

AGENDA

COMMITTEE ON AUDIT

Meeting: **11:45 a.m., Tuesday, May 18, 2021**
 Virtually via Teleconference

Adam Day, Chair
Jane W. Carney, Vice Chair
Silas H. Abrego
Jean P. Firstenberg
Jack McGrory
Anna Ortiz-Morfit
Peter J. Taylor

- Consent** 1. Approval of Minutes of the Meeting of March 23, 2021, *Action*
 2. Status Report on Audit and Advisory Services Activities, *Information*
- Discussion** 3. Fiscal Year 2021-2022 Audit Plan, *Action*

**MINUTES OF THE MEETING OF
COMMITTEE ON AUDIT**

**Trustees of the California State University
Office of the Chancellor
Glenn S. Dumke Auditorium*
401 Golden Shore
Long Beach, California**

March 23, 2021

Members Present

Adam Day, Chair
Jane W. Carney, Vice Chair
Silas H. Abrego
Jean P. Firstenberg
Jack McGrory
Anna Ortiz-Morfit
Peter J. Taylor

Lillian Kimbell, Chair of the Board

Trustee Adam Day called the meeting to order.

Approval of Minutes

The minutes of January 26, 2021 were approved as submitted.

Status Report on Audit and Advisory Services Activities

With the concurrence of the committee, Trustee Day presented agenda item 2 as a consent information item.

Audited Financial Statements and Single Audit Report

Mary Ek, assistant vice chancellor and controller, presented an overview of revenues, expenses, and total net financial position for fiscal year (FY) 2019-2020. Total revenues from all sources were \$10.3 billion and include operating, non-operating, capital and non-capital revenues. The largest source of revenues was state appropriations at approximately 46 percent, net tuition and fees were approximately 21 percent, and grants, contracts and gifts were approximately 24 percent of total revenues. Revenue increased by \$749 million from the previous year, including \$602 million in the state appropriation and \$325 million in grants, contracts and gifts. These were offset

***PLEASE NOTE: Due to the Governor's proclamation of a State of Emergency resulting from the threat of COVID-19, and pursuant to the Governor's Executive Orders N-25-20 and N-29-20 issued on March 12, 2020 and March 17, 2020, respectively, all members of the Board of Trustees may participate in meetings remotely, either by telephonic or video conference means. Out of consideration for the health, safety and well-being of the members of the public and the Chancellor's Office staff, the March 23, 2021 meeting of the CSU Board of Trustees was conducted entirely virtually via Zoom teleconference.**

by a \$112 million reduction in revenues from sales and services due to the pandemic. Expenses increased by \$830 million from the previous year to \$10.8 billion, of which about 70 percent was for instructional and educational support. This increase is primarily due to higher costs for pensions, scholarships and fellowships, and salaries.

Ms. Ek reported on the net position. The CSU's total negative net position of \$15 billion increased \$486 million from the prior year. Despite this negative \$15 billion net position, the university's ability to pay obligations, remains positive.

Ms. Ek highlighted the operating fund balances and reserves which totaled \$1.7 billion. Reserves for economic uncertainties were \$400 million and represents less than one month of operating fund costs. The available one-time reserves will continue to be used by campuses to help with revenue losses and unavoidable operating costs due to the pandemic.

Ms. Ek also discussed the systemwide financial statements audit findings. There were no systemwide audit findings. In terms of the 91 auxiliary organizations, nine had a mix of material weaknesses and significant deficiencies for FY 2019-2020.

Additionally, federal funds were audited as part of the Single Audit and included approximately \$244 million of CARES grants. There were no findings on the CARES Act funds. There were two systemwide findings. One was a repeat audit finding related to reporting of enrollment status and ensuring effective controls are in place for the timely and accurate reporting of student enrollment status changes. The other audit finding was related to timely disbursement notification and ensuring the required disbursement information is communicated to the student or parent and are sent within the required timeframe. Corrective actions are in progress and a status update will be provided to the Board of Trustees at a future meeting.

