



# THE CALIFORNIA STATE UNIVERSITY

BAKERSFIELD • CHANNEL ISLANDS • CHICO • DOMINGUEZ HILLS • EAST BAY • FRESNO • FULLERTON • HUMBOLDT  
LONG BEACH • LOS ANGELES • MARITIME ACADEMY • MONTEREY BAY • NORTHRIDGE • POMONA • SACRAMENTO  
SAN BERNARDINO • SAN DIEGO • SAN FRANCISCO • SAN JOSE • SAN LUIS OBISPO • SAN MARCOS • SONOMA • STANISLAUS

Allison G. Jones  
Assistant Vice Chancellor  
Academic Affairs, Student Academic Support  
Office of the Chancellor

August 22, 2005  
Code: AA-2005-25

To: CSU Presidents

From: Allison G. Jones 

Subject: **Management Response to Recommendations of Audit Report Number 04-13, Admissions, Systemwide**

The California State University Office of the University Auditor recently concluded a systemwide audit of CSU admissions (Audit Report Number 04-13, June 24, 2005). The audit objective was to ascertain the effectiveness of existing policies and procedures related to the administration of the admission function and to determine the adequacy of controls that ensure compliance with relevant governmental regulations, Trustee policy, Office of the Chancellor directives, and campus procedures. The University Auditor visited seven campuses and audited procedures in effect during the period from March 15, 2004 through December 16, 2004.

In the opinion of the University Auditor, existing policies and procedures for the administration of the admission function were, in most instances, operating effectively at the seven campuses visited. Campus management had established adequate operating procedures and reasonable controls, which ensured that admission evaluations were sufficiently documented and admission decisions were aligned with state regulations and chancellor's office directives. However, the University Auditor indicated that additional attention is needed for the controls over application fee processing, security administration for online access to student information, and documentation management.

The audit recommendations fall into the following four categories:

1. Admission management and control,
2. Application fee and waiver controls,
3. Student record privacy and security, and
4. Student information management.

Three audit recommendations asked the Chancellor's Office to remind the campuses of the importance of the following:

1. Recommendation 2: Application Fee and Waiver Controls
  - a. Maintaining an adequate segregation of duties over application fee receipts.
  - b. Establishing written application fee processing procedures;
  - c. Verifying the integrity of system and application fee deposit records;
  - d. Performing supervisory review of application fee deposits;
  - e. Using transfer receipts when transferring application fees between departments; and
  - f. Adequately safeguarding application fee receipts, including timely endorsement of checks.
  
2. Recommendation 4: Student Record Privacy and Security
  - a. Maintaining adequate controls over password security; and
  - b. The granting, reviewing, and/or removal of access privileges upon assignment, reassignment, and/or termination of responsibilities/employment.
  
3. Recommendation 5: Student Information Management
  - a. Reviewing and reporting requirements of Executive Order 796; and
  - b. Establishing procedures to ensure that campuses submit reports to the chancellor at least every two years.

Attachment A to this memorandum fulfills our agreement with the University Auditor to remind campuses about the importance of these recommendations.

In addition to the items mentioned above, the University Auditor has asked that Executive Orders 88 and 336 be reviewed (Recommendation 1), and some modifications have been suggested. That review has begun, and its results will be communicated to you no later than December 30, 2005.

Lastly, the University Auditor requested that we review all existing policy statements, coded memorandum, and executive orders that address the security of electronically stored confidential or private information with the intent of creating a comprehensive executive order on the topic that will supersede all existing communications (Recommendation 3). The executive vice chancellor/chief financial officer has initiated a process to respond to this recommendation. The executive order will define and make explicit what is meant by confidential and or private information. Chancellor's office staff will reevaluate the matter of existing system access and strengthen the language within the executive order to ensure that the campus president and vice presidents of administration are accountable for campus compliance with access control policies. The executive order will offer a methodology for ensuring that accountability. Concurrent with the preparation of this executive order, and subsequent to it, the CSU will develop

AA-2005-25  
August 24, 2005  
Page 3

a comprehensive, systemwide plan for information security. Aspects of the planned executive order may be modified, changed, or superseded when the CSU Information Security Plan is complete.

