STUDENT HEALTH SERVICES
SONOMA STATE UNIVERSITY

Audit Report 13-63
February 18, 2014

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ABBREVIATIONS

AS Associated Students of Sonoma State University
CSU California State University
DSS Data Security Standard
EMR Electronic Medical Records
EO Executive Order
HIPAA Health Insurance Portability and Accountability Act
ICSUAM Integrated California State University Administrative Manual
ISO Information Security Officer
OTC Over-the-Counter
OAAS Office of Audit and Advisory Services
PCI Payment Card Industry
SAQ Self-Assessment Questionnaire
SHC Student Health Center
SHS Student Health Services
SSU Sonoma State University
EXECUTIVE SUMMARY

As a result of a systemwide risk assessment conducted by the Office of Audit and Advisory Services (OAAS) during the last quarter of 2012, the Board of Trustees, at its January 2013 meeting, directed that Student Health Services (SHS) be reviewed. The OAAS last reviewed Student Health Centers in 2000.

We visited the Sonoma State University campus from October 14, 2013, through November 15, 2013, and audited the procedures in effect at that time.

In our opinion, except for the effect of the weaknesses described below, the fiscal, operational, and administrative controls for SHS as of November 15, 2013, taken as a whole, were sufficient to meet the objectives stated in the “Purpose” section of this report. Areas of concern include: program administration, health programs, athletics medicine, pharmacy, and information and data security.

As a result of changing conditions and the degree of compliance with procedures, the effectiveness of controls changes over time. Specific limitations that may hinder the effectiveness of an otherwise adequate system of controls include, but are not limited to, resource constraints, faulty judgments, unintentional errors, circumvention by collusion, and management overrides. Establishing controls that would prevent all these limitations would not be cost-effective; moreover, an audit may not always detect these limitations.

The following summary provides management with an overview of conditions requiring attention. Areas of review not mentioned in this section were found to be satisfactory. Numbers in brackets [ ] refer to page numbers in the report.

PROGRAM ADMINISTRATION [9]

Responsibility for university health services provided in areas other than the student health center (SHC), such as academic affairs, athletics, and auxiliary organizations, was not documented with a written designation or delegation of authority from the president or designee.

HEALTH PROGRAMS [9]

The campus did not have written agreements for on-campus health-related services sponsored by Associated Students of Sonoma State University and provided by external organizations.

ATHLETICS MEDICINE [11]

Administration of athletics medicine needed improvement. For example, policies and procedures for athletics medicine had not been approved in writing by a physician responsible for medical oversight of the program; team physicians in athletics medicine were not subject to a periodic medical credentials review and did not undergo a formal privileging process; and the campus had not developed a quality assurance program in the athletics medicine area similar to the one used by the campus SHC. Also, administration of over-the-counter medications within athletics medicine needed improvement. Specifically, medication dispensing logs were not always properly completed, and athletic trainer travel kits sometimes contained expired medications.
PHARMACY [13]

Segregation of duties at the pharmacy was inadequate, as one individual performed all functions related to pharmacy operations, including ordering, receiving, and updating inventory records; conducting periodic inventories; approving invoices; and processing cash receipts.

INFORMATION AND DATA SECURITY [14]

The campus did not ensure that the SHC pharmacy had fully addressed Payment Card Industry Data Security Standard requirements. Additionally, the campus had not appropriately segmented the network to restrict the SHC pharmacy system, which maintains level 1 and level 2 data, from unauthorized campus network traffic.
INTRODUCTION

BACKGROUND

The Policy of the Board of Trustees on Student Health Services was initially adopted in 1977 as a comprehensive systemwide policy; since then, it has been periodically revised and updated to reflect the changing regulatory, financial, and student demographic environments. In 1993, a task force study recommended that system roles, responsibilities, and expectations be recorded in executive orders (EO) issued by the chancellor, and the policy has been communicated in that format since that time.

The most recent version, EO 943, Policy on University Health Services, dated April 28, 2005, outlines the health services the campuses may provide, including the conditions that must be met to justify adding additional services or funding sources. It also describes operational expectations for pharmacies, staffing, facility cleanliness and safety, medical records management, and accreditation. The EO focuses primarily on the scope and activities of the student health centers (SHC) but also includes sections that are applicable to other campus programs providing student health care, such as intercollegiate athletics, due to the SHC audits conducted in 2000.

