Assess the adequacy of the internal controls over cost transfers for federally funded projects to ensure they are accurate, authorized, allowable, allocable, reasonable, and timely and adhered to federal and University policies.	450	3
AREC & Chancellor's Expenses (systemwide)	Determine that the annual report data is complete and accurate and that the SMG coordinators engaged in an exercise to obtain the source data and report it in accordance with the instructions. We will also determine whether Chancellor's expense activity is properly reported and complies with University policy (G-45).	150	3
Telecommunications (Medical Center)	Review procedures for providing telecommunication services and for monitoring utilization and expenses to ensure proper and efficient use of resources.	350	3
Biological Chemistry	The review will cover controls over department operations including revenue and expenses, cash handling, payroll, compliance with federal contract and grant regulations, HR/personnel, HIPAA privacy, and IT controls over computer systems and servers.	300	4
Outside Professional Activities (systemwide)	Assess documentation, approval and reporting of outside professional activities for compliance with policy.	50	4

	Scope Statement	Hours	Est. Qtr. Completion
Fair Work Fair Wage	Assess conformance with policy and guidance related to procurement activities under the Fair Wage/Fair Work Plan.	150	4
Affiliation Agreements	Evaluate practices for negotiating and executing affiliation agreements, and corresponding delegations of authority. The scope of the review will include roles, responsibilities, and practices in each Vice Chancellor area, as well as central departments such as Procurement.	300	4
Contracts & Grants Accounting	This review will focus on the processes around invoicing, payments, and accounts receivable monitoring/collections.	350	4
Export Controls	The purpose of the review is to evaluate the internal controls and practices that have been established to help ensure compliance with export control regulations and University requirements.	250	4
EPIC – Hosting	This review will assess the adequacy, effectiveness /efficiency of processes implemented for this hosting arrangement and the associated risks.	450	4

UC Irvine - Advisory Services	Scope Statement	Hours	Est. Qtr. Completion
Site of Service 11 and 22 Reviews	Perform site reviews utilizing questionnaires developed by the Compliance and Privacy Office.	100	4
EPIC Implementation/Post Implementation	Test sample the bills being sent out for accuracy	100	4
Business Continuity/Disaster Recovery Validation	Follow up on BC/DR MCAs and remediation and new issues that have come up (cloud computing strategy).	100	4
Data Analytics	Utilizing data analytics, identify and investigate unusual transactions in financial data	200	4
Student Center – IT Environment	High-level general controls review (Student Center controls their own IT environment).	100	4
Continuous Auditing Corporate Card Transactions	Utilizing data analytics, test sample corporate card transactions to detect non-compliant transactions or fraud	100	4
Physical Inventory Observations	Review a sample departmental year-end physical inventory activities, including test counts and compliance with policies and procedures	50	4
	UC Irvine sub-total	7,100	

UC Los Angeles - Audits	Scope Statement	Hours	Est. Qtr. Completion
Associated Students (ASUCLA) – General Books Division	The purpose of the review is to ensure that the related systems and procedures surrounding the General Books Division's operations are conducive to accomplishing ASUCLA and the University's business objectives.	160	4
Associated Students (ASUCLA) – Lu Valle Division	The purpose of the review is to ensure that the related systems and procedures surrounding the Division's operations are conducive to accomplishing ASUCLA and the University's business objectives.	260	4

Associated Students (ASUCLA) – Trademarks & Licensing	The purpose of the audit is to ensure that the related systems and procedures surrounding trademarks and licensing activities are conducive to accomplishing ASUCLA and the University's business objectives. The potential scope of the audit will include agent and licensee selection, awards and subsequent renewal procedures, royalty revenue recording procedures from domestic and international licensees, trademark registration and protection procedures, and information technology controls.	260	4
Associated Students (ASUCLA) – Facilities Maintenance	The potential scope will include repairs and maintenance services, preventive maintenance services, capital project management, and equipment, tools, and material supplies.	220	4
Associated Students (ASUCLA) – Accounts Receivable	The purpose of the audit is to evaluate the systems, procedures, and controls that ASUCLA Accounts Receivable staff employs to maintain accurate records and facilitate efficient collections.	320	4
Facilities Management – Client Recharge Process (Customer Relations)	The purpose of the audit is to evaluate work order preparation and processing controls to ensure that they appropriately allocate project-related expenses among funding sources.	400	4
Facilities Management – Materials and Equipment (Design, Project Management & Operations)	The purpose of the audit is to evaluate the adequacy of the division's materials and equipment storage, handling, and security practices. This will include materials and equipment access controls, material and supply distribution procedures, and associated safety practices.	300	4
Facilities Management – Purchasing Process Review (Finance & Information Systems)	The purpose of the audit is to evaluate the organizational structure and internal controls, and the related systems and procedures to determine whether they facilitate an effective purchasing function.	400	4
Facilities Management – Preventive and Deferred Maintenance	The purpose of the audit is to determine if adequate controls have been established over the tracking and prioritizing of preventive and deferred maintenance projects.	400	4
Capital Programs – Capitalization Procedures and Practices	The purpose of the audit is to evaluate the processes and controls associated with project cost capitalization activities to ensure that those activities facilitate compliance with applicable University accounting principles and standards.	350	4
Capital Programs – Project Management	The purpose of the audit is to evaluate internal controls and related procedures that govern the project management function. The potential scope of the audit will include expense allocation, reporting and reconciliation, project budget monitoring and budget variances, and internal fees charged to projects.	350	4
Capital Programs – Share Point System Review	The purpose of the audit is to evaluate manual and automated controls, procedures, and security protocols. The potential scope of the audit will include access administration, technical controls, backup and recovery, and disaster recovery and business continuity.	300	4

