CSU AUDITS

Office of the University Auditor

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AGENDA

- OUA Department
- Audit Planning
- 2011 Subject Audits - Status, Systemwide Recommendations and Best Practices
- 2012 Subject Audits
- Questions
- OUA Contact Information
**AUDIT PLANNING**

**Annual Risk Assessment**

- Audit Survey sent to all 23 campuses and the Chancellor’s Office in the last quarter of each year.

- Results of risk assessment, in addition to other identified factors, identify top areas of highest risk to the CSU.

- Usually select 5 – 6 areas.

- Audits performed at those campuses where a greater degree of risk was perceived for each of the areas. Select 6 campuses for each area.
**Annual Audit Plan**

- Presented at January Board of Trustees (BOT) Meeting for approval of audit assignments.
- Includes audits of Auxiliary Organizations, Construction, and Information Systems; Investigations; Consultations/Committees; Special Projects; and Follow-Up.
**Individual Audit Planning – Audit Scope**

- Determined by a front-end risk assessment that includes, but is not limited to:
  - Review of CSU policies, laws, regulations, and other criteria.
  - Discussions with CO management.
  - Discussions with campus personnel including Vice Presidents of Administration and Department Managers.
Individual Audit Planning – Campus Notification

- Announced at CABO meeting (subject to change)
- Email notification approximately six weeks prior to the start of the audit. Notification will include the Internal Control Questionnaire and Request for Documents (ICQ/RFD)
- Entrance Letter is sent to President
Seven audits approved by the BOT for 2011:

- Financial Aid (Round 2)
- Delegations of Authority (mandated per Ed Code)
- Cashiering
- IT Disaster Recovery Planning
- Sensitive Data Security and Protection
- American with Disabilities Act (ADA) Compliance
- Academic Personnel
STATUS OF 2011 AUDITS

- Fieldwork completed for all audits
- Most audit reports are finalized and on OUA website [http://www.calstate.edu/audit/Audit_Reports/index.shtml](http://www.calstate.edu/audit/Audit_Reports/index.shtml)
- Systemwide Recommendations
- Systemwide Best Practices
Delegations of Authority

*We recommend that the Chancellor’s Office:*

- Review and update existing systemwide policy related to DVBE participation, insurance requirements, the motor vehicle inspection program and motor vehicle use, and leases.
- Communicate these updates with the campuses.
- Define and document programmatic responsibilities and systemwide ownership for motor vehicle inspections and use.
**SYSTEMWIDE RECOMMENDATIONS**

- **Cashiering**
  - *We recommend that the Chancellor’s Office:*
    - Review and update existing systemwide policy to provide guidance relating to accountability for items sold on campus.
    - Communicate with the campus Information Security Officers the necessity of training cashiering system administrators in order to ensure that access to the cashiering system is managed and monitored in accordance with systemwide policy.
COMMON FINDINGS – FINANCIAL AID

- Consumer Information Disclosures
- Federal student aid fund reconciliations – documentation, review and timeliness.
- Access controls for financial aid systems.
Policies, Procedures, and Forms

Chico had well documented policies and procedures. The Assistant Director was responsible for centralizing all financial aid policies and procedures into one document that was updated, comprehensive, and detailed.

San Bernardino had a well designed template for communicating consumer information and disclosures to the campus community.
Physical Access to Financial Aid Offices/Areas

The Director of Financial Aid at Bakersfield reviews an access report of badges that are issued for all areas that he oversees which allows him to detect inappropriate access.
COMMON FINDINGS – DELEGATIONS OF AUTHORITY

- Use of DVBE Waivers
- Recycled Content Certifications
- Insurance Certifications for Services and Leases
- Motor Vehicle Inspection Policies and Delegation
- Controls/Tracking of Vehicle Use
- Vehicle Approvals and Certification Statements
- Facility Fee Approvals
DVBE Waivers and Tracking

- Pomona developed an internal waiver form to use.
- Chico developed a checklist to use.

Recycled Content Certification

- Pomona places the recycled certification requirement on the face of the PO, and on the PO acknowledgement that the vendor signs as well.
- Pomona tracks return of recycled certifications by reviewing all orders flagged for recycled certification in the monthly buyer meeting.
University Drivers

Certifications and approvals – Pomona and Chico have developed authorization forms that include all requirements in one place – the driver certification statement, approval, and acknowledgment of defensive driver and DMV pull requirements.
COMMON FINDINGS – CASHIERING

- Accountability/Tracking of Event and Ticket Sales
- Written Policies and Procedures and Documented Approval for Access to Cashiering Systems
Tracking of satellite/departmental locations

Train the main cashier to notify management if a department inquires how to accept large sums, makes a large deposit or makes frequent, regular deposits.