Chris Ray of KPMG highlighted the scope of the work of the audit and noted that the audit was conducted virtually for the first time due to the pandemic—but there were no significant changes to the structure of the audit. Mr. Ray reported that the results of the CSU audit include an unmodified (clean) opinion on the financial statements and that an additional footnote was added pertaining to the uncertainties related to the global pandemic. He also reported that the significant deficiency reported in the FY 2018-2019 audit, related to the data used to prepare other post-employment liabilities, has been remediated. The single audit also included an unmodified opinion. He shared that the two findings, previously discussed by Ms. Ek, are considered reportable findings which did not affect the overall opinion.

Following the presentation, the trustees discussed the process and timeline for remediating the auxiliary organization material weaknesses and significant deficiencies and the CSU's net position.

Trustee Day adjourned the Committee on Audit.

COMMITTEE ON AUDIT

Status Report on Audit and Advisory Services Activities

Presentation By

Vlad Marinescu
Vice Chancellor and Chief Audit Officer
Audit and Advisory Services

Summary

This item provides an update on internal audit activities and initiatives. It also includes both a status report on the 2020-2021 audit plan and follow-up on completed audit assignments. Follow-up on current and past assignments is being conducted on approximately 27 completed campus reviews. Attachment A summarizes the status of audit assignments by campus.

For the 2020-2021 audit plan year, assignments were made to execute individual campus audit plans and conduct financial, operational, compliance, and information technology audits; use continuous auditing techniques and data analytics tools; and provide advisory services and investigation reviews.

AUDITS

Status of In-Process and Completed Audits

Audit and Advisory Services continues to make progress on the 2020-2021 audit plan. Twenty-nine audits have been completed as part of the 2020-2021 audit plan and 22 audits are currently in-process. Completed audit reports are posted on the California State University website at <https://www2.calstate.edu/csu-system/transparency-accountability/audit-reports>.

Audits providing coverage of a broad range of organizational areas are being performed remotely and include some of the following topics: academic personnel, auxiliary organizations, cloud computing, construction, credit cards, faculty assigned time and additional employment, fundraising and gift processing, information security, procurement, professional and continuing education, service learning and internships, and sponsored programs - post award. Scheduled reviews may also include campus-specific concerns or follow-up on prior campus issues.

The status of campus progress toward implementing recommendations for completed 2020-2021 audits is included in Attachment A. Prior year audits that have open recommendations are also included in Attachment A and are removed from the report the meeting following all recommendations having shown as completed.

Both campus management and audit management are responsible for tracking the implementation/completion status of audit recommendations contained in campus audit reports. During the audit process, campus management identifies a target estimated completion date for addressing each audit recommendation. Target completion dates are subject to approval by audit management prior to the audit report being finalized. Implementation timelines are reviewed for appropriateness, reasonableness, and timeliness, which also includes evaluating the nature and level of risk and whether any mitigating controls can or should be implemented on an interim basis while audit recommendations are being implemented.

If there are difficulties or unexpected delays in addressing/completing audit recommendations within the agreed upon timeframes, escalation processes for resolution are followed by audit management. Audit management first contacts the campus senior leadership team (president and/or VP/CFO) to resolve any delays. In rare instances in which delays cannot be resolved during discussions between campus and audit management, the chancellor and audit committee chair and/or vice chair may help resolve delays, as needed.

Continuous Auditing and Data Analytics

Audit and Advisory Services has completed 19 campus reviews of credit card data as part of the current audit plan year, as of March 31, 2021. After completing the first 12 reviews, Audit and Advisory Services met with representatives from each of the 12 campuses to share best practices and to provide an overview of how different campuses are using credit card programs across the CSU. Additional meetings to share information will be held with representatives from the remaining campuses in July.

Fieldwork has also started for the review of human resources/payroll at two campuses and the chancellor's office, and data validation is currently in progress. Data analytics tests have also been incorporated into four procurement and one accounts payable audit.

ADVISORY SERVICES

Audit and Advisory Services partners with management to identify solutions for business issues, offer opportunities to improve the efficiency and effectiveness of operating areas, and assist with special requests, while ensuring the consideration of related internal control issues. Advisory services are more consultative in nature than traditional audits and are performed in response to requests from campus management. The goal is to enhance awareness of risk, control and compliance issues and to provide a proactive independent review and appraisal of specifically identified concerns. Reviews are ongoing and work is being performed remotely.