Housing & Hospitality – Access Controls	The purpose of the review is to ensure that the Access Controls unit's organizational structure and controls are conducive to accomplishing its business objectives. The potential scope is electronic key cards and the keywatcher system.	318	4
Housing & Hospitality – Construction	The purpose of the review is to assess the effectiveness of construction management policies and procedures, and internal controls and processes related to the administration of construction activities. The potential scope is inspections, field and change orders, and applications for payment.	370	4
Housing & Hospitality – Housing Assignments Office	The purpose of the review is to ensure that Housing Assignment Office's structure and controls, and the related systems and procedures are conducive to accomplishing its business objectives. The secondary purpose was to evaluate the adequacy and efficiency of internal controls over the assignment process.	370	4
Housing & Hospitality – UA – Maintenance Shop	The purpose of the review is to ensure that University Apartment's overall organizational structure and controls, and the related systems, procedures and activities surrounding the purchasing, ordering, receiving, storing, issuing and disposing of inventory are conducive to accomplishing its business objectives.	418	4
Housing & Hospitality – University Guest House	The purpose of the review is to ensure that the Guest House's organizational structure and controls are conducive to accomplishing their business objectives. The secondary purpose is to evaluate the adequacy and efficiency of internal controls within the operation.	243	4
Events & Transportation – F&T Recharge Audit	The primary purpose of the review is to ensure that the related systems and procedures surrounding recharge activities are conducive to accomplishing Fleet & Transit's business objectives. The potential scope will include the following recharge areas: rates, car rental, fuel, transit charter services, and transit external vendor coordination.	277	4
Events & Transportation – Parking Citation Contract Review	The primary purpose of the review is to determine whether Turbo Data Systems, Inc. is in compliance with the parking citation contract, all UCLA parking citations are appropriately processed, and revenue is properly collected, recorded, and deposited to the UC Regents account.	327	4
Events & Transportation – Vanpool Program	The purpose of the review is to ensure that the controls, systems, and procedures surrounding the Vanpool Program are conducive to accomplishing the program's business objectives. The potential scope will include vanpool driver responsibilities and requirements, and safety and compliance.	164	4
Events & Transportation – UCLA Events Office	The purpose of the audit is to ensure that the Events Office's organizational structure and controls, and the related systems and procedures are conducive to accomplishing its business objectives surrounding event management. The potential scope will include accountability structure, event administration, and information system controls.	227	4

UC Police Department (UCPD) – Records Management	The purpose of the review is to ensure that UCPD's organizational structure and controls are conducive to accomplishing its business objectives with regards to records management. The potential scope will include release of information, storage and security, creation and indexing, and records retention and destruction.	275	4
UC Police Department (UCPD) – Travel and Accounts Payable	The purpose of the audit is to ensure that UCPD's organizational structure and controls are conducive to accomplishing its business objectives with regards to accounts payable and travel expenditures. The potential scope will include authorization and approval, processing transactions, and reconciliation and monitoring.	325	4
Information Technology Services – Recharges	The purpose of the audit is to ensure that the related systems and procedures surrounding IT Services recharges structure and controls are conducive to accomplishing its business objectives. The potential scope will include recharge rates, recharge process, and accounts receivable.	373	4
Information Technology Services – Enterprise Messaging	The purpose of the audit is to ensure that Infrastructure Services' organizational structure and controls with regard to Enterprise Messaging are conducive to accomplishing its business objectives. The potential scope will include physical security and environmental controls, access controls, communications and operations management, and business continuity.	273	4
Human Resource and Payroll Center – South	The purpose of the review is to ensure that HRPC – North's organizational structure and controls, and the related systems and procedures are conducive to accomplishing its business objectives surrounding personnel and payroll activities.	500	4
Central Ticket Office – Ticket Inventory	The purpose of the audit is to ensure that CTO's structure and controls, and the related systems and procedures surrounding ticket inventory are conducive to accomplishing its business objectives. The potential scope will include purchasing and receiving, inventory control, physical security, and ticketing system access.	255	4
Campus Service Enterprises – Asset Management	The primary purpose of the audit is to ensure that Asset Management's organizational structure and controls, and the related systems and procedures surrounding the property management functions are conducive to accomplishing its business objectives.	520	4
Fair Work/Fair Wage (systemwide)	Assess conformance with policy and guidance related to procurement activities under the Fair Wage/Fair Work Plan.	300	4
UCLA Recreation (UREC)	The purpose of the audit is to ensure there are adequate internal controls over UCLA Recreation (UREC) administrative and financial activities.	400	4
The UCLA Foundation	The purpose of the audit is to perform an annual compliance review for fiscal year 2016-17 to ensure that dispositions of restricted funds transferred from The UCLA Foundation to the University for that period complied with the purposes and restrictions set forth by the donors.	500	4

