

**UNIVERSITY OF CALIFORNIA, DAVIS  
AUDIT AND MANAGEMENT ADVISORY SERVICES**

**UC Davis  
Enrollment Management Expenditures  
Audit & Management Advisory Services Project #21-47**

**August 2021**

**Fieldwork Performed by:**

Mariyam Azam, Senior Auditor

**Reviewed by:**

Tony Firpo, Associate Director

**Approved by:**

Leslyn Kraus, Director

**Enrollment Management Expenditures****AMAS Project #21-47****MANAGEMENT SUMMARY****Background**

Established by the University of California in 1976, the Early Academic Opportunity Program (EAOP) is a system-wide and statewide program that exists at each UC campus. The program was initially established in response to the California State Legislature's recommendation to expand postsecondary opportunities to all California students, including those who are first-generation, socioeconomically disadvantaged, and English-language learners. Goal three of UC Davis' Strategic Vision, To Boldly Go, addresses the campus' vision for identifying, attracting, retaining, and graduating a diverse student body. EAOP is one mechanism through which the campus serves this goal.

At UC Davis, EAOP is a department within Undergraduate Admissions, which is overseen by the Associate Vice Chancellor (AVC) for Enrollment Management. The Director for EAOP leads five Regional Assistant Directors (RAD) who serve students at thirty-two local high schools and middle schools by providing education, career, academic, and personal counseling. EAOP's services are primarily catered to students who are aspiring first-generation college students or who are considered socioeconomically disadvantaged. RADs visit their assigned schools throughout the year to meet one-on-one with students participating in the program or to conduct workshops with multiple students at participating schools. Expense claims related to EAOP activities are submitted by the traveler in AggieTravel and approved by the department approver and Accounts Payable.

A new Chief Administrative Officer and a new Chief of Staff joined Enrollment Management in June and August 2020, respectively. As of April 2020, Enrollment Management has an interim business operations manager and fiscal officer responsible for approving travel and entertainment expenses. We met with these members of Enrollment Management leadership to discuss concerns they had about expense claims submitted by EAOP staff. Specifically, the interim business operations manager and fiscal officer expressed concerns over insufficient supporting documentation to justify department expenditures. As a result, we were asked to audit the department's expense reports.

**Purpose and Scope**

The purpose of this review was to assess controls over EAOP's travel and expense reimbursement processes for adequacy and effectiveness.

We tested a selection of paid expense claims for expenses incurred by EAOP staff in AggieTravel in fiscal years 2019 and 2020 for proper justification of business purpose and adequate supporting documentation, including receipts when required. Based on our discussions with Enrollment Management leadership and our understanding of risks associated with travel and expense claims, we performed the following procedures:

1. Identified potential duplicate expense claims and reviewed supporting documentation to determine if employees have been overcompensated;
2. Reviewed a selection of transactions incurred at unusual times (i.e. weekends) for appropriateness and sufficient justification of business purpose;
3. Reviewed expense reports for a selection of potentially split transactions to determine if employees had circumvented receipt reporting requirements;
4. Reviewed a sample of mileage claims to determine if such expenses were adequately supported with documentation of acceptable business purpose; and

5. Reviewed reports related to transactions posted after the campus suspended operations on March 18, 2020 to determine if the expenses were reasonable during the remote work period and adequately supported with documentation and justification of business purpose.

Claimants are required to furnish receipts for transactions exceeding \$75. We did not select items for detailed review if they fell below this threshold. In total, we reviewed twenty EAOP expense reports. The expense reports we reviewed related to various activities carried out by EAOP staff, including attendance at conferences, workshops conducted at local schools, staff development activities, and off-site trips and tours with student groups.

### **Conclusions**

In our review of EAOP's expense reports, we did not identify any instances of employees claiming the same expenses more than once or splitting expenses to avoid receipt requirements. However, while the activities reported on the expense reports appear to be generally relevant to EAOP's mission, we found a lack of supporting documentation and proper justification that would allow the reports to stand on their own without the need for additional context to demonstrate the business purpose.

In some cases, documentation submitted with expense claims was insufficient to corroborate that the activities and events for which the expenses were claimed actually occurred. We presented these exceptions to Enrollment Management leadership, and the unit performed further research and provided additional supporting documents to corroborate the occurrence of the related activities and events. Nevertheless, this evidence was missing from the expense claim documentation in AggieTravel, demonstrating that EAOP's approval process allows for expense claims to be paid without sufficient documentary evidence, a weakness that could potentially result in improper travel and entertainment expenditures.

To ensure responsible stewardship and accountability over university resources, EAOP should strengthen its controls over expense reporting and approval so that individual expense reports are sufficiently supported with documentation and explanations that clearly tie the expenses claimed to the business purpose.

