

2015-107 AUDIT SCOPE AND OBJECTIVES
University of California
Budget, Enrollment, and Executive Compensation

The audit by the California State Auditor (state auditor) will provide independently developed and verified information related to the University of California's (UC) budget process, its nonresident student enrollment, and executive compensation, and will include, but not be limited to, the following:

1. Review and evaluate the laws, rules, and regulations significant to the audit objectives.
2. Review and evaluate the recommendations for rebenching and the process by which the UC developed the rebenching initiative. Determine how the UC developed the weighted basis for distributing per-student funding, including to what extent the UC consulted with stakeholders such as undergraduate and graduate students when developing rebenching recommendations.
3. Review and evaluate the UC's progress in the implementation of its "Rebenching and Funding Streams Initiatives" as well as any other initiatives that impact per-student and campus funding. To the extent possible, determine if the UC is on track to achieve its goal of leveling per-student funding by 2018.
4. Determine how much of state support funding is included in rebenching and identify how the UC is using or distributing state support funding that is not included in rebenching.
5. Determine whether the UC is sufficiently addressing per-student funding inequities at the campuses, particularly those campuses identified in the state auditor's July 2011 audit report as having received the least funding but having the highest proportion of underrepresented students.
6. Review and evaluate the UC's methods for determining resident and nonresident enrollment targets at its campuses. Identify how the UC determined the amount it charges nonresident students and assess how the amount compares to other comparable universities.
7. For the past 10 fiscal years, identify the trend and projections in nonresident enrollment and associated tuition. To the extent possible, determine the impact of nonresident enrollment on per-student funding, California resident student access to the UC campuses, and revenue received by the UC and the campuses, including how any changes to admission standards have impacted a resident student's access to the campus of his or her choice.
8. Determine the level of outreach, including outreach to students in underrepresented communities and, to the extent possible, its impact on enrollment for nonresident versus California resident students for the past 10 fiscal years. In addition, determine the ethnic and racial background of the enrolled students.

9. For the most recent five fiscal years, review and evaluate how the UC and the campuses are using the nonresident student tuition revenue.
10. For the most recent five fiscal years, review the compensation packages for the top executive and management personnel at the UC and each campus. Determine if any trends exist in the compensation packages identified, and to the extent possible, compare the UC's compensation packages to other public and private universities.
11. Evaluate the sufficiency of any changes made or corrective actions taken by the UC in response to recommendations in the state auditor's July 2011 audit report, including the status of any outstanding recommendations.
12. Review and assess any other issues that are significant to the audit.