UNIVERSITY OF CALIFORNIA, BERKELEY
AUDIT AND ADVISORY SERVICES
SERVICE PLAN FOR FISCAL YEAR 2015

Name/Title of Project	Preliminary Objective
Audits:	
Intercollegiate Athletics (system-wide)	To be determined by Ethics, Compliance and Audit Services.
Social Media	Assess the controls employed to govern the use of Internet-based applications or broadcast capabilities to disseminate and/or collaborate on information. Due to the populist nature of social media anyone with internet access can with near anonymity and without accountability participate in public or private information or disinformation sharing. Risks are predominantly in two areas: safeguarding Berkeley's public image and operational effectiveness around institutional use of social media. Primary risk mitigation strategies are strong policy, awareness, education and monitoring.
Supporting International Research	Evaluate the life cycle of sponsored research to assure that the unique requirements of involving international sponsors and subaward recipients and/or conducting research abroad are effectively addressed.
Blum Center for Developing Economies	The mission the Blum Center for Developing Economies is to improve the well-being of poor people in developing countries by designing, adapting and disseminating scalable and sustainable technologies and systems and by educating and inspiring a new generation of global citizens. Assess the Center's system of control to assure sound business practices are in place to support operational effectiveness and efficiency including compliance with University policies as well as international, 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. in an international environment.

Name/Title of Project	Preliminary Objective
Cloud Computing	Evaluate the University's risk mitigation strategies for managing cloud services divided into three basic models: Software, Platform and Infrastructure as a service to assure challenges are effectively considered: • Loss of physical control, • Security models and standards are still emerging, • Availability concerns, • Data privacy implications (e.g., data could be in another country), • Implications for e-discovery, • 'Who is responsible for what' when a security breach happens, • Expansion of trusted boundaries, • Isolation/security between virtual machines, • Customer support practices are evolving, • Guest to host communication happens over the Internet, • Vulnerability of browsers, • Appropriate level of security, • Criticality of the application being sent to the cloud, • Outsourcer's experience with service level agreements and vendor management, • Country/regional regulations (e.g., SOX and Europe's data privacy laws), and industry regulations (e.g., GLBA and HIPAA), and • Cloud vendor's policy on vulnerability management.
Disclosure Statement (DS-2) Compliance	Evaluate the accuracy of cost accounting disclosures, specifically addressing the following components: Accounting practices which have the greatest impact on Government contracts and Accounting practices are adequately described. Also, evaluate local compliance with the following requirements: • CASB rules, Regulations, and Standards. • 48 CFR 9903.202 • DCAA Contract Audit Manual Chapter 8
Donor-Built Facilities	Examine the process for evaluating donor-built facilities to assure that the Capital Plan is considered, as well as, the ongoing operation and maintenance of the facility.
Intercollegiate Athletics – Revenue Recognition	Examine controls surrounding revenue recognition within Athletics to assure the accuracy and completeness of recorded amounts.

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Revenue Generation (including UBIT considerations)	Evaluate controls to identify and monitor campus commercial enterprises to assure that unrelated business income activities are properly captured and reported for tax purposes and that operations are self supporting and aligned with University goals and objectives. As the University's budget situation becomes more constrained, campus units will seek alternate sources of revenue generation including commercial enterprises in areas that have not traditionally done so facing risks not previously encountered.
Service (Recharge) Centers	Assess recharge policies, procedures, and practices to ensure they are relevant, up-to-date, practices that provide sufficient guidance and oversight of campus recharge activities. Further evaluate whether campus controls ensure that: • Recharge services are in line with the University's mission, are unique, do not inappropriately compete with local commercial sources, and are in sufficient demand. • Centers are operating on a break-even basis and recovering all operational costs, including depreciation for any non-federally funded inventorial equipment. • Rate proposals detail how the center's goods/services are provided and operational costs funded. • Rate proposals utilize an acceptable rate calculation methodology, are mathematically accurate, and include distinct rates for each level of service provided. • Center costs and income included in the proposal rate calculations and financial reports are consistent with the general ledger. • The proposal includes a recharge center operational budget, and the budget is appropriately monitored by the department against actual financial results. • The proposal was appropriately approved and the rates are published, or otherwise sufficiently communicated to all customers. • Customers receive adequately supported and mathematically accurate recharge center billings on an appropriate, timely basis. • Center billings are sufficiently detailed to enable customer verification against their ordering and receiving records. • Rates billed agree to the rates approved by the Recharge Committee. • Rates are applied so that all campus customers are charged the same rate for the same services, and any external customers are charged rates that include a sufficient mark-up for overhead (indirect costs). • Units of goods/services billed agree to supporting customer orders. • Rates billed to federally sponsored projects are compliant with federal cost principles.
Annual Report of Executive Compensation (system-wide)	Review controls in place to ensure the completeness and accuracy of the data reported to the University of California Office of the President for inclusion in the Calendar Year 2014 Annual Report of Executive Compensation.

