



---

## Internal Audit Report

---

### Donations Review (systemwide)

Report No. SC-21-05

June 2021

**Performed By**

Laurie Liao

Senior Auditor

**Approved**

James Dougherty, Director

Audit & Management Advisory Services

## Introduction and Background

As part of the annual fiscal year 2020-2021 audit plan, Audit & Management Advisory Services (AMAS) completed a retrospective review of donations to UC Santa Cruz to identify undergraduate admissions decisions that could have been influenced by these donations. This review was 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 UC Santa Cruz to identify undergraduate admissions decisions that could have been influenced by these donations.

The scope of the review included the following:

- Cumulative donations of \$10,000 or more received by UC Santa Cruz during the period January 1, 2017 through October 1, 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, AMAS performed the following procedures:

- Obtained a dataset of cumulative donations of \$10,000 or more 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, foundations or businesses with the same name as the admitted student, and campus ID number.
- 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
  - Unusual or suspicious pattern or timing of giving
  - Unusual or suspicious communication with donor (if feasible)
  - Applicants admitted by exception
  - Applicants admitted to a school with impacted majors
  - Applicants who were recommended for admission on basis of special talent
  - Lack of participation in special talent for which the application was recommended
  - Low application review scores/ratings

- Provided the results of the risk assessment to the Locally Designated Official to determine whether to further investigate any of the matches.

### **Overall Conclusion**

AMAS analysis identified 12 admissions of applicants who may be related to donors who gave a cumulative amount of at least \$10,000 during the audit period. Based on the risk assessment performed on those matches, AMAS flagged three medium and nine low priority admissions for the Locally Designated Official to prioritize for further analysis and/or investigation.