Campus – Athletics	The purpose of the audit is to ensure that there are adequate internal controls over the business operations of Athletics. The potential scope of the audit will include financial management, accountability structure, human resources and payroll, purchasing, travel & entertainment, and employee reimbursements.	400	4
Campus – Academic Department – 1	The purpose of the audit is to ensure there are adequate internal controls over administrative and financial activities. The potential scope of the audit will include financial management, research administration, cash handling, equipment inventory, information technology and security, conflict of commitment, budget and planning processes, and faculty hiring and diversity.	500	4
Campus – Academic Department – 2	The purpose of the audit is to ensure there are adequate internal controls over administrative and financial activities. The potential scope of the audit will include financial management, research administration, cash handling, equipment inventory, information technology and security, conflict of commitment, budget and planning processes, and faculty hiring and diversity.	500	4
Campus – Academic Department – General IT Control Review	The purpose of the audit is to ensure that the organizational structure and controls, and the related systems and procedures surrounding information technology controls are conducive to accomplishing the University's business objectives.	400	4
UCLA Lab School	The purpose of the audit is to ensure there are adequate internal controls over administrative and financial activities. The potential scope of the audit will include financial management, cash handling, equipment inventory, information technology and security, conflict of commitment, and budget and planning processes.	500	4
UCLA International Institute	The purpose of the audit is to ensure there are adequate internal controls over administrative and financial activities. The potential scope of the audit will include financial management, research administration, cash handling, equipment inventory, information technology and security, conflict of commitment, budget and planning processes, and faculty hiring and diversity.	500	4
Cloud Computing	The purpose of the review is to provide UCLA management with an assessment of the effectiveness of cloud computing internal controls and security, identify internal control deficiencies within UCLA and its interface with service providers and provide management with an assessment of the quality of and their ability to rely upon service provider's attestations regarding internal controls.	400	4
Fowler Museum at UCLA	The purpose of the audit is to ensure there are adequate internal controls over administrative and financial activities. The potential scope of the audit will include financial management, cash handling, equipment inventory, information technology and security, conflict of commitment, and budget and planning processes.	500	4

Systemwide – Phase II Program Review – Assessment of Export Control Compliance	In response to disclosures to the Department of State's Directorate of Defense Trade Controls Compliance, ECAS is leading a systemwide program review/assessment of export control compliance at the campus level. This phase during 2017 will include a "cross-sectional" team approach in an effort to collect data and information.	200	4
Outside Professional Activities (systemwide)	Assess documentation, approval and reporting of outside professional activities for compliance with policy.	100	4
Systemwide – Unassigned	Placeholder for additional projects	400	4
Hemapheresis Contract (SMUCLA)	The audit will evaluate UCLA and vendor compliance with the terms of the purchased services contract.	450	4
Laundry Service Contract	The audit will evaluate UCLA and vendor compliance with the terms of the purchased services contract.	400	4
Waste Management Contract	The audit will evaluate UCLA and vendor compliance with the terms of the purchased services contract.	425	4
SMUCLA Emergency Physicians Contract	The audit will evaluate UCLA and vendor compliance with the terms of the purchased services contract.	400	4
Hospital – Accounts Payable	The audit will evaluate the adequacy of internal controls over the accounts payable function and system. Elements of purchasing and receiving processes may be included.	500	4
Hospital – Purchasing	The audit will evaluate the adequacy of internal controls over the procurement function and system. Elements of accounts receivable and receiving processes may be included.	550	4
Hospital – Disaster Recovery	The audit will determine whether reasonable measures have been implemented to prepare for an extended service outage and to restore information technology services as rapidly as needed.	400	4
I.T. Access – Controls – Off-boarding	The audit will assess the adequacy of controls in place to terminate system access capabilities for terminated employees.	500	4
Medical Device Security	The audit will assess controls for ensuring that medical devices are safe from tampering and that protected health information stored therein or transmitted therefrom is adequately secured.	500	4
International Relations	The audit will evaluate key financial and administrative processes to ensure the propriety of business relationships, coordination of care, and billing and collection processes.	400	4
Patient Accounts Credit Balances	The audit will evaluate the adequacy of processes for identifying, confirming, and refunding credit balances on patient accounts.	500	4
Tiverton House	The audit will evaluate the adequacy of controls over key business activities, including revenue generation, account management, cash handling controls, and information security.	500	4

		Hours	Est. Qtr. Completion
UCLA Health Clinical Practice Operations	Audits of multiple clinics will assess the adequacy and effectiveness of internal controls over key activities, including payment handling, revenue capture, and healthcare vendor relationships.	2,500	4
School of Medicine Departmental Audits	Audits of departments will determine whether there are adequate internal controls over key administrative and financial processes, such as financial management, research administration, and compensation plan activities.	1,500	4
Audit Administration	N/A	3,950	4
	UCLA Sub-total	28,030	

