

August 31, 2011

Ted Hillyer, President
Board of Directors
UC Davis Retirees' Association
University of California
Davis, California 95616

President Hillyer:

In fulfillment of my responsibilities as 2011-12 chair of the Audit Committee for the UC Davis Retirees' Association (UCDRA), I have performed the following procedures with regard to the financial records of the association for the fiscal year ended June 30, 2011.

1. Review bylaws of UCDRA
2. Review bylaws and standing rules of the Council of University of California Retiree Associations (CUCRA), of which UCDRA is a member
3. Review minutes of all 2010-11 meetings of the UCDRA board of directors for actions, decisions or events of a legal or financial nature
4. Review report of audit committee with regard to 2009-10 financial records
5. Review budget for the year
6. Verify beginning and ending cash balances per bank statements
7. Compare reported member dues receipts to current member roster
8. Review documentation of reported expenses
9. Interview selected board members regarding questions, concerns or subsequent events that could impact the financial condition of the association

Bylaws, standing rules and board minutes were obtained from the UCDRA and CUCRA web pages; UCDRA member roster was provided by Marjorie Ahl; all other records were provided by Treasurer Diane Mundy. Brief interviews were conducted with Ted Hillyer, Diane Mundy and Marjorie Ahl; I thank each of them for their knowledge and cooperation.

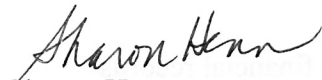
In my opinion, UCDRA financial transactions are adequately documented and properly reported for the year ended June 30, 2011. In the interest of improving controls and reporting, I submit the following recommendations for the Board's consideration.

1. Consider issuing receipts for funds received. Current UCD policy (PPM 330-55) states: "An official UC cash receipt shall be recorded for each collection." This is a basic and important control on cash receipts.

2. Consider implementing additional procedures that provide controls on cash receipts to: (a) ensure the accuracy of dues credited to members on the roster and (b) periodically reconcile total dues per member roster to bank deposits. My review of receipts disclosed some inconsistencies in crediting dues to specific members; these instances were minor but indicate a lack of appropriate controls.
3. Consider adding beginning and ending cash balances to the financial report to present a more complete picture of the financial situation. Cash balances are critical information for the board and a critical part of any financial audit.
4. Consider developing written policy/procedures (e.g., for cash receipts, expenditure approval, signature authority and financial reconciliation) to help ensure consistency as responsibilities are passed from one board member to another over time. This will also provide a set of official policy/procedures to audit against in the future.

I am available at your convenience should you have any questions.

Sincerely,



Sharon Henn
Chair, UCDRA Audit Committee