We appreciate campus efforts to support the California State University's admission programs, and we are confident that campus actions taken as a result of this memorandum will improve these services further.

Questions about the systemwide Admissions Audit Report may be directed to Dr. James C. Blackburn, Associate Director, Enrollment Management Services, at (562) 951-4726 or [jblackburn@calstate.edu](mailto:jblackburn@calstate.edu)

AGJ:lem

cc: CSU Provosts/Vice Presidents of Academic Affairs  
CSU Vice Presidents of Administration  
CSU Vice Presidents of Student Affairs  
Directors of Admission and Records  
Chancellor's Office Executive Staff  
Dr. James C. Blackburn

**ADMISSIONS, SYSTEMWIDE  
AUDIT REPORT NUMBER 04-13**

**Management Response  
Campus Program Administration Audit Recommendations**

**Admissions Management And Control (Recommendation 2)  
Student Record Privacy And Security (Recommendation 4)  
Student Information Management (Recommendation 5)**

Three audit recommendations asked the Chancellor's Office to remind the campuses of the importance of application fee and waiver controls, student record privacy and security, and student information management. Attachment A fulfills the agreement with the University Auditor to remind campuses about the importance of these recommendations.

**Application Fee and Waiver Controls (Recommendation 2)**

- a. Maintaining an adequate segregation of duties over application fee receipts.
- b. Establishing written application fee processing procedures;
- c. Verifying the integrity of system and application fee deposit records;
- d. Performing supervisory review of application fee deposits;
- e. Using transfer receipts when transferring application fees between departments; and
- f. Adequately safeguarding application fee receipts, including timely endorsement of checks.

As Recommendation 2 is addressed, campuses would be well advised to coordinate the activities of the admissions and business offices such that the campuses are in compliance with sections 80212, 8023, 8032 and 8080.1 of the State Administrative Manual as well as Section 13403 of the Government Code.

In addition, the auditors have indicated that endorsed checks that cannot be immediately associated with a specific applicants for admission could be deposited in an "un-cleared collections account." By doing so, campuses can avoid delaying the depositing of such checks.

**Student Record Privacy and Security (Recommendation 4)**

- a. Maintaining adequate controls over password security; and
- b. The granting, reviewing, and/or removal of access privileges upon assignment, reassignment, and/or termination of responsibilities/employment.

Campus managers of student related data are reminded of the requirements as stated in the following CSU documents:

- *Information Security Policy*, dated August 2002
- Chancellor's memorandum to Presidents, *Increased Security Measures for CMS*, dated March 26, 2003
- Chancellor's memorandum to Presidents, *Information Security Clarification*, dated March 28, 2003.

These documents provide direction and guidance as to the development, implementation and monitoring of system access security.

**Student Information Management (Recommendation 5)**

- c. Reviewing and reporting requirements of Executive Order 796; and
- d. Establishing procedures to ensure that campuses submit reports to the chancellor at least every two years.

The Family Educational Rights and Privacy Act of 1974 (20 USC 1232g) and its attendant regulations (31 CFR 99) include the federal requirements for student information practices. This act is often referred to as FERPA. In Title 5 *California Code of Regulations* section 42396.5, the Chancellor's responsibilities for establishment and review of information policy and procedures are described. Executive Order 796 instructs campuses to comply with FERPA and to review compliance in written form, "...at least every two years and more often, if needed."

At the recommendation of the University Auditor and as required by statute and regulation, campuses are reminded to develop information management policies and to review those policies and their implementation regularly. The first biennial report will be due August 15, 2006 for the 2005-06 academic year. Please forward the campus biennial report electronically to Dr. James Blackburn, Associate Director, Enrollment Management Services, at [jblackburn@calstate.edu](mailto:jblackburn@calstate.edu).