Role of The Controller

Don Larson
Controller, UCSD
Newport Beach
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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

INTERNAL AUDIT
Distinct, Yet Complementary Roles

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

Stmt. 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

“I See You Need to Improve Segregation of Duties Over Payroll”
A Key Opportunity

• Engaging and Collaborating With Faculty

Let’s Stand Together

• Building Relationships
Let’s Join Together!

NOW
Is The
Time