

University of California Davis



Audit & Management Advisory Services

Report on Activities for Fiscal Year 2021

August 2021

Table of Contents

❖ Executive Summary.....	3
❖ Mission.....	4
❖ AMAS Services	5
❖ Completion of AMAS' Revised FY21 Plan.....	6
❖ Plan to Actual Hours.....	7
❖ FY21 Projects Completed.....	8-9
❖ FY21 MCA Activities.....	10
❖ Staffing/Resources.....	11

Executive Summary

Audit and Management Advisory Services' (AMAS) work during fiscal year (FY) 2021 improved risk management and governance processes, strengthened internal controls, increased the efficiency and effectiveness of operations, and helped ensure compliance with university policy. AMAS projects addressed many high risk areas such as information technology (IT) operations and security, stewardship of public resources, and the UC Davis Health (UCDH) enterprise. We also performed several Admissions related projects, and supported the research enterprise with reviews Subrecipient Monitoring and the Institutional Review Board. Additionally, we provided advisory services to the Office of Diversity Equity and Inclusion by assessing the efforts of the UC Davis colleges to implement the University's 2017 Diversity and Inclusion Strategic Vision. Finally, we conducted administrative reviews for College of Biological Sciences, Development and Alumni Relations, Graduate School of Management, College of Letters and Science and the Library to provide executive leadership with an overview of the financial and operational landscape of these entities.

AMAS completed 33 out of 36 planned FY 2021 projects, for an overall completion rate of 92% of the amended audit plan. We participated in 13 committees, performed 30 small consultations, and continued to provide external audit coordination services. We also provided educational services to the UC Davis community through our "How to Survive an Audit" professional development course and participation in the orientation for new department chairs. Lastly, we finalized 15 projects that were in draft at the end of FY 2020, and provided professional guidance to various departments on a variety of topics.

AMAS continued its on-going practice of working collaboratively with management in determining the optimum strategy for addressing internal control and operational issues identified during our reviews.

As we move into FY 2022, AMAS will continue to support the University's risk management, control and governance processes through execution of our annual audit plan and completion of additional reviews requested by management.

Sincerely,

Leslyn A. Kraus, Director

Mission

The mission of the University of California (UC) Audit and Management Advisory Services (AMAS) is to provide the Regents, President, and campus Chancellors and Laboratory Director independent and objective assurance and consulting services designed to add value and to improve operations. We do this through communication, monitoring and collaboration with management to assist the campus community in the discharge of their oversight, management, and operating responsibilities. Internal audit brings a systematic and disciplined approach to evaluating and improving the effectiveness of risk management, control and governance processes.

AMAS Services

The scope of AMAS' work is to determine whether the university's network of risk management, control, and governance processes, as designed and represented by management at all levels, is adequate and functioning appropriately. We accomplish this through the provision of these lines of service.

Audits

Assurance services defined as examinations of evidence for the purpose of providing an independent assessment on governance, risk management, and control processes for the organization. Audits can be reviews of units (administrative or academic), or business functions that cut across unit boundaries.

Consulting/Advisory Services

Reviews whose nature and scope are agreed upon with the client, and intended to add value and improve the organization's governance, risk management and control processes without the internal auditor assuming management responsibility.

External Audit Coordination

Skilled facilitation of external audit activities including service as primary liaison between the university and external auditor; management and coordination of financial and administrative information and data requests; and provision of guidance and assistance in resolving questions and issues.

Investigations

Inquiries into allegations generally focused on improper governmental activities including misuse of university resources, fraud, financial irregularities, significant control weaknesses, and unethical behavior.

Completion of AMAS' Revised FY21 Plan

FY21 Plan Completion Statistics	
Original Planned Projects	32
Dropped/Deferred Projects	9
Supplemental Projects Added	13
Amended Plan	36
Total Amended Plan Completed	33/36
Percentage of Revised Plan Completed	92%
FY20 Draft Reports Issued in Final During FY21	15

Plan to Actual Hours

	Plan		Actual	
	Hours	Percent of Available Hours	Hours	Percent of Available Hours
Total Direct Hours	15,785	87%	16,023	85%
Audit Projects	7,180	39%	5,966	32%
Advisory Services	6,600	36%	9,195	49%
Investigations	1,325	7%	56	0.3%
Audit Support	680	4%	806	4%

