

**UNIVERSITY OF CALIFORNIA, BERKELEY
AUDIT AND ADVISORY SERVICES
FY2014 SERVICE PLAN**

Project Name	Preliminary Objective	Auditor-in-Charge
Cal Planning and Budgeting	Conduct a post implementation review of planning and budgeting tools to evaluate their effect on financial management at the unit and campus level. Cal Planning is a tool that provides a summarized view of financial data and the ability to forecast and create an operating budget. CalRptg is a reporting tool that provides access to detailed financial budget and actual data. CalRptg includes pre-defined report templates and utilizes CalRptg Chart of Accounts (COA), including all BFS COA values. Human Capital Planning (HCP) is a compensation planning tool that provides the ability to forecast and create an operating budget using Employee and Position data. HCPRptg is a reporting tool that provides access to detailed compensation expense data.	Dorothy Lipari
Cal Student Central	Assess the implementation of Cal Student Central assuring that the project objectives are met and controls are designed to assure accountability, effectiveness, efficiency, and compliance with UC, federal, and state requirements. Cal Student Central is a physical one-stop service center for transactions that enables students and parents to get information and handle administrative tasks.	Desmond Hamilton
Campus Police Department	Assess the departmental system of controls to assure sound business practices are in place to support operational effectiveness and efficiency including compliance with University policies as well as federal and state regulations. The primary focus will be operational processes and activities: patrol, threat management, access control, lost and found, property and evidence, emergency management, records management, Clery Act compliance, asset seizure and forfeiture, equipment inventory, orders management, crime prevention, criminal background checks, event coordination, etc. This review will also consider administrative processes and key business risks related to such areas as payroll, purchasing, travel, entertainment, revenues, cash handling, contract management, financial reporting, facilities management, human resources, asset management, budgeting, risk management, etc.	Chad Edwards
Composite Fringe Benefit Rates	Evaluate the implementation of composite fringe benefit rates, including the impact to related systems (e.g., effort reporting, leave accrual, cost transfers, and batch uploads).	Dorothy Lipari
Endowed Chairs and Professorships	Assess compliance with UC policies governing the establishment of and payouts from endowed chairs and professorships as well as donor restrictions.	Tanaiia Hall

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Fixed Asset Inventory - Special Collections	Assess controls to assure that special collections are appropriately accounted for and valued; physical existence and right of ownership are established; assets are safeguarded from loss and theft; and, assets are maintained in accordance with University policy.	Desmond Hamilton
Governance - Policy Development, Promulgation, and Maintenance	<p>Determine whether:</p> <ul style="list-style-type: none"> ▣ An effective design is used for University policies and standards. ▣ The structure of the University standards provides a basis for compliance. ▣ An effective process is in place to ensure that all impacted areas of an organization are made aware of any new or revised policies and standards. • Policies and standards are reviewed and approved by a committee which includes participants representing all potentially impacted areas of an organization. ▣ An effective process has been established to identify non-compliance with University standards. In addition, determine whether remediation projects are being formally tracked and prioritized. ▣ The University has established an effective process for evaluating University standard compliance waivers. Determine whether controls have been established based on University standards. 	Ian Roberts-Clarke
Human Resources - Compensation and Classification	<p>Evaluate compensation and classification programs, policies, and approaches designed to meet the unique needs of our academic and business units as they attract, retain, motivate, develop, classify and organize their diverse work forces. Activities include:</p> <ul style="list-style-type: none"> • Maintaining the University's classification structures. • Labor market trends and analysis. • Delivering up-to-date decision support research, analysis, data, tools and structures related to compensation and classification. • On-going development of the organization's competency in compensation and classification related matters. • Auditing for legal, fair and equitable compensation practices. • Salary program administration, including merit pay program planning and analysis. • Monitoring for compliance with federal and state regulations, as well as, UC policies. • Aligning broad-based employee pay and incentive approaches with human resources and organizational strategies such as the High Performing Culture initiative under Operational Excellence. 	Jennifer Jones