INVESTIGATIONS AND INTERGOVERNMENTAL AUDITS

Audit and Advisory Services is periodically called upon to provide investigative reviews, which are often the result of alleged misappropriations or conflicts of interest. Investigations are performed on an ongoing basis, both at the request of an individual campus or the chancellor's office and by referral from the state auditor. Additionally, the investigations unit tracks external audits being conducted by state and federal agencies, acts as a liaison for the system throughout the audit process, and offers assistance to campuses undergoing such audits. The California State Auditor (CSA) recently identified 18 state agencies, including the California State University (CSU), that are responsible for managing a portion of federal COVID-19 funds. In a letter dated April 29, 2021, the CSA announced the CSU would be one of the entities audited regarding its administration of these funds. The audit is currently underway.

Last year the investigations unit began providing fraud awareness and prevention training throughout the CSU system. The fraud awareness and prevention training program shares insights and common findings from investigations. Investigations often involve allegations related to travel and hospitality claims and procurement card transactions, so the program highlights CSU-specific examples that cover each of those areas and provides practical guidance on how to prevent and detect fraud. Since fall 2020, presentations have been made to 13 campuses and various systemwide affinity groups, and more than 1,100 employees throughout the system have participated in the training program, including presidents, chief administrators, business officers, campus audit liaisons, and academic personnel such as department chairs, deans, and provosts.

COMMITTEES/SPECIAL PROJECTS

Members of Audit and Advisory Services serve on various chancellor's office and systemwide committees and affinity groups/workgroups. Audit and Advisory Services also provides consultation to the campuses and assists with performing special projects.

AUDIT SUPPORT

Audit Planning Process and Risk Assessment

The Audit and Advisory Services audit year runs from July 1 to June 30 each year. Audit and Advisory Services performs an annual audit planning process and conducts a comprehensive systemwide risk assessment based on both qualitative and quantitative factors, which include input from meetings with systemwide executive management, consideration and review of CSU strategic initiatives, current trends and hot topics in higher education, and unit budgets. Periodically, other audit topics may be selected for review due to their high-profile nature in order to assure the board that appropriate policies and procedures are in place to mitigate risk to the system.

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Administration

Day-to-day administration of the Audit and Advisory Services division includes such tasks as scheduling, personnel administration, maintenance of department standards and protocols, administration of the department's automated workpaper system and SharePoint website, and department quality assurance and improvement.

Status Report on Current and Past Audit Assignments

Campus	Category	Audit Topic	Audit Plan Year	Total # of Recommendations	*Status
Bakersfield	Audits Currently in Progress	Cloud Computing	2020		
	Status of Recommendations	Housing and Residential Services	2020	5	5
Chancellor's Office	Audits Currently in Progress	Procurement	2020		
Channel Islands	Status of Recommendations	Faculty Assigned Time and Additional Employment	2019	4	2 2
		Conference Services	2020	2	2
		Information Security	2020	9	9
Chico	Audits Currently in Progress	Academic Personnel	2020		
Dominguez Hills	Audits Currently in Progress	Accounts Payable & Disbursements	2020		
		Post Award Administration	2020		
East Bay	Audits Currently in Progress	Facilities Management	2020		
		Information Security	2020		
Fresno	Audits Currently in Progress	Faculty Assigned Time and Additional Employment	2020		
	Status of Recommendations	Professional and Continuing Education	2020	3	3
Fullerton	Audits Currently in Progress	Faculty Assigned Time and Additional Employment	2020		
	No Reportable Recommendations	Service Learning	2020	n/a	
Humboldt	Audits Currently in Progress	Procurement	2020		
	Status of Recommendations	Facilities Management	2020	6	6
		University Center	2020	14	1 13
Long Beach	Status of Recommendations	Foundation	2020	3	3
	No Reportable Recommendations	Accounts Payable & Disbursements	2020	n/a	
Los Angeles	Status of Recommendations	Faculty Assigned Time and Additional Employment	2020	3	3
		Information Security	2020	8	6 2
Maritime Academy	Audits Currently in Progress	Service Learning and Internships	2020		
	Status of Recommendations	Foundation	2020	8	8
Monterey Bay	Status of Recommendations	Information Security	2020	11	11
		Professional and Continuing Education	2020	2	2
Northridge	Audits Currently in Progress	Service Learning and Internships	2020		
Pomona	Audits Currently in Progress	Procurement	2020		
	Status of Recommendations	Housing and Residential Services	2020	4	4
Sacramento	Audits Currently in Progress	Professional and Continuing Education	2020		
	No Reportable Recommendations	Accounts Payable & Disbursements	2020	n/a	