### **Observations, Recommendations, and Management Corrective Actions**

- A. EAOP expense reports are often approved and paid despite a lack of sufficient detail on the business purpose of the expenditures and adequate supporting documentation to demonstrate the stated purpose.**

As described above, we reviewed expense data for EAOP for expenses paid in fiscal years 2019 and 2020, based on various risk factors. We identified weaknesses or opportunities for more robust documentation in each of the twenty EAOP expense reports we reviewed.

Of the expense reports we reviewed, the best supported example was an expense report claiming \$1,571.88 in entertainment expenses for a 5-day EAOP training in September 2019. The business purpose was clearly stated as "EAOP Student Outreach Assistants, 5-day Fall Training," and the report was supported with receipts for grocery items purchased, a schedule showing the dates and timings for the training, and sign-in sheets. Nevertheless, since nearly all of the expenses claimed on the report were for groceries, an agenda and an explanation demonstrating that lunch was provided to attendees would have provided more direct support tying the purchases to the business purpose. Additionally, the sign-in sheet for day five of the event was an anomaly, as it was not signed by the attendees like those of the first four days and should have been questioned by the approver, as it does not provide

meaningful evidence that a training event took place on that day. Overall, we determined that a reviewer could reasonably assume that the expenses claimed on this report related to food and refreshments for a week-long training, and that the risk of inappropriate spending was low. In most of the remaining reports we reviewed, however, we identified a lack of sufficient detail and documentation that poses a greater risk over EAOP's spending.

Multiple expense reports relating to travel for conferences and trainings lacked any evidence of the employees' attendance at the events, and any agendas to support the relevance and business purposes of such travel. In two separate instances in September 2018, EAOP staff submitted expense claims related to conference travel, but provided no supporting documentation to demonstrate that they registered for, or attended, these conferences. One expense claim contained expenses related to three employees' attendance at a "UC Counselors Conference," but the only mention of the conference in supporting documents was in the form of handwritten notes. In the second instance, an EAOP employee claimed travel expenses for attending a conference in Utah in place of a different employee who initially registered to attend, but was later unable to do so. No evidence was submitted to show that the initial registration and airfare were transferred to the employee who ultimately attended, and the employee did not submit any agendas or proof of attendance. We inquired with Enrollment Management leadership, who later provided email confirmations demonstrating that the registration for the event was transferred from the first employee to the one who ultimately attended. Though this evidence exists, it was not included in the approved and paid expense claim documents.

As discussed earlier, a regular part of the EAOP Regional Assistant Directors' activities entails travel to local middle and high schools. After campus, in-person operations were suspended on March 18, 2020, these activities were halted. As a result, we expected a significant decrease in travel expense claims from March 18<sup>th</sup> onward. We identified a total of sixteen expense reports submitted from March 18<sup>th</sup> through the end of the fiscal period, for transactions incurred between April 1<sup>st</sup> and June 30<sup>th</sup>. Of these, we reviewed the six reports over \$75. Five out of the six reports we reviewed claimed expenses for virtual academies EAOP conducted in the summer. Four of these reports were for supplies purchased for the virtual academies, including snacks. Given that these events took place remotely, the purchases of supplies and snacks do not appear reasonable without added context and explanation, and could create the appearance of improper spending. We spoke with Enrollment Management leadership regarding these purchases and found that EAOP sent care packages to students participating in these programs. The program mainly serves students from disadvantaged backgrounds. Enrollment Management leadership agreed that this context was missing from the expense reports. We also identified four expense reports during the remote work period with the business purpose listed as "Meeting," with no additional context. These were all for amounts below \$75, but we reviewed the reports, regardless. The reports were supported by mileage logs listing various meetings or "drop-offs" to students. The expenses did not seem unreasonable, but supporting documentation, including descriptions of what was being dropped off to students or other detail on the reasons for the meetings with students would provide context to help a reviewer understand the business purpose.

### **Recommendation**

To ensure responsible stewardship and accountability over university resources, EAOP should strengthen its controls over expense reporting and approval so that individual expense reports are sufficiently supported with documentation and explanations that clearly tie the expenses claimed to the business purpose.

**Management Corrective Actions**

1. By October 1, 2021, Enrollment Management will ensure that all department approvers complete the AggieTravel Approvals online training course.
2. By October 1, 2021, Enrollment Management will issue formal communication to department staff and management reinforcing the importance of adherence to relevant travel and entertainment policies, and of furnishing sufficiently detailed descriptions of business purpose and supporting documentation when submitting and approving travel reports.
3. By October 1, 2021, Enrollment Management leadership will consider implementing stronger controls over travel, including but not limited to adopting the AggieTravel Request form.