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Information Security - Mobile/Portable Devices	<p>Assess the extension of information security controls to mobile devices these include:</p> <ul style="list-style-type: none"> • Access control (Mobile devices inherently lack physical access control. They are used in public places where risks of data loss, device loss, probing and downloading data by unauthorized people are the highest.) • User authentication • Data encryption • Intrusion prevention • Antivirus and antimalware software • Administrative standards and infrastructure • E-mail security • Network perimeter and transmission security 	Chad Edwards
Information Technology - Second Tier Applications	<p>Assess general controls surrounding significant non-enterprise information systems. These include the organizational and administrative structure of the IT function, the existence of policies and procedures for the day-to-day operations, availability of staff and their skills, and the overall control environment. Review the infrastructure and environmental controls of the data center or information processing facility including the adequacy of air conditioning (temperature, humidity), power supply (uninterruptible power supplies, generators) and smoke detectors/fire suppression systems; existence of a conducive clean and dust free environment; protection from floods and water seepage; and neat and identifiable electrical and network cabling. Evaluate physical access controls such as locked doors, access swipe cards, biometric access devices or a combination of these for the immediate data processing facility as well as the overall access control measures to the entire facility for controls like security guards at the entry gates, displaying identification badges and logging visitor access.</p>	Chad Edwards
NCAA Compliance	<p>Perform a general review of NCAA compliance issues and assure that the Athletic Department has processes in place to comply with the NCAA rules and regulations.</p>	Desmond Hamilton
Self-supporting Academic Programs	<p>Assess the departmental system of controls to assure sound business practices are in place to support operational effectiveness and efficiency including compliance with University policies as well as federal and state regulations. This review will focus on the administrative processes and key business risks related to such areas as payroll, purchasing, travel, entertainment, revenues, cash handling, contract management, financial reporting, gift management, facilities management, human resources, asset management, budgeting, event coordination, risk management, etc.</p>	Jennifer Jones

Project Name	Preliminary Objective	Auditor-in-Charge
Shared Services - Business and Financial Services, Human Resources, and Research Administration	Evaluate the implementation of Shared Services assuring that the guiding principles are employed and controls are designed to assure accountability, effectiveness, efficiency, and compliance with UC, federal, and state requirements. Shared Services refers to the concept of grouping and sharing support (staff, technology and resources) for administrative functions (human resources, finance, research administration) across an organization. The guiding principles are as follows: serves the UCB community; supports the mission of teaching, research and public service; increases efficiencies; values staff; leverages functional expertise and institutional knowledge; creates a strong service focus; strives for simplicity; operates with transparency and accountability; optimizes savings; and evaluates performance by metrics.	Tanaiia Hall (B&FS) Ian Roberts-Clarke (HR) Jennifer Jones (RA)
Sponsored Projects - Cost Transfers	Determine whether the University: (i) developed and implemented adequate written procedures and controls relating to cost transfers and (ii) justified and supported cost transfers in accordance with federal regulations and the University's policies and procedures. Focus on known red flags: transfers in the first 30 days of the award period, late transfers, transfers in last 60 days of the award period, transfers after the award period, and related cost overruns.	Ian Roberts-Clarke
Sponsored Projects - Effort Reporting	Evaluate significant procedures and practices employed in the Cost Distribution-Effort Reporting process, specifically addressing the following components: <ul style="list-style-type: none"> • Functional and organizational structure related to time reporting and the effort/labor distribution process. • Time reporting procedures, approval and delegation of authority. • Additions/changes to employee HR and payroll master files. • Labor distribution reporting, verification and adjustments. • Information systems, applications, databases and electronic interfaces. • Process strengths, best practices and opportunities for improvement. • Accuracy and integrity of financial reporting. • Compliance with regulatory requirements. 	Tanaiia Hall

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Sponsored Projects - Facility and Administrative Cost Pools	Evaluate the accuracy and integrity of financial reporting, specifically addressing the following components: <ul style="list-style-type: none">• Classification of costs (i.e., direct vs indirect).• Indirect cost pools.• Allocation basis of indirect costs.• Application of indirect cost rates in accordance with approved rate agreement (i.e., approved rate applied to the proper base).• Allocation of costs (i.e., equitable and consistent allocation of costs).• Cost accounting practices disclosures represent actual practice that is consistently applied.• Recharge center operations.	Dorothy Lipari