Role of the Controller

Don Larson, Controller
UC San Diego
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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—Delphine Regalia
Santa Barbara—Jim Corkill
Santa Cruz—Kirk Lew
DANR—Jake McGuire
LBNL—Jeffrey Fernandez
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 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

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

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.
Why

Faced with diminishing state support, the University of California community has coalesced around administrative and operational effectiveness as a key tenet of long-term viability. Working Smarter brings together systemwide, regional and campus-level efforts under one umbrella with a strong commitment from the top: the University is committed to elevating its administrative operations to the same level of excellence as its academic and research enterprise. Within five years, the University will redirect $500 million from administrative costs to the academic and research missions, streamline operations to address state funding cuts and the need for commonality among the campuses, implement operational efficiencies that enhance the quality of services to students, faculty and staff, and build a sustainable financial model to carry the University forward.

Your Ideas

Get involved! The Working Smarter Initiative wants your suggestions for additional ways that the university can work smarter and reduce costs. Please send your ideas - big or small - to workingsmarter@ucop.edu

Fiscal impact

cost savings

$117,338,639

revenue generation

$40,043,455

current total

$157,382,094

goal over 5 years

$500 MILLION
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