# RIVERSIDE: AUDIT & ADVISORY SERVICES

September 16, 2021

To: Peter Hayashida, Vice Chancellor – University Advancement

 Emily Engelschall, Associate Vice Chancellor -Enrollment Services (Interim)

Subject: Donations Review

Ref: R2021-07

We have completed our Donations Review in accordance with the University of California, Riverside Internal Audit Plan. Our report is attached for your review. We appreciate the cooperation and assistance provided by you, as well as your staff.

Should you have any questions regarding the report, please do not hesitate to contact me.

 Gregory Moore

 Director

cc: Ethics & Compliance Risk and Audit Controls (ECRAC) Committee

 CFAO Advancement Administration, Advancement Finance & Admin McDade

 Policy, Compliance, and Training Officer, Undergraduate Admissions Araya

Assistant AD, Compliance Services, Intercollegiate Athletics Smith

UNIVERSITY OF CALIFORNIA AT RIVERSIDE

AUDIT & ADVISORY SERVICES

MEMBER OF ASSOCIATION OF COLLEGE & UNIVERSITY AUDITORS

REPORT R2021-07

DONATIONS REVIEW

SEPTEMBER 2021

Approved by:

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Laura Bishin Toffee Jeturian

Principal Auditor Assistant Director

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 Gregory Moore

 Director

**UC RIVERSIDE**

**DONATIONS REVIEW**

**REPORT R2021-07**

 **SEPTEMBER 2021**

**I. MANAGEMENT SUMMARY**

Based upon the results of work performed within the scope of the review, University of California Riverside (UCR) Audit & Advisory Services’ (A&AS) analysis identified five admissions of applicants who may be related to donors who gave a cumulative amount in excess of $10,000 during the audit period. Based on the risk assessment performed on those matches, A&AS flagged zero admissions for the Locally Designated Official (LDO) to prioritize for further analysis and/or investigation[[1]](#footnote-2).

Minor items not of the magnitude to warrant inclusion in this report were discussed verbally with management.

**II. INTRODUCTION**

 **A. PURPOSE**

UCR A&AS, as part of its Audit Plan, identified and evaluated UCR applicants who may be related to UCR donors that gave a cumulative amount in excess of $10,000 during the audit period. The overall objective for this project was to review donations to UCR to identify undergraduate admissions decisions that could have been influenced by these donations.

**B. BACKGROUND**

As part of the annual fiscal year 2020-2021 audit plan, UCR A&AS completed a retrospective review of donations to UCR to identify UCR 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.

 **C. SCOPE**

The scope of the review included the following:

* Donations received by UCR during the period January 1, 2017 through October 13, 2020.
* Applications for undergraduate admissions 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, UCR A&AS performed the following procedures:

* Obtained a dataset of donations received during the audit period.
* Obtained a dataset of applications for undergraduate admissions 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. 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 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 LDO to determine whether to further investigate any of the matches.

**III. OBSERVATIONS**

UCR A&AS’ analysis identified five admissions of applicants who may be related to donors who gave a cumulative amount in excess of $10,000 during the audit period. Based on the risk assessment performed on those matches, A&AS flagged zero admissions for the LDO to prioritize for further analysis and/or investigation.

1. Referral to the Locally Designated Official for further analysis is not necessarily indicative of improper influence or inappropriate activities associated with the admissions decision. [↑](#footnote-ref-2)