***Status**

Closed (green) - Recommendations have been satisfactorily implemented

Open (blue) - Implementation of recommendations is in progress and within the agreed upon timeframe

Exceeds Agreed Upon Timeframe (red) - Recommendations have not been implemented within the agreed upon timeframe

Report as of April 27, 2021

Status Report on Current and Past Audit Assignments

Campus	Category	Audit Topic	Audit Plan Year	Total # of Recommendations	*Status
San Bernardino	Audits Currently in Progress	Facilities Management	2020		
	Status of Recommendations	Philanthropic Foundation	2020	6	6
		Post Award Administration	2020	6	5 1
San Diego	Audits Currently in Progress	Information Security	2020		
		Procurement	2020		
	Status of Recommendations	Emergency Management	2020	7	7
San Francisco	Audits Currently in Progress	Facilities Management	2020		
	Status of Recommendations	Emergency Management	2019	11	10 1
		Minors on Campus	2020	5	5
San Jose	Audits Currently in Progress	Fundraising and Gift Processing	2020		
	Status of Recommendations	Construction Management	2020	4	4
		Professional and Continuing Education	2020	5	5
San Luis Obispo	Audits Currently in Progress	Information Security	2020		
	Status of Recommendations	Associated Students, Inc.	2020	5	5
		Construction Management	2020	6	6
		Housing and Residential Services	2020	12	12
San Marcos	Audits Currently in Progress	Associated Students, Inc.	2020		
	Status of Recommendations	Emergency Management	2020	6	6
Sonoma	Status of Recommendations	Accessible Technology	2020	5	5
	No Reportable Recommendations	Travel and Hospitality	2020	n/a	
Stanislaus	Audits Currently in Progress	Credit Cards	2020		
	Status of Recommendations	Emergency Management	2020	4	4

*Status

Closed (green) - Recommendations have been satisfactorily implemented

Open (blue) - Implementation of recommendations is in progress and within the agreed upon timeframe

Exceeds Agreed Upon Timeframe (red) - Recommendations have not been implemented within the agreed upon timeframe

Report as of April 27, 2021

COMMITTEE ON AUDIT

Fiscal Year 2021-2022 Audit Plan

Presentation By

Vlad Marinescu
Vice Chancellor and Chief Audit Officer
Audit and Advisory Services

Background

Education Code Section 89045, enacted by Chapter 1406 of the Statutes of 1969, provides for the establishment of an internal auditing function reporting directly to the Trustees of the California State University. Audit and Advisory Services assists university management and the Trustees in the effective discharge of their fiduciary and administrative responsibilities by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. Additionally, Audit and Advisory Services serves the university in a manner that is consistent with the *International Professional Practices Framework* and the *Code of Ethics* as promulgated by the Institute of Internal Auditors.

Summary

Each year and in accordance with the audit committee charter, Audit and Advisory Services presents its audit plan to the Board of Trustees' Committee on Audit for review and approval. The following item is the audit plan for fiscal year 2021-2022.

Assurance Audits and Data Analytics

Approximately 65 percent of available staff resources will be allocated toward conducting assurance audits and data analytics activities.

Audit Planning/Risk Assessment Process

Audit and Advisory Services performs an annual audit planning process and conducts a comprehensive systemwide risk assessment based on both qualitative and quantitative factors, which include input from meetings with systemwide executive management, consideration and review of CSU strategic initiatives, current trends and hot topics in higher education, and unit budgets. Based on this review, the top 20 audit risk topics are identified and shared with campus representatives, who provide feedback and input. Collaboration with campus partners is an important component of the process to ensure that the risk assessment yields the most relevant, accurate, and impactful results.

