



**UNIVERSITY OF CALIFORNIA. MERCED  
AUDIT AND ADVISORY SERVICES**

**March 23, 2020**

**To:** Charles Nies, Vice Chancellor for Student Affairs  
Jill Orcutt, Associate Vice Chancellor for Enrollment Management  
David Dunham, Director, Recreation and Athletics

**RE:** Undergraduate Admissions Audit Phase II. Report No. M20A001

Vice Chancellor Nies, Associate Vice Chancellor Orcutt, and Director Dunham:

Phase II of the Undergraduate Admissions Audit conducted as part of a University of California systemwide audit has been completed. The Systemwide Audit of Undergraduate Admissions – Phase 2 report was issued by University of California Ethics, Compliance and Audit Services, Office of the President on February 12, 2020. The audit report contained observations applicable to all UC campuses. UC Merced’s Summary of Audit Procedures and Results (ATTACHMENT A), and Recommendations and Management Corrective Actions in response to the systemwide audit (ATTACHMENT B) are enclosed.

UC Merced Audit and Advisory Services did not identify any additional observations that applied specifically to the Merced campus.

Our audit work was conducted in accordance with the Institute of Internal Auditor’s *Standards for the Professional Practice of Internal Auditing* and the University of California Internal Audit Charter.

Thank you to the staff of the Office of Admissions and Outreach and Recreation and Athletics for their cooperative efforts throughout the audit. 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,

  
Sheryl Ireland  
Director

ATTACHMENT A  
ATTACHMENT B

cc: Senior Vice President and Chief Compliance and Audit Officer Alex Bustamante  
Interim Chancellor Nathan Brostrom  
Associate Chancellor and Senior Advisor Luanna Putney  
Interim Director Dustin Noji

## ATTACHMENT A – Summary of Audit Procedures and Results

Objective	Summary of Procedures	UC Merced Results/Observations	Reference to UCOP Systemwide Recommendation for Phase II
<b>Special Talent Admissions</b>			
Evaluate the operating effectiveness of identified controls over special talent admissions, which, for the purposes of this audit, consist of admitted applicants who received recommendations based on demonstrated ability in fields such as athletics or the arts.	Determined how the campus identifies and tracks applicants that departments recommend on the basis of special talent; Gained an understanding of existing documentation and approval requirements for each type of special talent recommendation; Determined whether recommending departments in effect serve as the sole evaluators of the academic qualifications of applicants who they recommend or make admissions decisions for applicants whom they recommend. For a selected sample of Special Talent Admissions, evaluated the sample against existing documentation and approval requirements, and assesses whether the source of the documentation supporting the special talent appeared to be legitimate, credible, and supported the special talent.	Our testing of 18 special talent applicants for the audit period revealed inconsistencies with processes and procedures for final admissions decisions, and all lacked documentation to verify special talent. Deficiencies noted were: <ul style="list-style-type: none"> <li>• Multiple sources used to document decisions.</li> <li>• Inconsistencies with processes to document and maintain final approvals by Admissions Director.</li> <li>• Lack of documentation to verify and confirm qualifications or credentials of special talent.</li> </ul>	Systemwide Recommendations C.1 and C.2 address the implementation of controls to identify and track applicants recommended on the basis of special talent, and record retention practices for related documentation.
<b>Admissions by Exception (AbyE)</b>			
Evaluate the operating effectiveness of identified controls over AbyE, including the rationale by which the campus identified a given applicant for consideration under the policy and the evaluation process.	Gained an understanding of the categories of acceptable rationale for AbyE and existing requirements; Selected a sample of AbyE and evaluated the sample against existing documentation and approval requirements.	Approval for six of 25 sampled applicants recommended for director’s review was not adequately documented. <ul style="list-style-type: none"> <li>• Inconsistencies with processes and procedures to document final approvals by Admissions Director.</li> <li>• Appropriate approvals not fully documented and maintained.</li> </ul>	Systemwide Recommendation A.1 addresses formal charters for committees charged with making admissions decisions. Recommendation A.2 addresses retention of documentation supported admission decisions, and D.3 addresses accurate classification of AbyE admits.
<b>Admissions IT Systems Access</b>			
Evaluate the operating effectiveness of identified controls over access to admissions IT systems, including basic log-in access	Perform a risk analysis to determine in-scope systems for test work. For in-scope systems, evaluated the controls over user access changes; determined whether the campus periodically reviews the appropriateness of authorized user	Our sample review of 25 users indicated that access was supported based on job descriptions. Written documentation of process for granting and reviewing access exists, but there is lack of	Systemwide Recommendations E.1 and E.2 address ensuring access is aligned with job responsibilities,