Fresno requires any new cash handling location to submit an authorization form for the main cashier and accounting services review and awareness of the location. Allows SFS to ensure satellite cashiers attend the required annual training, understand internal control requirements, and receive cashiering handbooks.
Tracking of satellite/departmental locations – cont’d:

Fresno also utilizes an online process to monitor training attendance of all satellite cashiers/collectors and managers. Individuals who have not attended the required training are brought to the Controller’s attention who requires attendance at a makeup session or revocation of system access.

Event/Ticket Sales

Humboldt had well written procedures for Athletic ticket sales, which included such information as tracking of event receipts, segregation of duties, and deposit processing.
COMMON FINDINGS – IT/Disaster Recovery

- Business impact assessments not completed.
- On-site alternate processing facilities not defined or not validated.
- Inadequate disaster recovery plans (coordination/alignment with business continuity plans, recovery of network services housed outside the data center, plans for testing the recovery of data processing services)
- No off-site alternative processing facilities
Disaster Recovery Plans

Northridge DRP includes Business Recovery Expectations and sufficient detail to ensure that the business recovery needs can be met.

Several campuses perform a daily disk-to-disk back up to a separate location on campus, then copy to tape and send off campus.

Northridge also has a recovery dependency flow diagram, with testing scenarios that confirm recovery assumptions about recovery time and effort requirements.
COMMON FINDINGS – SENSITIVE DATA

- Monitoring security initiatives and reporting to executive management
- Application System Access (student grades, SSN, non-disclosure agreements)
**BEST PRACTICES – SENSITIVE DATA**

**Governance**

Los Angeles and San Diego have a clear line of reporting that provides sufficient authority to ensure that security initiatives are implemented.

**Procurement**

Los Angeles has a process that ensures that new systems or applications are not implemented without a detailed risk and control assessment by the Information Security Office.
Best Practices – Sensitive Data

**Incident Monitoring**

- Use of a central repository (work ticketing system) to capture all incidents (e.g., desktop viruses) so that all campus incidents are consistently tracked and recorded so they can be examined by the Information Security Officer.

**Validation**

- San Diego has a program by the Information Security Office that periodically tests controls to ensure that management objectives over sensitive data are met.
Surplus

San Diego has a comprehensive process that ensures that all electronic equipment is tracked and is cleansed prior to being reused or disposed.
COMMON FINDINGS – ADA

- Transition Plans
- Nondiscrimination Training
- Advisory Committee per EO 926
- Progress on Accessible Technology Initiative
BEST PRACTICES – ADA

Instructional Materials

San Diego used a “peer influencer” approach to educate and encourage faculty on IMAP accessibility. They identified faculty in various areas who were well respected among their peers, and recruited them to act as liaisons/trainers among their respective circles. The campus Instructional Technology group supported these faculty with training.
COMMON FINDINGS – ACADEMIC PERSONNEL

- Minimum employment applicant information not always obtained.
- Academic personnel appointments and sabbatical leave authorizations not always signed by the campus president or designee.
- Verification that conditions of sabbatical leave were met not always performed, or not always timely.
- Nondiscrimination, harassment and basic safety training not always completed by faculty (systemwide).
BEST PRACTICES – ACADEMIC PERSONNEL

Policies, Procedures, Forms, and Websites

San Marcos and Long Beach had well documented policies and procedures for AP functions. Both campuses also performed routine group or one-on-one training with department heads and faculty.

East Bay had an application form for faculty candidates that included all required elements.

Long Beach had an impressive website covering a wide range of issues that faculty could easily navigate.
2012 Subject Audits

Eight audits approved by the BOT for 2012:

- Five High-Risk Subject Audits
  - Facilities Management
  - Title IX
  - Data Center Operations
  - Identity Management and Common System Access
  - International Programs
2012 Subject Audits

Eight audits approved by the BOT for 2012:

- One High Profile Area
  - Public Safety

- One Core Financial Area
  - Cost Allocation Plans

- One System Area
  - CSURMA
Cost Allocation – Fieldwork completed for six audits.

Title IX – Fieldwork complete for Pilot Audit. Two audits will start on 4/2.

Data Center Operations – Fieldwork complete for Pilot Audit. One audit in progress.

Facilities Management – Pilot Audit in progress.

International Programs, CSURMA, Identity Management, and Public Safety are still in the planning phases.
AUDIT FINDINGS TO DATE

Cost Allocation Audits

- Cost Allocation Plans/Plan Elements not approved by the CFO or designee.
- Annual review and approval of cost allocation plans not documented.
- MOUs/Agreements used as part of the plan signed and dated after their effective date.
QUESTIONS
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THANK YOU!