The primary health entity on each California State University (CSU) campus, the SHC, is funded by two mandatory student fees, which are covered in EO 1054, California State University Fee Policy, dated January 14, 2011: a health services fee covering basic health services available to students, and a health facilities fee to support the health center facility. These fees can be changed only after a student referendum or a consultation that allows meaningful input and feedback from appropriate campus constituents.

Every three years, each campus SHC and its pharmacy are required to obtain accreditation from a nationally recognized, independent review agency such as the Accreditation Association for Ambulatory Health Care. Pharmacies are also subject to periodic inspections by the California State Board of Pharmacy.

At the chancellor’s office, the student academic support department in the Academic Affairs division is responsible for monitoring systemwide SHC activities and ensuring that campus SHCs comply with CSU management and regulatory policies. In addition, a systemwide student health services advisory committee composed of the director or a designee from each campus SHC meets at least twice per year to provide recommendations to the chancellor regarding revisions to applicable EOs. The committee also identifies and implements corrective measures for issues identified in the systemwide survey and accreditation report reviews.

A majority of CSU campuses have implemented systems and applications that facilitate a transition to electronic medical records (EMR), including some vendor applications designed specifically for university health services. Privacy concerns surrounding these emerging technologies have brought about new regulations, including the Health Insurance Portability and Accountability Act (HIPAA), which establishes national standards for electronic health care transactions, and the Technology for Economic and Clinical Health Act, a part of the American Recovery and Reinvestment Act of 2009 that addresses the privacy and security concerns associated with the electronic transmission of health information.
Although this audit assesses the security of medical records, it does not address HIPAA in depth, as the Office of Audit and Advisory Services (OAAS) reviewed the topic in 2010.

In 2000, the OAAS conducted an audit of SHC at ten campuses and issued a systemwide report. The report noted issues related to centralized oversight of student health activities, revisions to existing policies to clarify reporting and administrative expectations, credentialing of clinical staff in both the SHCs and athletics, and policies regarding the storage and dispensing of over-the-counter and prescription pharmaceuticals outside of campus pharmacies and in the athletics department. Recommendations from this audit were incorporated into EO 814, *Policy on University Health Services*, which was replaced by EO 943.
PURPOSE

Our overall audit objective was to ascertain the effectiveness of existing policies and procedures related to student health services (SHS) activities and to determine the adequacy of controls that ensure compliance with relevant governmental regulations, Trustee policy, Office of the Chancellor directives, and campus procedures.

Within the audit objective, specific goals included determining whether:

- Administration of SHS is well-defined and includes clear lines of organizational authority and responsibility and documented delegations of authority.
- Policies and procedures relating to SHS are current and comprehensive, and are effectively communicated to appropriate stakeholders.
- Management consistently monitors and assesses the risks associated with providing SHS.
- The SHC is appropriately accredited.
- SHC clinical staff and other employees providing patient care possess the necessary credentials and qualifications, and designations are maintained in favorable standing with appropriate licensing boards and medical associations.
- SHS are appropriately defined and approved and are consistently provided to all eligible students and personnel.
- Health education programs are appropriately developed and communicated.
- Athletics medicine activities are conducted in accordance with campus and CSU policies.
- Pharmacy operations in the SHC and other areas providing SHS have obtained the appropriate licenses.
- Pharmacy formularies are limited to medications that are necessary to provide quality health care and are representative of those medications most effective in terms of treatment.
- Pharmacy security is maintained in accordance with CSU policy and state regulations.
- Pharmacy inventories are properly reported, safeguarded, and accounted for, and prescription dispensing and destruction controls are in accordance with CSU policies and state regulations.
- Medical records, including electronic records, are properly maintained, safeguarded, and retained.
- The security of student health facilities is maintained in accordance with campus and CSU policy.
Health services fees are approved, used for designated purposes, and properly accounted for in accordance with CSU policy and directives.

Senior management demonstrates an awareness of security risks and monitors the computer environment to ensure the security of medical records systems.

Methods used to enforce user authentication and appropriate access assignments for EMR systems are effective.

Access to electronic medical records systems, programs, and data is appropriately restricted, and facilities are appropriately protected from fire and power outages.