ATTACHMENT A – Summary of Audit Procedures and Results

Objective	Summary of Procedures	UC Merced Results/Observations	Reference to UCOP Systemwide Recommendation for Phase II
to systems, specific levels of access within those systems, and appropriateness of user changes to data.	access, and for a sample of system users, determined whether their access was appropriately authorized and their level of access aligned with job responsibilities.	documentation to evidence periodic review of system access.	and ensuring documentation of IT system access provisioning.
<b>Student Athlete Participation</b>			
Evaluate the effectiveness of identified controls over student athlete participation.	Gain an understanding of existing requirements for minimum student athlete participation; Determined whether existing controls are sufficient to ensure that records supporting ongoing participation in athletics are kept current throughout the season; Assessed the reliability of participation documentation by reviewing controls over the information they contain; For a sample of admitted non-scholarship student athletes recommended for admission, evaluated associated athletic participation records, including documentation supporting any change in participation status.	UC Merced lacks participation records for athletes.  An MCA was developed by management in Phase 1 of the review and tracked in the TeamMate file (M19A009). Internal Audit will be following up to verify that the MCA is completed.  .	Systemwide Recommendation F.1 addresses additional controls related to changes in participation status.
<b>Appeals Process</b>			
Evaluate the design of internal controls over the undergraduate admissions appeals process.	Performed a walkthrough of the appeals process; Obtained and reviewed relevant policies and procedures.	There are five different types of appeals at UC Merced with corresponding forms. Appeals are reviewed by the Admission Appeal Committee which consists of three Admission staff members (at least two of the committee members are admissions management employees). The committee re-evaluates applications and any additional information provided by the candidates in the appeal process. After the Admissions Appeal Committee completes their review, the Director of Admissions may give additional consideration and when appropriate will consult with the Associate Vice Chancellor of Enrollment Management and/or a faculty member of the Faculty Committee on Admission and Financial Aid (AFAS).	Systemwide Recommendation 6.1 addresses additional controls for local procedures related to appeals decisions.

## ATTACHMENT B – UC Merced Management Corrective Actions

Recommendation	Management Corrective Action	Target Date
<p><b>A. Documentation Supporting the Admission Process.</b></p> <p><b>A.1</b> Ensure that any committee charged with making admissions decisions develop a charter that includes, at a minimum, the committee's:</p> <ul style="list-style-type: none"> <li>• Key objectives or purpose</li> <li>• Authority</li> <li>• Responsibilities</li> <li>• Membership, including term limits and voting privileges</li> <li>• Frequency of meetings</li> <li>• Review criteria</li> <li>• Approval or decision-making process and requirements, including quorum requirements and documentation requirements</li> </ul>	<p>UC Merced Admissions will ensure committees charged with making admissions decisions have minimum requirements in their formal documented charters, including, key objectives or purpose; authority; responsibilities; membership, including term limits and voting privileges; frequency of meetings; review criteria; and approval or decision-making process and requirements, including quorum requirements and documentation requirements.</p>	<p>April 1</p>
<p><b>A.2</b> Evaluate current retention practices for admissions documentation, including approval documentation, and ensure documented procedures reflect appropriate retention requirements in accordance with the UC Records Retention Schedule. Provide training to the appropriate personnel on records retention requirements</p>	<p>UC Merced Admissions will work with the Campus Records Manager to document and formalize written processes for admissions retention practices, ensuring the documented procedures reflect appropriate UC Records Retention Schedule requirements. The written processes will include retention requirements for admissions documentation, including approval documentation.</p> <p>UC Merced Records Manager will work with Admissions to develop and provide training to the appropriate personnel on records retention practices and requirements.</p>	<p>May 15</p>
<p><b>C. Special Talent Admissions (“Special Admissions”)</b></p> <p><b>C.1</b> Implement controls to ensure that applicants recommended on the basis of special talent are identified and tracked in accordance with the guidance to be provided by Systemwide Undergraduate Admissions.</p>	<p>UC Merced Admissions will revise and update their policy and procedures to identify and implement controls to ensure that applicants recommended on the basis of special talent are identified and tracked in accordance with guidance provided by Systemwide Undergraduate Admissions.</p>	<p>April 1</p>