UC Merced - Audits	Scope Statement	Hours	Est. Qtr. Completion
Access to Student Data – Banner Access Controls	The project will review access to student information as our Banner system moves to the cloud.	150	3
Tuition, Student Fees, and Receivables	This audit will review that internal controls over tuition, student fees, and student receivables are operating effectively. We will review that amounts are accurately recorded and that waivers and write-offs are properly reviewed and approved.	200	1
Parts / Equipment Supply Management	This audit will review controls related to the purchase and maintaining of equipment and supplies.	200	1
Low Value Purchase Orders / Purchase Cards	This audit will verify that controls and proper review processes have been set up to manage procurement risks.	200	2
Post Award Spending Review	This audit will review the effectiveness of internal controls related to spending on grants and will include a review of post award spending.	200	2
Cash Management Controls	The audit will review the cashiering system (CASHNet) and review for compliance with Payment Card Industry Data Security Standards (PCI DSS).	200	3
Annual Report of Executive Compensation & Benefits (Systemwide)	As part of this annual audit, we will review the required reports of the Chancellor's spending required by UC Policy G-45, and the procedures for accurately completing these reports.	100	3
Outside Professional Activities	Assess documentation, approval and reporting of outside professional activities for compliance with policy.	50	4
Fair Wage / Fair Work (Systemwide)	Assess conformance with policy and guidance related to procurement activities under the Fair Wage/Fair Work Plan.	100	4
Downtown Center Construction Project	The audit will review spending on the project and review that the project was properly awarded and effectively managed. We will review compliance with requirements outlined in the UC Facilities Manual.	200	4

UC Merced - Advisory Services	Scope Statement	Hours	Est. Qtr. Completion
Vice Chancellor Transition Reviews	This review will help identify potential issues for the Chancellor and for the next Senior Manager who will take over leadership of the division. We interview campus leadership and managers within the division and review financial trends and spend.	200	1
UCPath Readiness Assessment Reviews	This review will address the readiness of UC Merced as part of the UCPath pilot implementation. A final assessment will be completed to determine lessons to be learned as additional campuses go live with UCPath.	200	2
Project 2020 Review	This review will include evaluations related to the 2020 Project and will assess the risks and impact on daily campus operations.	200	3
Fraud Risk Management and Data Analytics	This project will review for trends and unusual transactions that will help identify areas that should be reviewed more closely.	250	4
	UC Merced sub-total	2,450	

UC Office of the President - Audits	Scope Statement	Hours	Est. Qtr. Completion
Rehired Retirees	Assess policy compliance related to employees returning to UC employment after retirement.	150	3
ANR Cooperative Extension - Stanislaus County	Business controls review at the Stanislaus Cooperative Extension with focus on budget and policy compliance.	200	2
UCOP Expenditures (PwC Audit Support)	Review of UCOP expenditures in support of the separate audit of UCOP Operations performed by the external auditors	150	2
Student Affairs Business Continuity	Assess documentation, processes and policies related to business continuity for IT systems used by Student Affairs.	150	2
Electric Service Provider (ESP) Power Supply Verification	Annual audit of power content reporting to the California Energy Commission (CEC).	100	1
Fiat Lux Financial Controls	Review financial controls related to the administration of Fiat Lux, the captive insurance program.	200	3

UC Office of the President - Advisory Services	Scope Statement	Hours	Est. Qtr. Completion
Innovation & Entrepreneurship Process Review	Assess the current state of key processes within I&E to identify potential process efficiencies and improvement opportunities, assess internal control design and recommend enhancements.	150	1
State Audit Follow-up	Advise and, where appropriate, provide independent assurance on State audit recommendation implementation activities.	200	2

ANR Financials – Phase 2	Assist in developing a repeatable process for on-going development of consolidated financial statements for ANR.	200	2
ANR UCPath Future State	Document current state processes at ANR to be impacted by UCPath and advise on future state process design.	200	3
	UCOP sub-total	1,700	

UC Riverside - Audits	Scope Statement	Hours	Est. Qtr. Completion
School of Medicine	General overall audit to determine the adequacy of internal controls and evaluate compliance with applicable University policies and procedures, including the SOM deficit reduction plan and Business Associate agreements.	400	3
IT Security – Small Departments	Perform an analysis and evaluation of distributed IT security controls. Includes procedures to verify adequacy of internal controls and compliance with University Policy and evaluate efficiency and effectiveness of processes.	370	4
School of Business Administration	General overall audit to determine the adequacy of internal controls and evaluate compliance with applicable University policies and procedures as well as identify and review accumulated budget surpluses and proposed uses.	400	1
EH&S	Review Emergency Management or Business Continuity programs for applicable policy and regulatory compliance.	400	4
Annual Analytic Review & Fraud Detection	This audit involves year round data analytics procedures of campus financial data, such as general ledger, accounts payable, and payroll data. The data generated is used to identify potential high risk (red flags/potential fraud) areas of concern by combining and analyzing multiple data sets.	1,080	4
Cash Handling	Select various cashiering and sub cashiering stations for internal control reviews and compliance with BUS-49.	460	2
Corporate Cards	Select departments and review Corporate Card monitoring and write off controls and compliance with applicable policy.	500	3
SMG Outside Professional Activities (systemwide)	Assess documentation, approval and reporting of outside professional activities for compliance with policy.	150	4
SMG Travel (systemwide)	Review travel and entertainment expenditures of SMG members for compliance with policies Business and Finance Bulletin (BFB) G-28 and BFB BUS-79.	170	4
SMG AREC (systemwide)	Review the processes for the preparation of the Annual Report on Executive Compensation for Calendar Year 2017 (AREC 2017) and examine supporting documentation.	150	4
Temporary Employees	Identify campus Temporary Employees and review selected contracts for compliance with applicable labor laws and University Policy.	320	3
Fair Wage/Fair Work (systemwide)	Assess conformance with policy and guidance related to procurement activities under the Fair Wage/Fair Work Plan.	300	4

