



AUDIT AND ADVISORY SERVICES
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Vice Chancellors Hooper and Sutton:

We have completed our audit pertaining to undergraduate admissions data analytics 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 utilizing a common audit program developed by the UCOP Office of Ethics, Compliance, and Audit Services. Our approach and observations are discussed below.

Introduction and Background

As part of the annual fiscal year 2021-2022 audit plan, Audit and Advisory Services completed a retrospective review of donations to the campus and local Senior Management Group (SMG) personnel data to identify undergraduate admissions decisions that could have been influenced by these donations or personnel. This review was initiated in response to a recommendation from the June 2019 systemwide internal audit of undergraduate admissions.

Objectives and Scope

The objective of this review was to perform data analytics to identify undergraduate admissions decisions that could have been influenced by donations to the campus or the applicant's relationship to an SMG member.

The scope of the review included the following:

- Donations received by the campus during the period January 1, 2018 through August 31, 2021.
- SMG personnel active from January 1, 2018 through August 31, 2021.
- Applications for undergraduate admission submitted from November 1, 2018 through March 31, 2021 for the 2019-20 and 2020-21 academic years (date range includes both the regular and late application periods).

Approach

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

- Obtained a dataset of donations received during the audit period.
- Obtained a dataset of local SMG personnel active 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 who made cumulative donations of \$10,000 or more and/or SMG personnel active during the audit period. Data fields compared across datasets to identify “matches” included all or a subset of the following:
 - Names of donors and donors’ spouses
 - SMG employees and/or SMG employees’ spouses
 - Names of admitted students and parents
 - Addresses
 - Email addresses
 - Phone numbers
 - Foundations or businesses with the same name as the admitted student
 - Campus ID number

The donations portion of the 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 or applicant’s relationship to an SMG member) 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
 - Department or program to which donations have been directed as well as their specified purpose
- Provided the results of the risk assessment process to the Locally Designated Official (LDO)¹ for handling allegations of suspected improper governmental activities to determine whether to further investigate any of the matches.

¹ 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>]

Overall Conclusion

Audit and Advisory Services' analysis identified 112 cases of admissions of applicants who may be related to donors who gave a cumulative amount in excess of \$10,000 during the audit period. Of these, we note 49 of the 112 were previously identified in last year's audit. We also identified 24 cases of applicants who may be related to donors who gave a cumulative amount in excess of \$10,000, but whose application is denoted as being voluntarily cancelled or withdrawn by the applicant.

We did not identify any cases of admissions of applicants who may be related to SMG personnel active during that time.

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 investigation². 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 2023 which will likely cover periods subsequent to those considered in this audit.

Thank you to the staff of the Office of Undergraduate Admissions as well as University Development and Alumni Relations 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,

/s/ Jaime Jue

Jaime Jue
Director

cc: Associate Vice Chancellor Nancy Lubich McKinney
Associate Vice Chancellor and Dean Olufemi Ogundele
Senior Vice President and Chief Compliance and Audit Officer Alexander Bustamante
Associate Chancellor Khira Griscavage
Executive Director and Locally Designated Official Kellie Brennan
Associate Vice Chancellor and Controller Michael Riley

² 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.