Upon completion of the systemwide risk assessment, each individual campus audit universe is updated with campus-specific risk topics. These risk topics are identified through discussions with campus and auxiliary management throughout the year, input from campus audit liaisons, and Audit and Advisory Services management knowledge and experience in working with the campus. Once the campus audit universe is determined, the risk of each campus audit topic is assessed based on a set of defined risk factors including, but not limited to, significant changes to the organization, the complexity of information systems, and prior audit results.

At the conclusion of the campus assessment, a customized individual audit plan is developed for each campus. This plan includes consideration of both campus-based and systemwide themes and risks. Throughout the audit plan year, the audit plan is continuously reassessed, and adjustments are made as needed.

Assurance Audits

The foundation of the assurance audits portion of the plan focuses on the core support areas of Finance and Administration; Information Technology; and Compliance, Human Resources and Risk Management. The second segment of the plan includes reviews in the areas of Academic Administration; Student Activities and Services; and University Relations and Advancement. The final segment of the audit plan focuses on Auxiliary Organizations. Auxiliary organizations at the CSU are non-profit organizations and separate legal entities. They operate pursuant to a written operating agreement with the CSU Board of Trustees, have separate governing boards with close connections to a campus, and follow all legal and policy rules established by the CSU system and the respective campus administration.

Attachment A includes a brief description of the scope for each assurance audit topic planned for 2021-2022.

Data Analytics

The assurance audits portion of the audit plan also includes data analytics and continuous auditing, which employs a high degree of automation to enable us to monitor and review large data sets for anomalies and trends, which also assists with the existing audit process. By using a continuous auditing approach, we can perform our control testing and monitoring on a more frequent or continuous basis, as opposed to a traditional audit approach, which may allow us to review a particular area only once every few years.

This year's data analytics projects will build and refine upon continuous audit reviews within four core areas (credit cards, disbursements, information technology active directory, and payroll) with the goal of automating our data analytics processes.

Advisory Services

Approximately 20 percent of available staff resources will be allocated toward conducting advisory reviews.

Audit and Advisory Services will partner with campus management to identify solutions for business issues, offer opportunities to improve the efficiency and effectiveness of operating areas, and assist with special requests, while ensuring the consideration of related internal control issues. Advisory services are more consultative in nature than traditional assurance audits and are performed in response to requests from campus management. The goal is to enhance awareness of risk, control, and compliance issues and to provide a proactive independent review and appraisal of specifically identified concerns.

Investigations and Intergovernmental Audits

Approximately 5 percent of available staff resources will be allocated toward conducting investigations, coordinating and providing support to campuses and the chancellor's office for intergovernmental audits, and reviewing and monitoring the campus reporting of fiscal improprieties.

The investigations unit of Audit and Advisory Services acts as a liaison and representative for the CSU system throughout the audit process. For example, for audits of the CSU performed by the California State Auditor, we facilitate communication between the State Auditor, the chancellor's office, and any applicable campuses. Further, we work with appropriate chancellor's office and campus personnel to respond to auditor inquiries and prepare the formal response to the audit on behalf of the CSU. Once a state audit is complete, Audit and Advisory Services continues to coordinate interdepartmental workgroups to implement the audit recommendations and report back to the State Auditor on the CSU's progress.

Because the need for investigations fluctuates depending on when issues and allegations come to the attention of administrators, investigations resources are also deployed to perform advisory work targeted toward fraud risk and prevention, as time allows.

Outreach and Engagement

Approximately 5 percent of available staff resources will be allocated toward outreach and engagement activities.

While audit and advisory work naturally requires quite a bit of outreach and engagement, partnering and working with our stakeholders beyond what would be the usual course of business for an audit or advisory review is a beneficial and value-added activity. This helps ensure that Audit and Advisory Services is not only meeting its assurance obligations to the board, but also adding value to the organization when possible.

This includes partnering activities such as participating and leading affinity groups, providing support and guidance to campus and chancellor's office management, sharing information and common themes across campuses, and acknowledging feedback and insights provided by management. It is important to hear how stakeholders on campuses perceive the additional value that Audit and Advisory Services can provide.

Outreach and engagement activities also include educational activities such as providing fraud prevention and awareness training for staff throughout the system and providing students with work experience and exposure to the audit profession.