UC Riverside - Advisory Services	Scope Statement	Hours	Est. Qtr. Completion
Organizational Excellence	Continue A&AS active involvement in the UCR Organizational Excellence (OE) initiative by participating in various OE-related work groups.	420	4
UCPath Readiness Assessment (systemwide)	Assess campus' UCPath readiness as directed by UCOP.	740	1
Natural Reserves	Address safety and accountability issues related to the UCR Natural Reserve System.	280	1
Machine Shops	Review controls and processes related to various campus machine shops.	300	1
Training – Whistleblower & Fraud	Conduct regularly scheduled Supervisor training on Fraud Awareness and the Whistleblower Policy.	100	4
	UC Riverside sub-total	6,540	

UC Santa Barbara - Audits	Scope Statement	Hours	Est. Qtr. Completion
Prior Year audit wrap-up	N/A	200	4
IT: Information Security – Web Applications	The objective of the review will be to assess if web applications are properly developed with appropriate security controls to safeguards, and compliant with University policies to ensure University resources are adequately protected.	250	1
IT: Information Security – Cybersecurity	This project will address outcomes from the Cyber Security risk assessment which is anticipated to be completed by the beginning of the fourth quarter of FY2016-17.	250	1
IT: General Controls – Campus Security	The purpose of this review will be to evaluate processes and procedures that grant employees, students, and other authorized individuals access to campus buildings and other restricted areas. We will review technology-based security access systems such as card scanners and other electronic devices being used by the campus for building access control.	300	3
Marine Science Institute	We will assess whether key business processes and internal controls established by MSI are in compliance with University and sponsor regulations, and identify any opportunities to enhance operational efficiency for the key processes selected.	275	1
Deferred Maintenance	We will determine if the campus deferred maintenance program provides reasonable assurance that deferred maintenance projects are identified, quantified, prioritized and reported for funding when available. Also determine if Physical Plant inspection of facilities and equipment is effective and efficient.	300	2
IT: Campus Financial System (CFS) – Phase I Post Implementation Internal Control Review (Business and Financial Services)	The purpose of this audit will be to provide assurance that there are appropriate internal controls in place in BFS after Phase 1 go-live. The audit team will map out processes and controls and validate that internal controls are operating as intended.	300	3

IT: General Controls – Cloud Computing	We will evaluate the effectiveness of internal controls for identifying cloud service providers and analyzing requirements prior to solution acquisition to ensure that cloud service providers meet campus requirements (including review of costs, benefits, and risks) as well as for the ongoing monitoring of performance.	250	2
Environmental Health & Safety (EH&S): Construction Close Out	The purpose of this audit will be to evaluate compliance with established policies and regulatory requirements related to construction project close out processes and issuance of certificates of occupancy.	275	2
Hiring Practices – Faculty Recruitments	We will review current practices and risks in recruiting faculty employees in an effort to verify that hiring procedures comply with UC policies and campus procedures, and controls are in place to avoid conflicts of interest (near relative) during the hiring process.	250	2
IT: Transcript Tracking System (TTS) and Transfer Evaluation and Articulation System (TEAS)	We will determine whether critical business processes of the Office of the Registrar and the Office of Admissions supported by the applications TTS and TEAS are operating at an acceptable level of risk. Upgrades and new initiatives.	250	3
Police Department	We will assess the Police Department's internal controls and business practices to assure sound business practices are in place to support operational effectiveness and efficiency including compliance with University policies and federal and state regulations.	250	1
Environmental Health & Safety (EH&S): Safety Training	We will perform an advisory service to determine the effectiveness of processes to identify and ensure timely completion of mandatory safety training.	250	3
Executive Compensation: Chancellor's Expenses and Executive T&E (systemwide)	Support Regental request for assurance on the accuracy of annual reporting of executive compensation.	150	3
Executive Compensation: Annual Report on Executive Compensation (AREC) (systemwide)	Determine that the annual report data is complete and accurate and that the SMG coordinators engaged in an exercise to obtain the source data and report it in accordance with the instructions.	150	3
Fair Work/Fair Wage (systemwide)	Assess conformance with policy and guidance related to procurement activities under the Fair Wage/Fair Work Plan.	150	3
Outside Professional Activities (systemwide)	Assess documentation, approval and reporting of outside professional activities for compliance with policy.	50	3
IT: UCPath Project Progress Review	We will continue our progress review based upon input from key project stakeholders.	275	4
Conference Services – Internal Control Review	Along with essential business practices, we will review internal controls in one or more areas selected based on risk, with possible coverage of revenue and cash, procurement, inventory, payroll, and/or other areas.	275	4
IT: Enterprise and Campus-wide IT Project Costs – FY 2017-18 Review	This audit is the third in a series of planned annual audits of costs charged to major campus IT projects such as FSIP, UCPath, Electronic Timekeeping (Kronos), Connect, and SIS. This ongoing series is designed to assure the campus that the substantial funds devoted to these projects are being spent appropriately.	250	4

HR Background Checks	This review is to assess whether background checks are being performed for all employees designated in 'critical' positions and that adequate documentation is being retained.	275	4