## ATTACHMENT B – UC Merced Management Corrective Actions

Recommendation	Management Corrective Action	Target Date
<p><b>C.2</b> Evaluate current retention practices for documentation supporting special talent recommendations and ensure documented procedures reflect appropriate retention requirements in accordance with the UC Records Retention Schedule. Provide training to the appropriate personnel on records retention requirements.</p>	<p>UC Merced Admissions will work with the Campus Records Manager to document and formalize written processes for admissions retention practices, ensuring the documented procedures reflect appropriate UC Records Retention Schedule requirements. The written processes will include retention for admissions documentation of special talent recommendations.</p> <p>UC Merced Records Manager will work with Admissions to develop and provide training to the appropriate personnel on records retention practices and requirements.</p>	May 15
<p><b>D. Admission by Exception</b></p> <p><b>D.3</b> Implement controls to ensure accurate classification of Admissions by Exception for all students that campuses admit and enroll under the policy, including identifying and tracking of student athletes and those designated as “disadvantaged” or “other.”</p>	<p>UC Merced Admissions will revise and update their policy and procedures to identify and implement controls to ensure accurate classification of Admissions by Exception for all students that are admitted and enrolled under the policy. The procedures will include identifying and tracking of student athletes and those designated as “disadvantaged” or “other.”</p>	May 15
<p><b>E. Admissions IT System Access</b></p> <p><b>E.1</b> Update admissions IT system user access to ensure that access is appropriately aligned with job responsibilities.</p>	<p>UC Merced Admissions already has controls that ensure access is appropriately aligned with job responsibilities. Access is reviewed at least every semester and evidence of performance of control will be maintained by the Admissions Office. ECAR will review evidence of control performance during next control cycle.</p>	May 15

## ATTACHMENT B – UC Merced Management Corrective Actions

Recommendation	Management Corrective Action	Target Date
<p><b>E.2</b> Document admissions IT system access provisioning processes to ensure that access is only provided to authorized individuals and that access rights are consistent with users' roles and responsibilities. At a minimum, these procedures should require:</p> <ul style="list-style-type: none"> <li>• Documented justification and authorization for user access to admissions IT systems</li> <li>• Maintenance of a list of authorized users and associated privileges</li> </ul>	<p>UC Merced Admissions will develop written procedures and implement controls for admission IT system access. The written procedures will outline controls and include guidance for documenting admissions IT system access provisioning, including justification and authorization for user access. The procedures and controls will ensure that access is only provided to authorized individuals and that access rights are consistent with users' roles and responsibilities.</p> <p>Admissions will maintain documentation of authorized users and reviews of associated privileges to evidence performance of controls.</p>	May 15
<p><b>F. Monitoring Student Athletes' Participation in Athletic Programs</b></p> <p><b>F.1</b> Implement controls, such as required forms, to ensure that reasons for changes in athletic program participation status are clearly documented.</p>	<p>UC Merced Athletics will revise and update their policy and procedures for monitoring student athletes' participation in athletic programs. Procedures will outline required controls for documentation, including any required forms, to ensure that reasons for changes in athletic program participation status are clearly documented.</p>	May 1
<p><b>G. Admissions Appeal Process</b></p> <p><b>G.1</b> Develop or amend local policies and procedures to address requirements for all appeals decisions. The policies and procedures should include the following:</p> <ul style="list-style-type: none"> <li>• A requirement that all appeal reviews be fully documented, including analyses, recommendations, decisions, and individuals involved.</li> <li>• A requirement that at least two individuals or a committee be involved in the appeals review, and if the final decision is contrary to the initial recommendation, the rationale for the final decision must be documented.</li> </ul>	<p>UC Merced will develop or amend local policies and procedures to address requirements for all appeal decisions. The campus policies and procedures will include a requirement that all appeal reviews be fully documented, including analyses, recommendations, and individuals involved. The campus policies and procedures will also include a requirement that at least two individuals or a committee be involved in the appeals review, and if the final decision is contrary to the initial recommendation, the rationale for the final decision must be documented.</p>	May 15