



AUDIT AND ADVISORY SERVICES  
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University Development and Alumni Relations

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Vice Chancellor  
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Vice Chancellors Hooper and Sutton:

We have completed our audit of undergraduate admissions and major donations as per our annual service plan in accordance with the Institute of Internal Auditors' *Standards for the Professional Practice of Internal Auditing* and the University of California Internal Audit Charter. This audit was done simultaneously at all nine undergraduate campuses this past fiscal year utilizing a common audit program. Our approach and observations are discussed below.

### **Introduction and Background**

As part of the annual fiscal year 2020-2021 audit plan, Audit and Advisory Services completed a retrospective review of donations to the campus to identify undergraduate admissions decisions that could have been influenced by these donations. These reviews were initiated in response to a recommendation from the June 2019 systemwide internal audit of undergraduate admissions.

### **Objectives and Scope**

The overall objective for this project was to review donations to the campus to identify undergraduate admissions decisions that could have been influenced by these donations.

The scope of the review included the following:

- Donations received by the campus during the period January 1, 2017 through September 30, 2020.
- Applications for undergraduate admission submitted from November 1, 2017 through March 31, 2020 for the 2018-19 and 2019-20 academic years (date range includes both the regular and late application periods).

## Approach

To conduct this review, Audit and Advisory Service performed the following procedures:

- Obtained a dataset of donations received during the audit period.
- Obtained a dataset of applications for undergraduate admission submitted during the audit period.
- Performed data analysis to identify admissions of applicants who may be related to donors from the donations dataset. Data fields compared across datasets to identify “matches” included all or a subset of the following: names of donors and donors’ spouses, names of admitted students and parents, addresses, email addresses, phone numbers, and foundations or businesses with the same name as the admitted student. This analysis was limited to cumulative matching donations of \$10,000 or more received during the audit period.
- Reviewed data trends and other available information to assess the risk of questionable admissions decisions (i.e., those at risk of being influenced by donations) for the “matches” identified. Criteria/factors considered as part of this assessment included all or a subset of the following:
  - Dollar amount of the donation
  - Pattern or timing of giving
  - Applicants admitted by exception
  - Applicants who were recommended for admission on basis of special talent, including athletic talent
  - Participation in special talent programs for which the application was recommended
  - Application review scores/ratings
- Provided the results of the risk assessment process to the Locally Designated Official (LDO)<sup>1</sup> for handling allegations of suspected improper governmental activities to determine whether to further investigate any of the matches.

## Overall Conclusion

Audit and Advisory Services’ analysis identified 142 admissions of applicants who may be related to donors who gave a cumulative amount in excess of \$10,000 during the audit period. We discussed with the campus LDO and members of the campus investigations working group (whose role is outlined in the UC Whistleblower Policy): (1) the systemwide audit approach employed, (2) the information we had gathered, and (3) the risk factors we considered (listed above). Following these discussions it was agreed that internal audit would formally refer these admission cases and share the information we had collected to the LDO for their review and prioritization of further analysis and/or investigation<sup>2</sup>. Per the systemwide audit approach, no formal management response is required of you for this audit. However, we note that there is a planned systemwide audit on this same topic for fiscal year 2022 which will likely cover periods subsequent to those considered in this audit.

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<sup>1</sup> As defined by the University of California – Whistleblower Policy (Policy on Reporting and Investigating Allegations of Suspected Improper Governmental Activities) [<https://www.ucop.edu/uc-whistleblower/policies-training/index.html>]

<sup>2</sup> Referral to the Locally Designated Official for further analysis is not necessarily indicative of improper influence or inappropriate activities associated with the admissions decision. Currently, as well as during the period of the audit review, there are no systemwide or local policies that limit or prohibit donations from donors who may have a relative who is applying for undergraduate admission.

Thank you to the staff of University Development and Alumni Relations as well as the Office of Undergraduate Admissions for their cooperative efforts throughout the audit process. Please do not hesitate to call on Audit and Advisory Services if we can be of further assistance in this or other matters.

Respectfully reported,

Jaime Jue  
Director

cc: Associate Vice Chancellor Nancy Lubich McKinney  
Associate Vice Chancellor and Dean Olufemi Ogundele  
Chief of Staff Kim Kincannon  
Chief Financial Officer Kate Jordan Steiner  
Senior Vice President and Chief Compliance and Audit Officer Alexander Bustamante  
Associate Chancellor Khira Griscavage  
Executive Director and Locally Designated Official Kellie Brennan  
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