UC Santa Barbara - Advisory Services	Scope Statement	Hours	Est. Qtr. Completion
Work Order Systems and Processes	We will perform a project progress review based upon input from key project stakeholders.	250	2
Information Security Advisory – Placeholder for As-Needed Services	Hours for coverage of a request or emerging risk in an information security-related area.	225	2
Campus Physical Security Assessment	We will assess campus physical security based upon physical security best practices. The scope of the audit will focus on crime prevention through environmental design, territorial reinforcement, and exterior lighting.	275	3
Clery Act Reporting Process Advisory	We will evaluate the adequacy of the procedures used for gathering and reporting Clery crime statistics and to ensure compliance with United States Code: Title 20, Section1092 (f), Disclosure of Campus Security Policy Crime Statistics (Clery Act).	275	1
Internal Control Self Assessment	This controls self-assessment project will be a collaboration with Business and Financial Services. Through a survey, interviews, and/or other methods, we will assist departments in evaluating select business processes to ensure that essential internal controls are in place.	275	3
Data Analytics Program - Development and Collaboration	We will continue the development of our data analytics program, including possible collaboration with Business & Financial Services.	250	4
Financial Management Advisory – Placeholder As Needed	N/A	125	4
	UC Santa Barbara sub-total	6,650	

UC Santa Cruz - Audits	Scope Statement	Hours	Est. Qtr. Completion
Information Management of Sensitive Data – User Awareness and Use	To determine the level of awareness for using, transmitting, and storing manual and electronic data containing various levels of sensitivity.	420	2
Succession Planning	To evaluate the effectiveness of campus succession planning efforts for ensuring the transfer of critical job functions and responsibilities when employees leave the campus or transfer out of a campus unit.	430	3
Vivarium Operations and Governance	To evaluate the effectiveness of vivarium program operations and governance.	367	3
OPERS Diving and Boating Safety Program	To review and assess the adequacy of the OPERS diving and boating program.	325	2
Annual Report on Executive Compensation (AREC) (systemwide)	Determine that the annual report data is complete and accurate and that the SMG coordinators engaged in an exercise to obtain the source data and report it in accordance with the instructions.	180	3

		Hours	Est. Qtr. Completion
Chancellor's Expenses UC Policy Business Finance Bulletin (BFB-G-45) (systemwide)	To determine compliance with two financial reports on Chancellor's expenses, required by UC Business Finance Bulletin (BFB) G-45.	180	3
Divisional Carryforward/Deficit Management	Addresses the appropriateness and effectiveness of management practices over campus divisional resources.	455	2
Independent Contractors	To evaluate the adequacy of controls and determine the appropriateness of the campus use of independent contractors.	353	2
Campus Use of Consultants	To identify the level of use and evaluate the appropriateness of services provided through consultant agreements/contracts.	350	3
Data Center – Amazon Web Services	In consultation with UCOP ECAS Cyber Security Audit Services, review the adequacy of controls over enterprise systems migrated to Amazon Web Services IT Cloud.	200	4
Fair Wage/Fair Work (systemwide)	Assess conformance with policy and guidance related to procurement activities under the Fair Wage/Fair Work Plan.	100	4
Outside Professional Activities (systemwide)	Assess documentation, approval and reporting of outside professional activities for compliance with policy.	55	4

UC Santa Cruz - Advisory Services	Scope Statement	Hours	Est. Qtr. Completion
Fraud Management Program – Data Analytics	To identify transactions that have a high risk of fraud or potential for non-compliance with UC Policy and local campus procedures and test transactions for non-compliance or significant change over the prior year.	318	4
Spreadsheet Accuracy	To test the accuracy of information contained in excel workbooks used by campus units for reporting out on financial information or performance statistics.	172	4
Data Governance Policy Development	To work with campus constituents on the understanding and development of campus data governance strategy and principals, and assess the current practices.	330	4
Risk Intelligence Governance	To conduct the annual risk assessment and audit planning exercise. Integrate risk assessment and themes identified from campus senior level interviews with campus risk intelligence efforts and generate the FY2019 internal audit plan.	90	4
NCAA Report Annual Review	To confirm the accuracy of the financial data included in the OPERS NCAA Equity in Athletics Data Analysis (EADA) Report for Fiscal Year 2018.	80	3
Student Intern Program	To administer the AMAS student intern program providing up to two students per Quarter, course credit learning about internal auditing and working hands on projects with professional audit staff.	150	4
UC Santa Cruz sub-total		4,555	

UC San Diego - Audits	Scope Statement	Hours	Est. Qtr. Completion
Student Business Services	The purpose of this audit project is to validate key internal controls for certain business transactions. The scope of the review will include internal controls for student accounts receivable and sundry billing.	400	2
Single Operating Fund Initiative (SOFI) Allocations	The purpose of this audit is to review year-end reporting for SOFI funds to ensure expenses are applied appropriately, and restrictions on "core" funds are enforced (i.e., state funds cannot be charged for salaries above the NIH salary cap).	300	2
Cashiering Compliance	The objective of the review will be to assess campus sub-cashiering stations for compliance with the cash handling policy.	300	2
Scripps Institution of Oceanography (SIO) – Marine Physical Lab	The purpose of this audit is to validate key internal controls for certain business transactions. The scope of the review will include internal controls for payroll and benefits, timekeeping, and non-payroll expenditures.	400	4
University Centers Operations	The purpose of this audit project is to perform an overall assessment of the operational management of the organizations resources, the administrative internal control environment, compliance with University policies and procedures, and effectiveness of unit operations.	350	4
Recharge Centers	The purpose of this audit project is to review the campus core facilities recharge practices, to include the costing model and appropriate allocations of funds. The scope of the review will include a sample of recharge centers across the Campus.	300	2
Physics – Department Audit	The purpose of this audit project is to perform an overall assessment of the department's administrative internal control environment, compliance with University policies and procedures, and effectiveness of unit operations. The scope of the review will include internal controls for payroll and benefits, timekeeping, and non-payroll expenditures.	350	4
San Diego Supercomputer Center (SDSC) – ORU	The purpose of this audit project is to validate, on a test basis, key internal controls for certain business transactions. The scope of the review will include internal controls for payroll and benefits, timekeeping, and non-payroll expenditures.	350	2
Research Fund/Award Closeout/De-obligation	The purpose of this audit is to assess the procedures in place to ensure that awards are closed timely and in accordance with established requirements, and that unused funds are identified and appropriately deobligated, and financial deficits are erased. The scope of the review will include current processes for award administration.	350	2
Electrical and Computer Engineering	The purpose of this audit project is to validate key internal controls for certain business transactions. The scope of the review will include internal controls for payroll and benefits, timekeeping, and non-payroll expenditures.	350	4

