

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										FOLLOW-UP PAST/CURRENT ASSIGNMENTS						
	Aux Orgs	Info Security	Clery Act	College Reviews	IT Procure	PCI	Adm	Cloud Comptg	Scholar	Student Activity	Auxiliary Organizations			Accessible Technology		Executive Travel	
											*No.	*Recs	**Mo.	*Recs	**Mo.	*Recs	**Mo.
BAK						AI			RW		4	35/35	-				
CHI	FW			AC							3						
CI							AC				3	32/32	-			6/6	-
DH	RW								AI		3			6/6	-		
EB			AC		FW						3	31/31	-				
FRE		AC					AC				6	36/36	-				
FU	A				A												



	FOLLOW-UP PAST/CURRENT ASSIGNMENTS													
	Sponsored Programs		Continuing Education		Information Security		IT Procurement		College Reviews		Clery Act		Admissions	
	*Recs	**Mo.	*Recs	**Mo.	*Recs	**Mo.	*Recs	**Mo.	*Recs	**Mo.	*Recs	**Mo.	*Recs	**Mo.
BAK					10/10	-								
CHI	6/6	-			16/21	9			2/5	4				
CI	1/1	-										0/7	1	
DH														
EB			3/3	-							6/6	-		
FRE					6/11	4						1/8	1	
	10/10							0/0						



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



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



Headlines

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, CSUN, Investigation, Tir



(credit: CBS)

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

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

"The University has complied with all legal obligations when responding to Public Records Act requests. The Stanislaus Foundation also responded to Public Records Act requests. The Foundation is not subject to the Public Records Act. Raising money to support the university is a primary responsibility of universities to create private foundations. The CSUS Foundation is a state support for higher education, private fund-raising organization for an event."

The 50th Anniversary celebration previously donated to enhance student

education degree

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SDSU athletic director quits over scandal

'Improper use of state funds' cited for Schemmel's exit

