Audit

Friend & Foe

Academic Senate Meeting
December 3, 2015
&
University Chairs Council
December 4, 2015
Internal Audit Process (Chancellor’s Office)

- Office of Audit and Advisory Services (OAAS) completes a risk assessment and determines what areas pose the highest risk to the CSU

- Campuses are selected

- Campuses complete the internal control questionnaire and submit documents requested

- A team of auditors conduct fieldwork on campus for 4-6 weeks to evaluate **compliance**. Their assessment includes:
  - inspections and observations of processes
  - interviews and inquiries of personnel
  - transaction testing of reports, invoices, and other types of records
Internal Audit Process – Cont.

- During fieldwork opportunities for improvement or deficiencies (findings) are presented to the campus

- The campus reviews, submits a corrective action plan, and accepts the report

- A formal report is issued 6-10 weeks after the audit

- Corrective actions must be implemented within 6 months of the report date
# Audit Matrix – Nov 2015 Board of Trustees

Status Report on Current and Follow-Up Internal Audit Assignments  
(as of 11/9/2015)

## 2015 ASSIGNMENTS

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<th>Aux Orgs</th>
<th>Info Security</th>
<th>Clery Act</th>
<th>College Reviews</th>
<th>IT Procure</th>
<th>PCI</th>
<th>Adm</th>
<th>Cloud Comptg</th>
<th>Scholar</th>
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## FOLLOW-UP PAST/CURRENT ASSIGNMENTS

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<th>Auxiliary Organizations</th>
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## FOLLOW-UP PAST/CURRENT ASSIGNMENTS

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<th>Sponsored Programs</th>
<th>Continuing Education</th>
<th>Information Security</th>
<th>IT Procurement</th>
<th>College Reviews</th>
<th>Clery Act</th>
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*Notes:*
- **Recs** indicates the number of recommendations.
- **Mo.** indicates the status of the recommendations.
- **Executive Travel** column indicates travel requirements related to the assignments.
Recent Audit Findings

- Auxiliary Audit (AS, RF, UF) – currently in progress

- ECC College Review June 2015 – 5 Findings (2 of 5 cleared)
  - Unauthorized use of Chico State name
  - Cash handling and employee reimbursement procedures were non-compliant with Integrated CSU Administrative Manual (ICSUAM)
  - Deficiencies in auxiliary and campus contract processing and delegation of authority
  - Auxiliary expenditures relating to honorariums, hospitality and travel payments did not have appropriate approvals or substantiation
  - Faculty outside-employment was not being reported as required

- Information Security February 2015 – 21 Findings (16 of 21 cleared)
  - Too many findings to list here 😞
  - Risk acceptance for non-compliance

CSU Audit Reports: [http://www.calstate.edu/audit/audit_reports/index.shtml](http://www.calstate.edu/audit/audit_reports/index.shtml)
Are YOU Audit Ready?

- Signature Authority
- Conflict of Interest
- Appropriate Use of “Chico State” Name
- Adherence to ALL applicable Policies and Procedures
Auditing Agencies

- Chancellor’s Office
- California State Auditor
- Internal Revenue Service
- Franchise Tax Board
- CalPers
- OSHA
- Office of Civil Rights
- US Department of Education
- Equal Employment Opportunity Commission
- Western Association of Schools and Colleges
- Entities awarding a grants

Regulations

- Federal Laws
- State Laws
- Executive Orders
- ICSUAM
- Executive Memorandums
- Campus Policies and Procedures
- Collective Bargaining Agreements
- Faculty Personnel and Procedures
Keep in Mind...

❖ State Agency

Highly accountable to the state and general public since we are funded by state tax dollars

❖ PRA

Public Records Act
CSU Administrators Spend Hundreds Of Thousands In Donated Money On Parties, Alcohol

October 7, 2014 11:13 PM  By David Goldstein

Filed Under: Cal State Fullerton, Cal State Northridge, Cal State San Bernardino, Cal State University, CSU, CSULA, CSUM, Investigation, Ta

LOS ANGELES (CBSLA.com) — The financial burden on most young adults who pursue a college education through the California State University system is no secret.

Every year, Cal State students struggle to pay the thousands of dollars owed in tuition, loans and increased fees.

Meanwhile, the discovery of how CSU administrators are spending large amounts of donated money, meant to benefit the universities, is shocking.

CSU Stanislaus president responds to Californians, SDU athletic director quits over scandal

California State University, Stanislaus President Hamid Shivvani released the following statement:

"CSU Stanislaus Foundation also responded to Public Records Act request not subject to the Public Records Act. Raising money to support universities created private foundations. The CSU Stanislaus Board of Trustees pledged to state support for higher education, private foundation event.

The 50th Anniversary gala previously donated, enhancing education and major educationdegree.

Top 3 CA Programs Rated by NCTQ: B.S. in Teacher Education, A.B. in Education, B.S. in Teacher Education.

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American Express Travel

SDSU athletic director quits over scandal

"Improper use of state funds" cited for Schemm's exit