Medical records systems purchased from outside vendors are subject to CSU security provisions during procurement, and external access by vendors is controlled.

Information technology assets supporting SHS are appropriately protected, and all assets are accounted for and have a nominated owner responsible for their protection.

Senior management has a plan to recover all systems supporting the SHC following a major disaster.
SCOPE AND METHODOLOGY

The proposed scope of the audit as presented in Attachment A, Audit Agenda Item 2 of the January 22 and 23, 2013, meeting of the Committee on Audit stated that Student Health Services includes the provision of basic and augmented health services through campus student health facilities and pharmacy operations. Proposed audit scope would include, but was not limited to, a review of compliance with federal and state laws, Trustee policy, and chancellor’s office directives; establishment of a student health advisory committee; accreditation status; staffing, credentialing, and re-credentialing procedures; safety and sanitation procedures, including staff training; budgeting procedures; fee authorization, cash receipt and disbursement controls, and trust fund management; pharmacy operations, security, and inventory controls; and the integrity and security of medical records.

Our study and evaluation were conducted in accordance with the International Standards for the Professional Practice of Internal Auditing, issued by the Institute of Internal Auditors, and included the audit tests we considered necessary in determining that accounting and administrative controls are in place and operative. This review emphasized, but was not limited to, compliance with state and federal laws, Board of Trustee policies, and Office of the Chancellor policies, letters, and directives. The audit focused on procedures in effect from July 1, 2011, through November 15, 2013.

We focused primarily upon the internal administrative, compliance, and operational controls over SHS activities. Specifically, we reviewed and tested:

- Campus administration of SHS, including clear reporting lines and defined responsibilities, risk assessment, and current policies and procedures.
- SHC accreditation status and management responsiveness to recommendations made by the accreditation team.
- Procedures to confirm credentials and qualifications of clinical staff and other employees providing patient care.
- The definition and provision of basic and augmented health services in the SHC, including approval and eligibility for services.
- Health education programs for the student population.
- Administration of athletics medicine, including proper designation of responsible parties and the establishment of policies and procedures.
- Licensing and permit requirements for pharmacy operations at the SHC and other areas on campus, including athletics.
- Pharmacy formulary, dispensing, inventory, and physical security practices.
- Medical records management, including practices to ensure security and confidentiality.
INTRODUCTION

- Measures to ensure the security of student health facilities.

- The establishment of and subsequent changes to the mandatory health services fee, and methods to set and justify fees for augmented services.

- Budgets and financial records, including revenue and expenditure transactions in health fee trust accounts.

- Policies and procedures to ensure that information technology facilities, hardware, systems, and applications used for SHS are adequately secured, both physically and logically.
OBSERVATIONS, RECOMMENDATIONS, AND CAMPUS RESPONSES

PROGRAM ADMINISTRATION

Responsibility for university health services provided in areas other than the student health center (SHC), such as academic affairs, athletics, and auxiliary organizations, was not documented with a written designation or delegation of authority from the president or designee.

Executive Order (EO) 943, Policy on University Health Services, dated April 28, 2005, states that the president or a designee shall ensure appropriate oversight of all university health services. It further states that the president or a designee is responsible for ensuring appropriate oversight of all medical services provided to students participating in intercollegiate athletics.

The athletics director stated that the need for formal documents delegating authority over university health services other than the student health center was not recognized.

A lack of clear accountability for university health services increases the risk that campus oversight will not include the entire range of health services available on the campus.

Recommendation 1

We recommend that the campus delegate responsibility for university health services provided in areas such as academic affairs, athletics, and auxiliary organizations, and document such responsibility with a written designation or delegation of authority from the president or designee.

Campus Response

We concur. The campus will ensure that all of the appropriate areas that provide university health services to students will receive a written designation or delegation of authority from the president or designee.

Estimated completion date: June 30, 2014

HEALTH PROGRAMS

The campus did not have written agreements for on-campus health-related services sponsored by Associated Students of Sonoma State University (AS) and provided by external organizations.

Specifically, we found that student HIV testing and a series of blood drives were offered on campus by AS without appropriate agreements.