Fair Wage/Fair Work (systemwide)	Assess conformance with policy and guidance related to procurement activities under the Fair Wage/Fair Work Plan.	300	4
Clinical Practice Organization Financial Statements	The purpose of this review will be to evaluate the accuracy and completeness of the fiscal year 2017 financial statements for the CPO. The reasonableness of management assumptions and financial projections for future fiscal years will also be evaluated.	500	3
Clinical Integrated Network – Epic Community Connect	The purpose of this review will be to evaluate contractual arrangements with community entities related to clinical integration and the provision of EHR software, to ensure the terms and conditions of the contract are adhered to, financial and service obligations are met, and payments are properly recorded in UCSD financial systems.	350	4
HealthNet Blue & Gold	The purpose of this review will be to evaluate internal controls and business processes supporting the Blue & Gold contract, including overall financial management, contract terms and payments, and the infrastructure for managing the increased financial risk associated with these types of contracts.	350	4
Medical Directorships	The purpose of this review will be to evaluate current medical directorship agreements, and assess whether processes and controls for managing agreements and related documentation are effective, and adequately mitigate regulatory risk.	350	2
Women & Infant Services	The purpose of this review will be to perform an assessment of the Women & Infant Services internal control environment, and determine whether internal controls provide reasonable assurance that operations are effective and efficient, financial results are accurately reported, and activities are compliant with relevant policies & procedures.	350	2
Anesthesiology Charge Capture & Billing	The purpose of this review will be to determine whether internal controls provide reasonable assurance that financial results are accurately reported, operations are effective and efficient, and activities are compliant with relevant policies & procedures. Focus will be on key risk areas including oversight of department financial condition and deficits, and processes related to charge capture, billing, and supply management.	400	4
Sleep Center	The purpose of this review will be to assess business operations and internal controls at the Sleep Center to determine whether internal controls provide reasonable assurance that operations are effective and efficient, financial results are accurately reported, and activities are compliant with relevant policies & procedures.	350	2

		Hours	Est. Qtr. Completion
Free Clinic	The purpose of our review will be to determine whether internal controls are adequate to provide reasonable assurance that operations are effective and efficient, in compliance with University policies and applicable regulations, and result in accurate financial reporting. The review will focus on fiscal oversight, funding sources, and management of payroll and non-payroll expenditures which may be contributing to deficit conditions.	350	4
Concierge Medicine Patient Refunds (Downtown, Encinitas)	The purpose of this review will be to perform a financial reconciliation and evaluate processes for refund of Concierge Medicine annual subscriptions, to ensure that patients who discontinued membership as a result of practice closures were appropriately refunded for annual fees not used.	300	2
Psychiatry Business Operations	The purpose of this review will be to perform an overall assessment of Department of Psychiatry business operations, and administrative internal control environment for compliance with University policies and procedures, effectiveness of business unit operations, and accuracy of financial reporting.	300	2
Altman Clinical and Translational Research Institute (ACTRI)	The purpose of this review is to perform an assessment of ACTRI business operations, the efficiency and effectiveness of financial oversight and business processes, and compliance with University policy, federal regulations, and the terms of the federal award.	350	4
Moores Cancer Center	The purpose of this review is to perform an overall assessment of Moores Cancer Center business operations, the efficiency and effectiveness of financial oversight and business processes, and compliance with University policy and the terms of the federal award.	400	2

UC San Diego - Advisory Services	Scope Statement	Hours	Est. Qtr. Completion
Annual Review of Executive Compensation (AREC) (systemwide)	The objective of the review will be to determine that the annual report data is complete and accurate and that the SMG coordinators engaged in a diligent exercise to obtain the source data and report it in accordance with the instructions.	200	3
Operating Ledger – Transaction Compliance (Data Analytics)	The objective of this advisory service project will be to review and evaluate operating ledger data using data analytics to assess outliers such as transactions with blank indexes, anomalies in the Express Card clearing accounts, and trends related to indirect cost recovery.	300	2
Police Property and Evidence Management	The purpose of this advisory service project is to assess the adequacy and effectiveness of internal controls over equipment inventory and evidence management and compliance with policy and regulatory requirements.	300	1

