Role of the Controller

John Ellis
Controller
University of California, Berkeley

November 2010
Who are the UC Controllers?

UCOP—Peggy Arrivas
Berkeley —John Ellis
Davis—Mike Allred
Irvine—Rich Andrews
Los Angeles—Allison Baird-James
Merced — Monir Ahmed
Riverside—Bobbi McCracken
San Diego—Don Larson
San Francisco — Open
Santa Barbara—Jim Corkill
Santa Cruz —Kirk Lew
DANR—Jake McGuire
LBNL—Jeffrey Fernandez
Key Questions 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 And Control

## CONTROLLER
- Ownership of accountability and control systems.
- Leadership in recognizing control responsibilities and understanding control risk.
- Ensure improvement initiatives receive management support and provide accountability for progress, communicating results to stakeholders.

## INTERNAL AUDIT
- Independent evaluation of accountability and control systems.
- Assist in assessing the control environment, and effectiveness and efficiency of operations.
- Evaluate effectiveness of improvement initiatives, and communicate results to stakeholders.
UC Daily Average Expenditures

Los Angeles  $16,565,000
San Francisco  12,494,000
Davis  10,675,000
San Diego  10,579,000
Berkeley  7,293,000
Irvine  6,810,000
Santa Barbara  2,866,000
Riverside  2,134,000
Santa Cruz  1,957,000
Merced  504,000
System Prog/Admin  12,831,000
DOE Labs  3,476,000
TOTAL  $88,187,000

Source: UC Annual Report Campus Facts - operating expenses 09-10
Increased Risk in Control Reporting

- SAS115—Significant tightening of standards for reporting control deficiencies.
- 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
People

- Education and Development.
Ten campuses using one administrative framework:

- **Common, integrated** financial/payroll systems
- **Common, integrated** HRIS/time & attendance
- **Common, integrated** research administration
- **Common, integrated** data warehousing
- **Common, integrated** asset management
- **Common, integrated** equipment financing
- **Common, integrated** e-procurement
- **Common, integrated** energy solutions
- **Common, integrated** approach to ICR

$500 million of positive fiscal impact in five years

Keep pipeline full on three levels of change:

- **Campus restructuring initiatives**
- **Regional centers of excellence**
- **Systemwide efficiency measures**
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 Leadership
- ERM Committee
- Compliance Committee
- Audit Committee
- Ethics Committee
How does Ethics Fit In With Policies, Procedures & Controls?

- Policies are what we do
- Procedures are how we are to do it
- Controls are assurance we are doing what we should do
- Ethics are why we do it

Our commitment to do what is “Right & Proper”
A Key Opportunity

• Engaging and Collaborating With Faculty
Let’s Stand Together

• Building Relationships
A Common Vision

NOW Is The Time