Audit Support

Approximately 5 percent of available staff resources will be allocated toward general administration.

Day-to-day administration of Audit and Advisory Services includes such tasks as scheduling; personnel administration; maintenance of department standards and protocols; administration of the department's automated workpaper system, audit planning database, and SharePoint website; and department quality assurance and improvement.

The following resolution is recommended for approval:

RESOLVED, By the Committee on Audit of the California State University Board of Trustees that the Fiscal Year 2021-2022 Audit Plan, as detailed in Agenda Item 3 of the Committee on Audit at the May 17-19, 2021 meeting, be approved.

Attachment A - Fiscal Year 2021-2022 Audit Plan Topics

Finance and Administration

Construction

Major construction projects such as academic buildings, student housing, and university unions are completed every year. Proposed scope may include, but is not limited to, review of the bid and award process, project accounting and reporting practices, and the project closeout process.

Facilities Management

Facilities management generally covers areas such as facility repairs; preventive maintenance and renovations; custodial services; groundskeeping; and utility distribution. Proposed audit scope may include, but is not limited to, review of maintenance schedules, work order scheduling and control systems, methods for cost recovery and chargebacks of work performed, and tracking of physical and electronic key access to facilities.

Fund Administration and Accountability

Campuses identify the different sources of revenues received by recording them in unique funds, segregated for the purpose of carrying out specific activities or attaining certain objectives. Proposed scope may include, but is not limited to, review of procedures to establish and segregate funding sources, monitoring of fund balances, and appropriate usage of funds.

Procurement and Contracts

Procurement and contracts departments are responsible for the acquisition of quality, cost-effective supplies, equipment, and services for the campus community. Proposed scope may include, but is not limited to, review of compliance with informal and formal solicitation requirements, including procedures for approving sole-source purchases; vendor management practices; proper recording and tracking of purchased assets; and compliance with sustainable procurement policies and initiatives.

Student Fee Administration

Student fees include campus-based mandatory fees, course-related fees, and fees for self-support programs such as extended education, housing, and parking. As part of the management response to the 2019 California State Auditor review of student fees, the California State University (CSU) committed to performing more frequent audits of student fees. Proposed scope may include, but is not limited to, review of the justification and support for new and increased fees, the fee consultation process, and appropriate usage of fees.

Information Technology

Cloud Computing

Cloud computing is a deployment model that enables an organization to obtain its computing resources and applications from any location via an internet connection. Proposed scope may include, but is not limited to, review of campus cloud governance practices and policies, as well as contractual provisions related to service availability, data ownership, backup and recovery, and protection of sensitive and/or proprietary information.

Decentralized Computing

In decentralized computing operations, departments, colleges, and auxiliaries operate information technology (IT) environments separate from that of the primary campus IT department. Proposed scope may include, but is not limited to, review of roles and responsibilities of decentralized IT functions and of practices implemented by decentralized units to ensure compliance with CSU information security requirements.

Information Security

Information security at CSU campuses covers a broad range of sensitive data that requires protection to comply with numerous state and federal regulations. Proposed scope may include, but is not limited to, review of the activities and measures undertaken to protect the confidentiality, integrity, access to, and availability of information.

Information Technology Disaster Recovery

IT disaster recovery planning is a specific subset of the campus business continuity planning process that addresses how the IT resources required to operate critical business functions will be restored in a timely and effective manner following a disaster. Proposed scope may include, but is not limited to, the review of the IT disaster recovery plan and department business impact assessments, the adequacy of system redundancy or alternate processes to ensure minimal interruptions of critical business services, and the adequacy of system backups and record retention practices.

Compliance, Human Resources, and Risk Management

Faculty Assigned Time and Additional Employment

Faculty assigned time and additional employment are governed by the Unit 3 collective bargaining agreement and generally address faculty workload and compensation for duties outside of a faculty member's primary assignment. Proposed audit scope may include, but is not limited to, procedures to review and approve faculty assigned time, granting of sabbatical leaves, and procedures to review and monitor additional employment compensation.

