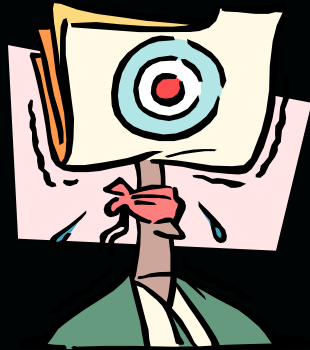




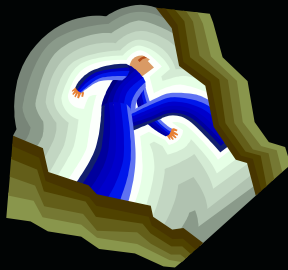
Role of The Controller



Don Larson
Controller, UCSD
Newport Beach
May 22, 2007



Who are the UC Controllers?



Berkeley—John Ellis
Davis—Mike Allred
Irvine—Rich Andrews
Los Angeles—Sue Abeles
Merced—Monir Ahmed (interim)
Riverside—Bobbi McCracken
San Diego—Don Larson
San Francisco—Susan Lin (interim)
Santa Barbara—Jim Corkill
Santa Cruz—Kirk Lew
DANR—Jake McGuire
LBNL—Jeffrey Fernandez
LLNL—Linda Rakow
LANL—Glen Kizer

Key ? to Answer on Controllership

- Who is responsible?
- Why should you care?
- What is causing more risk in control?
- How can we make our culture stronger?
- Why is it important for us to work together?
- When does this need to happen?

Responsibility for Accountability & Control



Distinct, Yet Complementary Roles

Controller	Director, Audit & Management Advisory Services
◆ Ownership of systems of accountability and control	◆ Independent evaluation of systems of accountability and control
◆ Provide leadership to management in recognizing control responsibilities and understanding control and risk	◆ Provide a resource to management in helping assess their control environment, and the effectiveness and efficiency of operations
◆ Ensure improvement initiatives receive management support and provide accountability for progress, with reporting to stakeholders	◆ Evaluate effectiveness of improvement initiatives, and communicate results to stakeholders



UC Average Daily Expenditures



Los Angeles	\$12,265,000
San Francisco	9,049,000
Davis	8,115,000
San Diego	7,367,000
Berkeley	5,562,000
Irvine	5,105,000
Santa Barbara	2,133,000
Riverside	1,580,000
Santa Cruz	1,574,000
Merced	224,000
UCOP	1,826,000
DOE Labs	16,145,000
TOTAL	\$70,945,000

Source: 2005/2006 Campus Financial Schedules (current funds only)

Increased Risk in Control Reporting

- SAS112—Significant tightening of standards for reporting control deficiencies.
- Effective for FY2006.
- Auditor reports would be public record.
- Key Controls must (1) exist, (2) be working effectively, & (3) be documented.
- Department level key controls:
 - Verification/Reconciliation
 - Financial Report Reviews
- Deficiency Reporting Risk is High.

People



- **Education and Development.**

A Model For Improvement

A New Template:



<http://uc2010.ucsd.edu/>

Strengthen Our Culture

Stmnt. Of Ethical Values

- Integrity
- Excellence
- Accountability
- Respect

Stds. Of Ethical Conduct

- Individual Responsibility & Accountability
- Compliance with Regulations & Policy
- Conflicts of Interest
- Internal Controls
- Financial Reporting

<http://www.universityofcalifornia.edu/compliance/ethics/welcome.html>

It Starts At The Top



- Senior Mgmt.
- Committee on Accountability and Controls
- Audit Committee

A Non-Traditional Way

- Control Self-Assessment



A Key Opportunity



- Engaging and Collaborating With Faculty

Let's Stand Together

- Building Relationships





Let's Join Together!



**NOW
Is The
Time**