The Compilation of Policies and Procedures for California State University Auxiliary Organizations Section 8.7, Risk Management, states that as a matter of good business practice, auxiliary organizations should develop programs to manage risk-related activities in which the organizations are engaged.
Sonoma State University (SSU) Policy 1995-1, Special Events and Related Use of Campus Facilities, dated June 15, 1995, states that the special events coordinator is expected to, among other responsibilities, obtain necessary endorsements and approvals from appropriate cabinet officers; assist event planners with necessary forms, insurance, catering, facilities, housekeeping, public safety, parking and other infrastructure requirements; and assure identified requirements are met via coordination with appropriate campus departments. It further states that the special events coordinator is expected to execute a formal agreement clarifying expectations and responsibilities between the event sponsor and the university.

Technical Letter Risk Management 2012-01, dated June 1, 2012, states that under the terms and conditions of a contract or agreement for services, the contractor, consultant, or vendor must be required to show evidence of adequate insurance coverage by furnishing a certificate of insurance that includes additional insured endorsements. The letter further states that agreements should include minimum standard hold harmless provisions.

Integrated California State University Administrative Manual (ICSUAM) §5233.0, Risk Allocation and Performance Assurance, effective April 20, 2004, states, in part, that contracts should be formed to ensure the fair and reasonable allocation of risk and to assure satisfactory performance by the contractor. It further states that each contract should be reviewed to determine the proper contract provisions to mitigate California State University (CSU) risks and that the requirements for successful contract performance should be clearly defined within the contract documents.

The Associated Student Productions program coordinator stated that the campus sponsoring organizations were unaware that agreements with standard CSU hold harmless and insurance provisions were necessary when external organizations provided health-related services to students.

Lack of agreements or contracts with external organizations increases the potential for misunderstandings of the business terms, responsibilities, and liabilities involved in the services provided and increases the risk that health care standards may be compromised.

Recommendation 2

We recommend that the campus properly execute written agreements for on-campus health-related services sponsored by auxiliary organizations and provided by external organizations.

Campus Response

We concur. The campus will execute written agreements for on-campus health-related services provided by external organizations. We have excluded the ‘auxiliary organizations’ reference since the previously audited health-related functions have been moved to administration and finance.

Estimated completion date: June 30, 2014
ATHLETICS MEDICINE

ADMINISTRATION

Administration of athletics medicine needed improvement.

We found that:

- Policies and procedures for athletics medicine had not been approved in writing by a physician responsible for medical oversight of the program.

- Team physicians in athletics medicine were not subject to a periodic medical credentials review and did not undergo a formal privileging process.

- The campus had not developed a quality assurance program in the athletics medicine area similar to the one used by the campus SHC.

EO 943, Policy on University Health Services, dated April 28, 2005, states that athletics medicine policies and procedures, including any revisions, must be approved in writing by the physician responsible for medical oversight of the athletics medicine program. Additionally, the president or designee, in conjunction with campus human resources, is responsible for credentialing and privileging providers of health care in the athletics department. It further states that the intercollegiate athletic departments shall develop a quality assurance program similar to that used by the campus SHC.

The athletics director stated that existing administrative procedures within athletics medicine relating to reviews of policies and procedures, qualifications of team physicians, and the overall athletics medicine operation were assumed to be sufficient to administer the program at the university.

The lack of proper reviews of policies and procedures, qualifications of team physicians, and the overall athletics medicine operation increases the risk that the campus will provide substandard care to its athletes.

Recommendation 3

We recommend that the campus:

a. Obtain written approval of athletics medicine policies and procedures from a physician responsible for medical oversight of the program.

b. Perform a periodic medical credentials review and formal privileging process for team physicians in athletics medicine.

c. Develop a quality assurance program in athletics medicine similar to the one used by SHC.
Campus Response

We agree.

a. The department of intercollegiate athletics will obtain written approval of athletics medicine policies and procedures from a team physician responsible for medical oversight of the program.

b. The department of intercollegiate athletics will perform a periodic medical credentials review and formal privileging process for team physicians in athletics medicine.

c. The department of intercollegiate athletics will develop a quality assurance program in athletics medicine similar to the one used by SHC.

Estimated completion date: June 30, 2014

MEDICATIONS AND PHARMACEUTICALS

Administration of over-the-counter (OTC) medications within athletics medicine needed improvement.