Human Resource Management

Human resources has oversight over the processes designed to recruit, develop, and retain the more than 55,000 employees in the CSU workforce. Proposed scope may include, but is not limited to, recruiting and selection practices, training and development programs, and employee appraisals and performance evaluations.

Police Services

Each CSU campus operates a police department whose peace officers are sworn and certified by the California Commission on Peace Officer Standards and Training. Proposed audit scope may include, but is not limited to, review of certification and training records, cost recovery for services and events, overtime approvals, and proper recordkeeping and safeguarding of weapons, equipment, and ammunition.

Academic Administration

Centers and Institutes

Centers and institutes are formally approved interdisciplinary or collaborative units that are organized around research, education, or public service activities. Proposed audit scope may include, but is not limited to, review of establishment and approval processes, periodic monitoring and reporting, and risk management and fiscal controls surrounding center and institute activities.

Service Learning and Internships

Service learning and internships are teaching methods that promote experiential learning. Proposed audit scope may include, but is not limited to, review of risk assessment processes, agreements with service learning and internship sites, learning plans to ensure academic expectations are met, and systems for administering the placement process.

Sponsored Programs Administration

Sponsored programs include all work performed under grants or contracts funded by external sources. Proposed audit scope may include, but is not limited to, review of subrecipient management, fiscal administration of program costs, effort reporting certifications, and project close-out processes.

Student Activities and Services

Admissions

Students apply, and are evaluated for, entrance to a university through the admissions process. Proposed audit scope may include, but is not limited to, review of evaluation of first-time freshmen and upper-division transfer student applications, approval and documentation of admissions exceptions, residency determinations, and controls surrounding application fee processing and the granting of application fee waivers.

Counseling and Psychological Services (CAPS)

The CSU offers CAPS to matriculated CSU students to support student learning, well-being, and overall academic success. Proposed scope may include, but is not limited to, provision of basic and augmented mental health services offered to students, medical records management, establishment and management of student mental health service fees, and management of third-party vendors and providers.

Financial Aid

Financial aid programs provide support for students to help meet the costs of obtaining a college education. Proposed audit scope may include, but is not limited to, review of procedures to establish and calculate student budgets and cost of attendance, documentation of student eligibility, safeguarding of sensitive information, and disbursement procedures for financial aid payments.

Housing and Residential Services

Housing and residential services includes both the operations of the self-support student housing program and the residential life programs designed to promote a sense of community and student engagement. Proposed audit scope may include, but is not limited to, review of the resident placement process, student license agreements, screening and training of residential advisors, and residence hall programs and activities.

Student Health Services

Student health services primarily encompasses the provision of basic and augmented health services through campus student health facilities. Proposed audit scope may include, but is not limited to, review of procedures to confirm credentials and qualifications of health services staff, administration of pharmacy operations, security and confidentiality of medical records, and fiscal administration.

University Relations and Advancement

Endowment Management

Donors establish endowments as permanent sources of funds for universities to spend on scholarships, faculty positions, or other programs defined by the donor for the benefit of the university. Proposed scope may include, but is not limited to, review of the policies surrounding acceptance and establishment of endowments, compliance with endowment terms and restrictions, investment account monitoring and performance evaluation, and reporting and reconciliation practices.

Auxiliary Organizations

Auxiliary organizations are non-profit organizations and separate legal entities that are authorized to provide supplemental services and support to the campuses of the CSU.

Associated Students (AS)

Associated Students auxiliaries are student-run entities that include the student government and provide student-focused programs and activities. Proposed scope may include, but is not limited to, review of auxiliary governance; student body programs run by AS, such as social, cultural, educational, and entertainment opportunities; and fiscal administration.

Corporations

Corporations are auxiliary organizations that may administer a variety of functions, such as commercial services, housing facilities, conference and event centers, or research activities. Proposed scope may include, but is not limited to, review of auxiliary governance; administration of auxiliary enterprise units such as commercial operations, conference and event services, and facility rentals; and fiscal administration.

Student Unions (SU)

Student unions are generally auxiliary organizations that maintain facilities such as student unions or recreation centers that provide social, cultural, recreational, and educational programming. Proposed scope may include, but is not limited to, review of auxiliary governance; student body programs run by SU such as aquatics centers, recreation centers, and outdoor excursions; and fiscal administration.