

**ADMISSIONS**

**SYSTEMWIDE**

**Report Number 04-13**

**June 29, 2005**

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**Members, Committee on Audit**

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Herbert L. Carter, Vice Chair  
Roberta Achtenberg Debra S. Farar  
Bob Foster George G. Gowgani  
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Senior Auditor: Ken Wong  
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**BOARD OF TRUSTEES**

**THE CALIFORNIA STATE UNIVERSITY**

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## **ABBREVIATIONS**

BOT	Board of Trustees
CSU	California State University
EO	Executive Order
FERPA	Family Educational Rights and Privacy Act
GC	Government Code
SA	Student Affairs
SAM	State Administrative Manual
SEVIS	Student and Exchange Visitor Information System

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## **EXECUTIVE SUMMARY**

As a result of a systemwide risk assessment conducted by the Office of the University Auditor during the last quarter of 2002, the Board of Trustees, at its January 2004 meeting, directed that *Admissions* be reviewed.

We visited seven campuses from March 15, 2004, through December 16, 2004, and audited the procedures in effect at that time. Campus specific findings and recommendations have been discussed and reported individually.

In our opinion, existing policies and procedures for the administration of the admissions 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 admissions decisions were aligned with state regulations and chancellor's office directives. However, the controls over application fee processing, security administration for online access to student information, and documentation management needed improvement. Additionally, we noted a need for the chancellor's office to review existing directives for the admissions function to ensure currentness and relevancy.

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.

### **ADMISSIONS MANAGEMENT AND CONTROL [7]**

Two admissions executive orders were either outdated or campus management was unfamiliar with the operational standards and requirements. One executive order was not aligned with current Title 5 regulations and referenced a quota percentage that had since been modified by the State Legislature. Additionally, a certain amount of unawareness and confusion was noted with respect to a second executive order concerning the conditional admission policy.

### **APPLICATION FEE AND WAIVER CONTROLS [8]**

Application fee processing and security procedures were in need of improvement at three of the seven campuses visited. Instances were found in which an adequate segregation of duties was not maintained, processing procedures were not documented, verification of system to deposit records was not routinely performed, fees were transferred without the use of transfer receipts or not adequately secured after hours, and checks were not endorsed in a timely manner.

### **STUDENT RECORD PRIVACY AND SECURITY [9]**

Security administration controls for online access to student information were not adequate at five of the seven campuses visited. Instances were noted in which temporary employees were not assigned unique user IDs and passwords, access was not timely revoked for terminated and transferred employees, and the automated password expiration feature was disabled for certain employees. Instances were further noted where online access authorization forms and confidentiality statements had not been completed by all

employees and approved by management or the campus had not fully implemented a formal access approval process whereby system access was only granted upon review and written approval by the campus president or administrative vice president. Finally, four of the seven campuses visited either failed to report the results of their student information practices review to the chancellor's office or reported the results late.

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## INTRODUCTION

### **BACKGROUND**

Prior to 1960, California's postsecondary education system consisted of an assortment of uncoordinated and competing colleges and universities. The California Master Plan for Higher Education, the *Donahoe Higher Education Act of 1960*, merged the state's independent community colleges and state colleges and universities into what has proven to be the largest and most prominent system of higher education in the United States. The master plan created a coordinated system that pooled a quality education with broad-based public access by assigning each segment of the state's three-tier postsecondary education system (i.e., University of California, California State University, community colleges) specific missions and objectives.

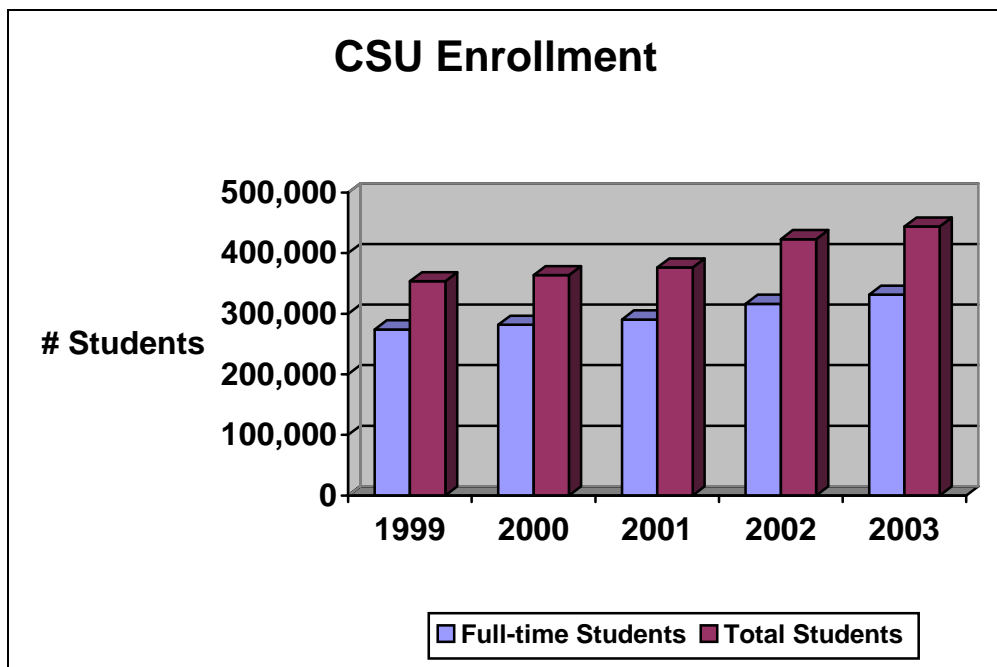
It remains the intent of the *Donahoe Higher Education Act* to provide each California resident who has the capacity and motivation an opportunity to earn a higher education. In 1972, the California State Colleges was officially named the California State University and Colleges. Ten years later, the merged state universities and colleges were renamed The California State University (CSU) system. Pursuant to the California Code of Regulations, Title V, the primary function of the CSU is to provide instruction for undergraduate and graduate students in liberal arts and science, in applied fields, and in the professions, including the teaching profession. Today, the 23 campuses that make up the CSU also include two polytechnic universities and a maritime academy. The CSU offers more than 1,600 bachelor's and master's degree programs in approximately 240 subject areas. Many of these programs offered to the over 400,000 enrolled students are given in the late afternoon and evenings for working students.