Research Compliance (ClinicalTrial.gov compliance, NIH GCP Training Compliance)	The purpose of this project will be to evaluate campus-wide compliance with federal regulations and policy regarding reporting to ClinicalTrial.gov and completion of GCP training, and assess the infrastructure in place to support these processes.	250	2
Health System Purchasing & Disbursement Data Analytics / Continuous Monitoring	The purpose of this review will be to evaluate Health System procurement and disbursement data to determine whether additional continuous monitoring techniques may be beneficial.	250	4
External Coding & Billing Vendor Contracts	The purpose of this review will be to develop a comprehensive understanding of areas within the organization where external vendors are utilized for coding and/or billing of UCSDH services. We plan to evaluate the agreements for consistency of terms and conditions, and provide advice from a vendor management perspective on practices for ensuring quality and accuracy of service provided.	200	2

UC San Diego sub-total 9,600

UC San Francisco - Audits	Scope Statement	Hours	Est. Qtr. Completion
Clinical Integration / Affiliations	To review clinical integration/affiliation implementation to assess whether strategic and operational objectives are met and to ensure compliance with contract terms and conditions and anti-trust regulations.	250	2
New Providers Onboarding and Integration	To review of the processes surrounding the onboarding and integration of new affiliate providers.	250	2
Charge Capture & Billing – Clinic	To assess the processes and controls for ensuring the accuracy and completeness of the charge capture and billing of services	250	3
Medicare Shared Savings Plan Monitoring	To assess the controls and processes for monitoring savings and quality performance and compliance with program requirements.	250	1
Late Charges – Hospital Billing (HB) and Physician Billing (PB)	To review the processes and controls for managing and resolving late charges	250	2
Third Party Access Follow Up	To validate that corrective actions implemented have addressed the issues and risks identified in the previous review surrounding the management of privileged access provided to third party vendors and service providers	225	4
Research Partnerships	To assure compliance with key terms of the agreements; risk assessments are performed and intellectual property commitments are managed and comply with policy	275	1
International Activities	To review the structure and processes in place to facilitate the conduct of international activities abroad and to mitigate potential risks.	275	2
Student Pay and Funding	To determine the accuracy and timeliness of payments to students, including fellows and post-docs, and the correct allocation of funding sources	250	1
Capital Construction Projects	To validate that there is adequate monitoring of project costs and timelines	250	2

		Hours	Est. Qtr.
Title IX Investigation and Adjudication Process Validation	To assess the process for investigating and adjudicating Title IX complaints to validate there are adequate controls in places to ensure timely and accurate outcomes and to ...	300	2
Uniform Guidance	To assess processes and controls implemented to address changes under Uniform Guidance.	275	1
Access to EMR / UCSF Systems	To determine that appropriate controls are in place for providing affiliates and research partners access to patient medical records and UCSF systems	300	1
IT Sourcing Model – IT Security	To assess processes and controls in place to determine compliance with contract agreements and IT security requirements.	275	2
Recruitment Process	To review the controls and processes for the recruitment and onboarding of employees.	300	2
Clinical Research Billing	To validate updated processes for clinical research billing are functioning as intended to ensure accuracy of billing for clinical research studies.	275	3
Fair Wage/Fair Work (systemwide)	Assess conformance with policy and guidance related to procurement activities under the Fair Wage/Fair Work Plan.	162	4
Outside Professional Activities (systemwide)	Assess documentation, approval and reporting of outside professional activities for compliance with policy.	150	4
Annual Review of Executive Compensation (AREC) (systemwide)	The objective of the review will be to determine that the annual report data is complete and accurate and that the SMG coordinators engaged in a diligent exercise to obtain the source data and report it in accordance with the instructions.	150	3
G-45 and Chancellor's Expenses (systemwide)	To determine whether Chancellor's expense activity is properly reported and complies with University policy (G-45).	200	2

UC San Francisco - Advisory Services	Scope Statement	Hours	Est. Qtr. Completion
UCSF Health Finance Integration	Continue to provide advice and assistance on risks and controls to the UCSF Health Finance Integration related efforts.	200	4
Data Security Compliance Program (Deferred from FY17)	Assess implementation of the remediation plans based on the organization-wide security assessment completed in FY15.	200	2
Strategic Sourcing	Evaluate the utilization of select system-wide strategic sourcing agreements and identify opportunities for streamlining and consolidation of purchases across UCSF.	250	2
Continuous Analytics Program	Use data analytics to identify areas for continuous improvement and monitoring of controls.	450	4
Enterprise-wide Collaboration	Provide support and advice on enterprise-wide projects to further efforts relating to risk identification and controls improvement.	150	4

Diversity Data Process Assessment	Assist in identifying data sources and processes for consolidation/analysis.	200	1
Financial and Compliance Dashboard	Develop relevant data analytics and support the efforts in demonstrating compliance with selected requirements.	200	3
E-prescribing Controlled Substances	Assess controls surrounding eprescribing for controlled substances.	150	2
APeX Work Queue Management	Assess the governance, assignment and monitoring of APeX work queues to ensure effective review and clearance.	175	1
Community Connect	Provide input to the EPIC Community Connect program	25	2
Award Certification Pilot	Assess readiness for the Uniform Guidance replacement of effort reporting.	200	4
	UC San Francisco sub-total	7,112	
	TOTAL AUDIT AND ADVISORY SERVICE PROJECT HOURS	**101,037**	