Specifically, we found that:

- Dispensing logs for OTC medications did not consistently include medication lot numbers or staff initials to indicate who dispensed the medication.
- Both athletic trainer travel kits we reviewed contained expired medications and containers for which the expiration dates were unclear.

EO 943, Policy on University Health Services, dated April 28, 2005, states that drug distribution records shall be created and maintained where dispensing occurs in accordance with appropriate legal guidelines. In addition, it states that all drug stock shall be examined at regular intervals for removal of outdated, deteriorated, or recalled medications. It further states that all emergency and travel kits containing medications and over-the-counter drugs shall be routinely inspected for drug quality and security.

SSU 2013-2014 Seawolves Sports Medicine Policy and Procedures states that a log will be kept of all OTC medication dispensed, including athlete name, quantity given, and lot number, and will be used to monitor current and annual usage. It further states that all OTC items in stock will be monitored on a continuous basis for outdated and recalled medications and inspected for expiration dates three times per year. In addition, it states that all guidelines related to inventory management, monitoring, storage, security, labeling, administration, and disposal of medications that are in place for OTC medication in the sports medicine center also apply to OTC medications carried in the certified athletic trainer kit.

The athletics director stated that dispensing logs were not consistently completed and OTC medications in travel kits were not always reviewed for expiration dates due to oversight.
Improper administration of medications in athletics medicine increases the risk of injury to student athletes and exposes the university to potential litigation and regulatory sanctions.

Recommendation 4

We recommend that the campus:

a. Properly complete dispensing logs to include medication lot numbers or staff initials to indicate who dispensed the medication.

b. Remove expired medications from athletic trainer travel kits.

Campus Response

We agree.

a. The campus has properly completed dispensing logs to include medication lot numbers or staff initials to indicate who dispensed the medication.

b. The campus has removed expired medications from athletic trainer travel kits.

PHARMACY

Segregation of duties at the pharmacy was inadequate, as one individual performed all functions related to pharmacy operations, including ordering, receiving, and updating inventory records; conducting periodic inventories; approving invoices; and processing cash receipts.

State Administrative Manual §20050 states that elements of a satisfactory system of internal accounting and administrative controls includes a plan of organization that provides segregation of duties appropriate for proper safeguarding of assets.

The SHC director stated her belief that the controls in place were adequate and that duplicative oversight and reconciliations for OTC medications, including reviews over inventory that included recounting items on the shelf and recalculating reconciliations, were not necessary.

A lack of segregation of duties in the administration of prescriptions increases the risk of theft, loss, and unauthorized usage.

Recommendation 5

We recommend that the campus implement appropriate segregation of duties within pharmacy operations to ensure adequate controls over ordering, receiving, and updating inventory records; conducting periodic inventories; approving invoices; and processing cash receipts.
Campus Response

We concur. The campus will implement appropriate segregation of duties within pharmacy operations to ensure adequate controls over ordering, receiving, and updating inventory records; conducting periodic inventories; approving invoices; and processing cash receipts.

Estimated completion date: June 30, 2014

INFORMATION AND DATA SECURITY

PAYMENT CARD INDUSTRY DATA SECURITY STANDARD COMPLIANCE

The campus did not ensure that the SHC pharmacy had fully addressed Payment Card Industry (PCI) Data Security Standard (DSS) requirements.

We found that:

- Roles and responsibilities for PCI DSS compliance were not adequately defined and documented. For example, the ISO had not given the SHC pharmacy specific guidance on how to perform its individual PCI DSS assessments and report the results to the campus. Additionally, there was no formal process to inform the information security officer (ISO) about new PCI devices installed on campus.

- The campus had not conducted and documented a risk assessment to determine comprehensive compliance obligations for credit card data transmitted by the SHC pharmacy.

- The SHC pharmacy had not completed an annual PCI DSS Self-Assessment Questionnaire (SAQ).