In 1985, the CSU Board of Trustees (BOT) adopted mission statements in response to guidelines suggested in the *Western Association of Schools and Colleges' Handbook of Accreditation*. These mission statements are supported by specific goals; aligned with the intent of the *Donahoe Act*; and are in concert with Cornerstones, the systemwide planning framework developed and endorsed by the BOT in 1998. The mission of the CSU is to:

- ▶ Advance and extend knowledge, learning, and culture, especially throughout California.
- ▶ Provide opportunities for individuals to develop intellectually, personally, and professionally.
- ▶ Prepare significant numbers of educated, responsible people to contribute to California's schools, economy, culture, and future.
- ▶ Encourage and provide access to an excellent education to all who are prepared for and wish to participate in collegiate study.
- ▶ Offer undergraduate and graduate instruction leading to bachelor's and higher degrees in the liberal arts and sciences, the applied fields, and the professions, including the doctoral degree when authorized.
- ▶ Prepare students for an international, multicultural society.

- ▶ Provide public services that enrich the university and its communities.

The convergence of the state’s budget deficit and the increase in student admission demand (see chart below) have placed additional pressure on the system to uphold the CSU’s mission and meet systemwide objectives. In response to this challenging environment, the BOT asked the campuses to maintain the quality of instruction, while continuing to meet student educational and service goals and objectives, such as remedial education; student and school outreach and diversity; admission automation; and inter/intrasystem and vertical/horizontal admission coordination. Sustaining the CSU’s mission in today’s environment places a premium on effective communication, systemwide administrative coordination, operational consistency, and reliable internal control systems.



### **PURPOSE**

Our overall audit objective was to ascertain the effectiveness of existing policies and procedures related to the administration of the admissions 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.

Within the overall audit objective, specific goals included determining whether:

- ▶ Campus admission policies and procedures are current, comprehensive, and aligned with relevant state and federal regulations, Trustee policies, and chancellor’s office directives.

- ▶ Clear lines of organizational authority and responsibility exist in the administration and management of the campus admissions and evaluations program.
- ▶ Admission evaluations are adequately documented and decisions are aligned with state regulations, chancellor's office directives, and campus policy.
- ▶ The campus is authorized to enroll international students in the Student and Exchange Visitor Information System (SEVIS) and complies with Bureau of Citizenship and Immigration Services regulations.
- ▶ Major/program and/or campuswide impaction decisions are adequately supported and properly approved.
- ▶ Eligible students not admitted to the CSU campus of their choice were appropriately redirected.
- ▶ Application fees are accurately recorded, adequately safeguarded, and properly processed; and fee waivers are appropriately granted.
- ▶ Hard-copy and electronic admission information is secured and protected against unauthorized access and in accordance with Family Educational Rights and Privacy Act (FERPA) regulations.

## **SCOPE AND METHODOLOGY**

The proposed scope of the audit, as presented in Attachment B, Audit Item 2 of the January 27-28, 2004, meeting of the Committee on Audit, stated that *Admissions* includes outreach activities to prospective students, processing of applications for admission, and evaluations of student records. Potential impacts include admission of ineligible students; inequity in admission decisions; incorrect residency determinations; inadequate evaluations; misuse/distribution of confidential and evaluation data; and lack of control over application fees. Admissions was previously audited in 1978.

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 operational and administrative controls are in place and operative. This review emphasized, but was not limited to, compliance with state laws, BOT policies, and Office of the Chancellor and campus policies, letters, and directives. The audit review focused on procedures in effect from January 2003 through June 2004. In instances when it was necessary to review annualized data, fiscal year 2003/04 was the primary period reviewed.

