

UNIVERSITY OF CALIFORNIA, SANTA CRUZ
OFFICE OF INTERNAL AUDIT AND ADVISORY SERVICES

Chancellor's Administrative Fund and University House Expenses Review
End of Field Work: May 3, 2006

Auditor:
James Dougherty

Approved:
Geraldine C. Gail June 30, 2006
Director - Internal Audit and Advisory
Services

I. INTRODUCTION

The Internal Audit Office conducted a review of the Chancellor's Administrative Fund and University House expenses.

A. Purpose

The purpose of the Chancellor's Administrative Fund (CAF) and University House expenses review was to determine compliance with relevant University policies.

B. Scope

The scope of the CAF review was all CAF activity during FY 04-05. There were 56 expenses during FY05 with payments totaling \$21,600 that we reviewed.

The scope of the University House expenses review was all funding activity during FY 04-05 for:

- General Maintenance
- General Household
- Grounds Maintenance
- Residence Entertainment
- Support staff
- Equipment
- Capital Improvements

C. Audit Opinion

We did not find any systemic issues or other significant issues regarding CAF activity. During the FY 04-05 renovation of the University House funds were spent for a dog run. This issue has been thoroughly reviewed by the University Auditor and new policies issued by the President to address this and other system-wide University House expense issues. The UCSC Controller, Director of Accounting, and staff from Planning and Budget have met with staff from the Chancellor's Office and created new forms, accounting codes, and procedures to fully comply with the new policy BFB G-45 *Implementing Requirements on Expenses Incurred in Support of Official Responsibilities of the President and Chancellors*. Also, to create additional separation of duties and expert review of administrative fund expenses, the Chancellor's Office staff will close-out the checking account for the administrative fund and pay for all expenses using an account established in the Campus ledger and paid through the UCSC Accounting Office.