The PCI DSS is a set of comprehensive requirements for enhancing payment account data security, which was developed by the founding payment brands of the PCI Security Standards Council, including American Express, Discover Financial Services, JCB International, MasterCard Worldwide and Visa Inc. International, to help facilitate the broad adoption of consistent data security measures on a global basis. The PCI DSS is a multifaceted security standard that includes requirements for security management, policies, procedures, network architecture, software design, and other critical protective measures. This comprehensive standard is intended to help organizations proactively protect customer account data. According to payment brand rules, all merchants and their service providers are required to comply with the PCI DSS in its entirety. The PCI DSS SAQ is a validation tool intended to assist merchants and service providers in self-evaluating their compliance with the PCI DSS. The PCI DSS SAQ consists of the following two components: (1) questions correlating to the PCI DSS requirements, appropriate to service providers and merchants; and (2) an attestation of compliance that attests to an organization’s certification of eligibility to perform and have performed the appropriate self-assessment.
The ISO stated that the existing campus procedures for authorizing a new credit card payment location did not contain necessary steps to ensure PCI compliance. He further stated that the SHC credit card location was implemented prior to the full implementation of the campus PCI compliance program.

Inadequate controls over compliance with PCI DSS requirements exposes the campus to potential financial penalties and credit card usage restrictions, which could include termination of the SHC pharmacy’s ability to accept credit cards.

**Recommendation 6**

We recommend that the campus:

a. Define and document roles and responsibilities for PCI DSS compliance on campus, including specific guidance to the SHC pharmacy on how to perform its individual PCI DSS assessments and report the results to the campus and a formal process to inform the ISO about new PCI devices installed on campus.

b. Conduct and document a risk assessment to determine comprehensive compliance obligations for credit card data transmitted by the SHC pharmacy.

c. Complete an annual PCI DSS SAQ for the SHC pharmacy.

**Campus Response**

We agree.

a. The campus will define and document roles and responsibilities for PCI DSS compliance on campus, including specific guidance to the SHC pharmacy on how to perform its individual PCI DSS assessments and report the results to the campus and a formal process to inform the PCI DSS data authority about new PCI devices installed on campus.

b. The campus will conduct and document a risk assessment to determine comprehensive compliance obligations for credit card data transmitted by the SHC pharmacy.

c. The campus will complete an annual PCI DSS SAQ for the SHC pharmacy.

Estimated completion date: June 30, 2014

**NETWORK SEGMENTATION**

The campus had not appropriately segmented the network to restrict the SHC pharmacy system, which maintains level 1 and level 2 data, from unauthorized campus network traffic.

ICSUAM §8045.100, *Information Technology Security*, dated April 19, 2010, states that campuses must develop and implement appropriate technical controls to minimize risks to their information
technology infrastructure. Each campus must take reasonable steps to protect the confidentiality, integrity, and availability of its critical assets and protected data from threats.

ICSUAM §8045.300, Information Technology Security, dated April 19, 2010, states that campuses must appropriately design their networks—based on risk, data classification, and access—in order to ensure the confidentiality, integrity, and availability of their information assets. Each campus must implement and regularly review a documented process for transmitting data over the campus network. This process must include the identification of critical information systems and protected data that is transmitted through the campus network or is stored on campus computers. Campus processes for transmitting or storing critical assets and protected data must ensure confidentiality, integrity, and availability.

The SHC director stated her belief that because the SHC pharmacy system is only connected to the campus network for one minute at a time and no more than once a week, the lack of network segmentation was deemed acceptable, as the risk of unauthorized access to the SHC pharmacy system was assessed as low.

Inadequate segmentation of the campus network increases the risk of unauthorized access to and exposure of protected data.

**Recommendation 7**

We recommend that the campus appropriately segregate the SHC pharmacy system from the campus network.

**Campus Response**

We agree. The campus will implement appropriate network segmentation for the SHC pharmacy system to ensure proper security of data.

