

University of California, Office of the President

Waste of State Funds (Case I2010-1022)

REPORT NUMBER I2012-1, CHAPTER 8, ISSUED DECEMBER 2012

This report concludes that the University of California, Office of the President (university) improperly reimbursed a university official \$6,074 in wasteful travel expenses from July 2008 through July 2011. Specifically, the official incurred \$4,186 of the wasteful expenses before we issued a previous report in December 2009, and he incurred \$1,888 after that date. We also determined that although the university increased its monitoring of the official's travel expenses, its absence of defined limits for lodging expenses led to some of these wasteful expenditures.

In the report, the California State Auditor (state auditor) made the following recommendations to the university. The state auditor's determination regarding the current status of recommendations is based on the university's response to the state auditor as of December 2012.

Recommendation 1—See pages 50—53 of the investigative report for information on the related finding.

To address the improper acts we identified, the university should collect \$1,802 from the official for the wasteful expenses he claimed for lodging and meals during his trip to England, the expenses he incurred within the vicinity of his headquarters, and the business meal expenses.

University's Action: Partially implemented.

The university reported that it has notified the official of the expenses to be collected. In May 2011 the official reimbursed the university \$738 for expenses incurred in England as well as other expenses. The university reported the official is obligated to pay the balance before he leaves the university in December 2012.

Recommendation 2—See pages 54 and 55 of the investigative report for information on the related finding.

The university should revise the policies to allow employees to claim only actual lodging expenses up to established rates for international travel.

University's Action: Pending.

The university has assigned its chief financial officer (CFO) to analyze this recommendation and the feasibility of incorporating it into university policy. The CFO has convened the campus controllers to begin the process of reviewing existing policies.

Recommendation 3—See pages 52 and 53 of the investigative report for information on the related finding.

The university should include a policy specific to parking to assist supervisors in determining appropriate expenses.

University's Action: Pending.

The university has assigned its CFO to analyze this recommendation and the feasibility of incorporating it into university policy. The CFO has convened the campus controllers to begin the process of reviewing existing policies.

Recommendation 4—See pages 52 and 53 of the investigative report for information on the related finding.

The university should clarify policies to include a distance test for expenses that employees incur within the vicinity of their headquarters.

University's Action: Pending.

The university has assigned its CFO to analyze this recommendation and the feasibility of incorporating it into university policy. The CFO has convened the campus controllers to begin the process of reviewing existing policies.

Recommendation 5—See pages 54 and 55 of the investigative report for information on the related finding.

The university should revise policies to establish defined maximum limits for the reimbursement of domestic lodging costs and establish controls that allow for exceptions to the limits under specific circumstances only.

University's Action: Pending.

The university has assigned its CFO to analyze this recommendation and the feasibility of incorporating it into university policy. The CFO has convened the campus controllers to begin the process of reviewing existing policies.