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Berkeley Education Alliance for Research in Singapore (BEARS) (International Contracting, Remote Employees)	The Berkeley Education Alliance for Research in Singapore (BEARS) center is a University of California center for research, graduate education, and innovation with the goal of achieving an international reputation. BEARS serves as an intellectual hub for interactions between UC Berkeley researchers and their counterparts from universities, polytechnics, research institutes, and industry in Singapore and Asia. BEARS will develop a broad network of partnerships and relationships with government agencies, universities, and industries in Singapore and in the region beyond. Assess the system of control to assure sound business practices are in place to support operational effectiveness and efficiency including compliance with University policies as well as international, 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.
Chancellor's Expenses (G-45 Compliance) (system-wide)	Assess the design and operating effectiveness of the data collection and reporting process for the Chancellor's annual expense and tax reports as required by UC Business and Finance Bulletin G-45, *Implementing Requirements on Expenses Incurred in Support of Official Responsibilities of the President and Chancellors.*
Compensation (system-wide)	To be determined by Ethics, Compliance and Audit Services.
Human Resources - Hiring Practices (Independent Contractors vs. Contract Employees vs. Career Staff)	Assess the oversight and management of hiring practices to assure qualified individuals are employed to facilitate a high performance operating culture. Also, determine whether campus hiring practices are compliant with University policies and federal and state regulatory requirements. Further, assure that onboarding practices are effective and efficient at meeting the needs of both the new employee and the hiring department.

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Human Resources - Employee and Labor Relations	Ascertain the effectiveness of existing policies and procedures related to the administration of the employee and labor relations functions and to determine the adequacy of controls over the related processes to ensure compliance with relevant governmental regulations, University policy, and campus procedures. Specifically assess whether: • Administration and management of the ER/LR function provide effective internal controls, clear lines of organizational authority, delegations of authority, and documented policies and procedures. • Processes ensure timely and effective interpretation and communication of University policies and other directives impacting the employee-employer relationship, channels for reporting improprieties and escalating grievances and complaints, and resources for resolving both work and non-work-related problems. • Campus procedures provide for timely reimbursement of union leave. • Managers are appropriately trained and knowledgeable of assigned ER/LR responsibilities. • Complaints and reconsideration requests are handled in compliance with applicable University policy and other directives. • Employees are provided timely feedback and guidance for performance development and improvement. • Disciplinary action is performed in accordance with collective bargaining agreements, University policy, and other directives. • Confidential hardcopy and system information assets, such as information pertaining to complaints, reconsideration requests and performance management activities, are reasonably secure. • Labor arbitrations are competently managed.
Records Management	Evaluate the campus public records management policy and procedures to assure preservation of the institutional memory and historically important documents of the University, and facilitation of efficient response to public records requests while complying with privacy regulations.
Sponsored Projects - Participant Support	Evaluate controls for administering participant support to assure compliance with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Participant support costs are direct costs for items such as stipends or subsistence allowances, travel allowances, and registration fees paid to or on behalf of participants or trainees (but not employees) in connection with meetings, conferences, symposia, or training projects. These costs are allowable with the prior approval of the awarding agency. Prior approval is also required to transfer budgeted participant support to other categories of expense.
Alignment of Access, Administrative Roles and Responsibilities, Authority, and Accountability for Research Administration Post CSS Implementation	Assess the alignment of system access, administrative roles and responsibilities, delegation of authority, and accountability for research administration post-Campus Shared Services implementation.

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Deferred Maintenance – Governance and Resource Allocation	Evaluate the University's deferred maintenance reduction program resulting from a campus policy to group deferred major maintenance projects (e.g., roof replacements, major building component repairs, mechanical equipment, underground utilities, and roads and walkways), and sometimes other plant needs, into a program funded separately from major maintenance or capital renewal and replacement. Consider the key components of a major maintenance and capital renewal and replacement strategy which are: • Planning new construction and/or acquisition of capital assets based on utilization of existing assets and evaluation of alternatives for adaptation of existing space, • Funding maintenance and repairs at adequate levels to avoid accumulation of backlogs, • Conducting facilities audits and assessments of conditions, • Prioritizing critical deferred maintenance needs, • Developing multiple funding sources for capital renewal, and • Adjusting operating and capital budgeting practices to emphasize maintenance and capital renewal.
Institutional Compliance Program	Evaluate the University's system of controls to assure that campus operations are compliant with relevant compliance requirements for the activities in which we engage. The responsibilities include: a. Identifying and understanding the University's compliance requirements. b. Establishing and maintaining effective controls that provide reasonable assurance that the University administers programs and activities in compliance with the compliance requirements. c. Evaluating and monitoring the University's compliance with the compliance requirements. d. Taking corrective action when instances of noncompliance are identified.
Sponsored Projects - Subaward Monitoring	Evaluate the effectiveness of subrecipient monitoring controls which ensure: federal awards are used for authorized purposes in compliance with laws, regulations and provisions of the prime agreement; performance goals are achieved; subrecipients expending $500K or more annually have met the audit requirements for that fiscal year, including corrective action for audit findings; alternate procedures have been established to ensure fiscal accountability of entities not subject to audit requirements; each subrecipient is required to permit the University and auditors to have access to the records and financial statements as necessary; evidence of adequate subrecipient monitoring (e.g., A-133 audit, invoice, and cost-sharing); proper classification between subrecipient and vendor agreement; and viability of contractor as a subrecipient (e.g., financial adequacy, not debarred or suspended, technical competency, sponsor approval, etc.).

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Sustainability Reporting (Climate Neutral by 2025)	Evaluate effectiveness of governance, risk and control activities around sustainability to: • ensure that adequate internal procedures exist to estimate and disclose environmental costs and liabilities; • identify and document events and emerging trends in environmental regulation or enforcement that could have a material financial impact on the University's operations; •assess sustainability goals and initiatives, progress towards stated goals, and course adjustments periodically; • implement an internal reporting system focused on reporting to appropriate personnel; and • establish procedures to evaluate and quantify potential environmental liabilities.
Advisory Service Projects:	
Data Anaysis	
Procure to Pay - BearBuy – Ship to Address	
Procure to Pay - Vendor Master	
Procure to Pay - Duplicate Payments	
Human Capital Management System - Employee Master/Ghost Employees	
Human Capital Management System - Compensation Adjustments	