Estimated completion date: June 30, 2014
# APPENDIX A: PERSONNEL CONTACTED

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
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<tbody>
<tr>
<td>Ruben Armiñana</td>
<td>President</td>
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<tr>
<td>Bruce Berkowitz</td>
<td>Program Coordinator, Associated Student Productions</td>
</tr>
<tr>
<td>Antoinette Boracchia</td>
<td>Registered Nurse and Health Educator, Student Health Center (SHC)</td>
</tr>
<tr>
<td>Letitia Coate</td>
<td>Controller and Associate Vice President, Administration and Finance</td>
</tr>
<tr>
<td>Jenifer Crist</td>
<td>Purchasing Manager</td>
</tr>
<tr>
<td>David Crozier</td>
<td>Deputy Controller</td>
</tr>
<tr>
<td>Jo-ann Dapiran</td>
<td>Office Manager and Custodian of Medical Records, SHC</td>
</tr>
<tr>
<td>Christopher Dinno</td>
<td>Senior Director, Facilities Management/Capital Planning, Design,</td>
</tr>
<tr>
<td></td>
<td>and Construction</td>
</tr>
<tr>
<td>Laurence Furukawa-Schlereth</td>
<td>Vice President, Administration and Finance and Chief Financial Officer</td>
</tr>
<tr>
<td>William Fusco</td>
<td>Director, Athletics</td>
</tr>
<tr>
<td>Tyson Hill</td>
<td>Interim Senior Director, Risk Management</td>
</tr>
<tr>
<td>Nate Johnson</td>
<td>Police Chief and Executive Director for Risk Management, Internal</td>
</tr>
<tr>
<td></td>
<td>Control, and Information Security</td>
</tr>
<tr>
<td>Allan Klotz</td>
<td>Pharmacist-in-Charge, SHC</td>
</tr>
<tr>
<td>Kurt Koehle</td>
<td>Director, Internal Operations</td>
</tr>
<tr>
<td>Laura Lupei</td>
<td>Senior Director, Budget</td>
</tr>
<tr>
<td>Andru Luvisi</td>
<td>Information Security Officer</td>
</tr>
<tr>
<td>Robin Marshall</td>
<td>Director, Computer Operations and Support Services</td>
</tr>
<tr>
<td>Jan Reddick</td>
<td>Registered Nurse and Nurse Practitioner, SHC</td>
</tr>
<tr>
<td>Julie Rudy</td>
<td>Head Athletic Trainer, Athletics</td>
</tr>
<tr>
<td>Georgia Schwartz</td>
<td>Director, SHC</td>
</tr>
<tr>
<td>Tracy Smith</td>
<td>X-Ray Technologist, SHC</td>
</tr>
<tr>
<td>Jason Wenrick</td>
<td>Chief Information Officer and Associate Vice President, Administration and Finance</td>
</tr>
<tr>
<td>Todd Wright</td>
<td>Analyst, Network and Telecom</td>
</tr>
<tr>
<td>Lisa Wyatt</td>
<td>Director, Counseling and Psychological Services</td>
</tr>
</tbody>
</table>
April 22, 2014

MEMORANDUM

TO: Larry Mandel
    Vice Chancellor and Chief University Auditor
    California State University
    401 Golden Shore, 4th Floor
    Long Beach, California 90802-4200

FROM: Laurence Furukawa Schleereth
    Chief Financial Officer and
    Vice President for Administration and Finance

SUBJECT: Student Health Services, Preliminary Draft Audit Report #13-63
    Campus Response

On behalf of President Armiñana, I am submitting the Campus Response to the recommendations of Preliminary Draft Audit Report # 13-63, Student Health Services. Upon acceptance of this response, we will provide documentation to demonstrate the completion of corrective actions for each recommendation.

This memorandum [pdf copy], and the Campus Response will be sent via email to OUA@calstate.edu.

Attachment

c: Ruben Armiñana, President
    Andrew Rogerson, Provost and Vice President
    Nathan Johnson, Chief of Police and Executive Director
    Matthew Lopez-Phillips, Vice President and Chief Student Affairs Officer
    Jason Wenrick, Associate-Vice President, Administration and Finance and
        Chief Information Officer
    Neil Markley, Associate-Vice President, Administration and Finance
    Erik Dickson, Executive Director, Associated Students
    Georgia Schwartz, Medical Director, Student Health Center
    Bill Fusco, Senior Director, Intercollegiate Athletics
    Brian Orr, Senior Director, Tax, Policy and Compliance
    Andru Luvisi, Information Security Officer
STUDENT HEALTH SERVICES
SONOMA STATE UNIVERSITY
Audit Report 13-63

PROGRAM ADMINISTRATION

Recommendation 1

We recommend that the campus delegate responsibility for university health services provided in areas such as academic affairs, athletics, and auxiliary organizations, and document such responsibility with a written designation or delegation of authority from the president or designee.

Campus Response

We concur. The campus will ensure that all of the appropriate areas that provide university health services to students will receive a written designation or delegation of authority from the president or designee.