FY21 Projects Completed

Audits	Advisory Services, Continued	Small Consultations, Continued
Box Account Administration (C/H)	Betty Irene Moore Foundation (H)	PPM 250-05 (C)
Network Access Controls (C/H)	Diversity, Equity & Inclusion (C/H)	PPM 220-02 (C)
Financial Aid (C)	Environmental Services Payroll (H)	PPM 220-05 (C)
Fair Wage/Fair Work (C/H) **	Surveillance Recordkeeping (C/H)	PPM 220-01 (C)
Institutional Review Board (C/H)	Chemistry Recharge Rates (C)	PPM 200-60 (C)
Admissions MTO Recommendations (C)	FNS Procurement & Timekeeping (H)	Collaboration (C/H)
Human Resources Recruitment & Compensation (C/H) **	Data Analytics Maintenance & Development (C/H)	Website Team (C/H)
Subrecipient Monitoring (C/H) **	Review of Admissions MCAs (C)	Health Operations Timekeeping Data (H)
Admissions Phase III (C) **	High Performance Computing (C/H)	Campus Overtime Consult (C)
Facilities Design & Construction (H) ^	Office of Research Transition Review (C) **	PPM 330-45 (C)
Hospital Based Clinics (H) **	Endpoint Security (H) ^	PPM 340-20 (C)
Campus Timekeeping (C) ^	IS-3 Review (C)	Admin Review IT Questionnaire (C)
Enrollment Management Expenditures (C) ^	Graduate School of Management (C) ^	PPM 330-09 (C)
Contracting (C/H)	College of Biological Sciences (C) **	PPM 380-60 (C)
Advisory Services	Letters & Science (C) ^	LDO Assist-Travel (C)
Library (C)	Development & Alumni Relations (C)	PPM 380-57 (C)
Office of the Provost (C)	Chemistry Glass Blowing Shop Rates (C)	MAE Travel (C)
Research Data Security (C)	Small Consultations	PPM 330-65 (C)
How to Survive an Audit (C/H)	PPM 300-30 (C)	AggieBudget User Group (C)

** Issued in draft at FYE, and final subsequent to FYE. ^ Issued in draft at FYE, and still in draft.
Campus Project (C), UCDH Project (H), Both (C/H)

FY21 Projects Completed(Continued) *

Small Consultations, Continued	County of Sacramento - Juvenile Trauma Responsive Court - Award - UC Fund 22D37 (C)
Honoraria (C)	Louisiana State University - Novel Riluzole Derivatives for Alzheimer's Disease - Subaward - UC Fund 25D36 (C)
PPM 380-13 (C)	Committees
PPM 290-55 (C)	IT Services Committee (C/H)
PPM 380-06 (C)	IT Policy and Security Committee (C/H)
PPM 330-90 (C)	IT Security Committee (C/H)
PPM 330-63 (C)	IT Auditors (C/H)
UCDH Payroll Auditor (H)	Lived Name Gender Marker Implementation Committee (C/H)
PPM 380-70 (C)	ACERC (C/H)
PPM 270-45 (C)	Investigations Workgroup (C/H)
PPM 260-15 (C)	Travel and Entertainment (C/H)
External Audits	Compliance and Risk Council (C/H)
CDFA FY20 Specialty Crop Block Grant Desk Reviews (C)	Finance, Operations, and Administration (C/H)
EAC Administration (C)	Cybersecurity Oversight (C/H)
CDFA FY21 Specialty Crop Block Grant Desk Reviews (C)	Management Advisory Group (C)
University of Florida -USAID Subaward -UC Fund 21B48 (C)	TeamMate Super User Group (C/H)
Louisiana State University - NINDS-NIH - Subaward - UC Fund 34C15 (C)	Systemwide Data Analytics Workgroup (C/H)
NIH-Federal Grant-UC Fund 33677 (C)	Health System Operations Compliance Committee (H)
USFDA Request for Drawdown Documentation (C)	Unit Information Security Leads Forum (C)
Louisiana State University - Health Sciences Center - Subaward - UC Fund 84C50 (C)	Investigations
Lawrence Livermore National Laboratories FY20 Annual Subcontract Incurred Cost Review (C)	None
Louisiana State University Subaward - UC Fund 34C15 SPONSOR: Louisiana State University (C)	

Issued in draft at FYE **, Campus Project (C), UCDH Project (H), Both (C/H)

FY21 MCA Activity

Audit and Management Advisory Services monitors the progress in completing management corrective actions (MCAs) that address internal control deficiencies identified during our reviews. The follow-up process on action items is critical as it assists University leadership in ensuring appropriate changes are implemented to mitigate risks.

Activity Summary

	FY21
MCAs open as of July 1st	42
MCAs added	162
MCAs closed	119
MCAs as of June 30th	85

Past Due, High Risk & Past Due-High Risk Open MCAs

Open	As of 6/30/21
Past Due	16
High Risk	15
Past Due-High Risk	1

****7 of the past due MCAs have since been closed, including the high risk past due MCA****

Staffing/Resources In FY21

FTE Summary

- ❖ Professional
 - ▶ 12.0 *
- ❖ Administrative
 - ▶ 1.0 Analyst
- ❖ Contract
 - ▶ 1.0 Senior Auditor
(from the UC Davis POP Program)

*Includes one vacant position (to remain open due to budget restrictions).

Experience

- ❖ 6.6 Average years UC Audit experience
- ❖ 5.2 Average years outside audit experience
- ❖ 11.8 Average total years audit experience

Certifications

- ❖ 4 Certified Public Accountants (CPA)
- ❖ 4 Certified Internal Auditors (CIA)
- ❖ 1 Certified Information Systems Auditor (CISA)
- ❖ 1 Certified Fraud Examiner (CFE)
- ❖ 1 Certified Government Auditing Professional (CGAP)
- ❖ 1 Certified Healthcare Internal Audit Professional (CHIAP)
- ❖ 1 Information Technology Infrastructure Library (ITIL-3)
- ❖ 1 Project Management Professional (PMP)
- ❖ 2 licenses to practice law in the State of CA
- ❖ 1 Six Sigma-Yellow Belt