Estimated completion date: June 30, 2014

HEALTH PROGRAMS

Recommendation 2

We recommend that the campus properly execute written agreements for on-campus health-related services sponsored by auxiliary organizations and provided by external organizations.

Campus Response

We concur. The campus will execute written agreements for on-campus health-related services provided by external organizations. We have excluded the ‘auxiliary organizations’ reference since the previously audited health related functions have been moved to administration and finance.

Estimated completion date: June 30, 2014

ATHLETICS MEDICINE

ADMINISTRATION

Recommendation 3

We recommend that the campus:
a. Obtain written approval of athletics medicine policies and procedures from a physician responsible for medical oversight of the program.

b. Perform a periodic medical credentials review and formal privileging process for team physicians in athletics medicine.

c. Develop a quality assurance program in athletics medicine similar to the one used by SHC.

**Campus Response**

a. We agree. The department of intercollegiate athletics will obtain written approval of athletics medicine policies and procedures from a team physician responsible for medical oversight of the program.

b. We agree. The department of intercollegiate athletics will perform a periodic medical credentials review and formal privileging process for team physicians in athletics medicine.

c. We agree. The department of intercollegiate athletics will develop a quality assurance program in athletics medicine similar to the one used by SHC.

Estimated completion date: June 30, 2014

**MEDICATIONS AND PHARMACEUTICALS**

**Recommendation 4**

We recommend that the campus:

a. Properly complete dispensing logs to include medication lot numbers or staff initials to indicate who dispensed the medication.

b. Remove expired medications from athletic trainer travel kits.

**Campus Response**

a. We agree. The campus will properly complete dispensing logs to include medication lot numbers or staff initials to indicate who dispensed the medication.

b. We agree. The campus will remove expired medications from athletic trainer travel kits.

The campus addressed these recommendations during the audit. The campus will furnish the appropriate documentation.
PHARMACY

Recommendation 5

We recommend that the campus implement appropriate segregation of duties within pharmacy operations to ensure adequate controls over ordering, receiving, and updating inventory records; conducting periodic inventories; approving invoices; and processing cash receipts.

Campus Response

We concur. The campus will implement appropriate segregation of duties within pharmacy operations to ensure adequate controls over ordering, receiving, and updating inventory records; conducting periodic inventories; approving invoices; and processing cash receipts.

Estimated completion date: June 30, 2014

INFORMATION AND DATA SECURITY

PAYMENT CARD INDUSTRY DATA SECURITY STANDARD COMPLIANCE

Recommendation 6

We recommend that the campus:

a. Define and document roles and responsibilities for PCI DSS compliance on campus, including specific guidance to the SHC pharmacy on how to perform its individual PCI DSS assessments and report the results to the campus and a formal process to inform the ISO about new PCI devices installed on campus.

b. Conduct and document a risk assessment to determine comprehensive compliance obligations for credit card data transmitted by the SHC pharmacy.

c. Complete an annual PCI DSS SAQ for the SHC pharmacy.

Campus Response

a. We agree. The campus will define and document roles and responsibilities for PCI DSS compliance on campus, including specific guidance to the SHC pharmacy on how to perform its individual PCI DSS assessments and report the results to the campus and a formal process to inform the PCI DSS data authority about new PCI devices installed on campus.

b. We agree. The campus will conduct and document a risk assessment to determine comprehensive compliance obligations for credit card data transmitted by the SHC pharmacy.

c. We agree. The campus will complete an annual PCI DSS SAQ for the SHC pharmacy.

Estimated completion date: June 30, 2014
NETWORK SEGMENTATION

Recommendation 7

We recommend that the campus appropriately segregate the SHC pharmacy system from the campus network.

Campus Response

We agree. The campus will implement appropriate network segmentation for the SHC pharmacy system to ensure proper security of data.

Estimated completion date: June 30, 2014
May 9, 2014

MEMORANDUM

TO: Mr. Larry Mandel
Vice Chancellor and Chief Audit Officer

FROM: Timothy P. White
Chancellor

SUBJECT: Draft Final Report 13-63 on Student Health Services,
Sonoma State University

In response to your memorandum of May 9, 2014, I accept the response as submitted with the draft final report on Student Health Services, Sonoma State University.

TPW/amd