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

- ▶ Admission and evaluation policies and procedures.
- ▶ Undergraduate and graduate application processing.
- ▶ Residency determination and evaluation of student records.

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INTRODUCTION

- ▶ Admissions granted on a conditional or exception basis.
- ▶ SEVIS certification and issuance of a Certificate of Eligibility (Form I-20) to international students.
- ▶ Enrollment management practices.
- ▶ Application fee processing and fee waiver granting.
- ▶ Maintenance and protection of hard-copy and electronic application and admission records.

During the course of the audit, we visited seven campuses: Dominguez Hills, Fullerton, Maritime Academy, Northridge, San Bernardino, San Diego, and San José. We interviewed campus personnel and audited procedures in effect at that time.

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# OBSERVATIONS, RECOMMENDATIONS, AND MANAGEMENT RESPONSES

## ADMISSIONS MANAGEMENT AND CONTROL

Two admissions executive orders were either outdated or campus management was unfamiliar with the operational standards and requirements.

Since the early 1970s, the chancellor's office has prescribed various admissions policies that were based on Board of Trustee (BOT) resolutions and/or existing federal and state requirements. Our review disclosed that:

- ▶ Executive Order (EO) 88, *Admission of "Exceptions" and Disadvantaged Students*, dated February 23, 1970, referenced several Title 5 regulations that had been amended, renumbered or terminated. Additionally, the EO referenced a quota percentage that had since been modified by the State Legislature.
- ▶ EO 336, *Conditional Admission and Registration*, effective October 1, 1980, established policy for the granting of conditional admission and registration to late graduate and undergraduate applicants, and was an outgrowth of the experiment *authorized by SA 75-48 (P), Issuance of Conditional Registration Permits*. A number of campus admissions directors were not familiar with the policy requirements as they related to their operation. Further, there was a certain amount of confusion concerning the differences between provisional versus conditional admission and registration. Finally, due to the changes in student demand in recent years, there were few campuses that conditionally admitted and registered students.

Government Code (GC) §13402 and §13403 state that management is responsible for the establishment and maintenance of a system of internal administrative control, which includes documenting the system, communicating system requirements to employees, and assuring that the system is functioning as prescribed and is modified, as appropriate, for changes in conditions. Further, a satisfactory system of internal administrative controls shall include, but not be limited to, an established system of practices to be followed in performance of duties and functions.

Failure to maintain clear and current policies increases the risk of misunderstandings related to the performance of duties and functions, and inconsistencies in complying with state regulations and BOT resolutions.

### **Recommendation 1**

We recommend that the chancellor's office review existing admissions executive orders for relevancy, and take appropriate action to either revise, rescind, or reaffirm them.

### **Management Response**

We concur with this recommendation. EO 88 and 336 will be reviewed and revised, replaced, rescinded, or reaffirmed as appropriate by December 30, 2005.

## APPLICATION FEE AND WAIVER CONTROLS

Application fee processing and security procedures were in need of improvement.

We visited seven campuses and found that:

- ▶ An adequate segregation of duties over application fee receipts had not been established, and application fee processing procedures were not documented at two campuses.
- ▶ Application fee control reports were not routinely requested and used to verify the integrity of system and deposit records, and a department manager did not perform an adequate review of the fee deposit at two campuses.
- ▶ Application fees were transferred between departments without the use of transfer receipts at one campus.
- ▶ Application fees were not adequately secured after hours and/or not restrictively endorsed in a timely manner at three campuses.

State Administrative Manual (SAM) §8080.1 states that a key element in a system of internal control is separation of duties. No one person will receive remittances, deposit the remittances, and input receipt information.

SAM §8032.3 states that the person supervising the person depositing cash will verify that receipts have been deposited intact and in accordance with SAM §8032.1.

SAM §8021 states that a separate series of transfer receipts will be used to localize accountability for cash or negotiable instruments to a specific employee from the time of receipt to its deposit.

SAM §8023 states that all checks, money orders, and warrants received for deposit will be restrictively endorsed for deposit as soon as possible after receipt, but no later than the end of the working day.

GC §13403 states that the element of a satisfactory system of internal accounting and administrative control shall include a plan of organization that provides segregation of duties appropriate for proper safeguarding of state agency assets and a system of authorization and recordkeeping procedures adequate to provide effective accounting control over assets.

Campus management stated that the above issues were due to staff reductions, attempts to maximize processing efficiency without fully considering the control and security implications, and unfamiliarity with statutory requirements.

Failure to adequately control and secure application fees increases the risk of processing errors, untimely deposits, and loss or misappropriation of funds.

## **Recommendation 2**

We recommend that the chancellor's office remind the campuses of the importance of:

- 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.
- f. Adequately safeguarding application fee receipts, including timely endorsement of checks.

## **Management Response**

We concur with this recommendation. The chancellor's office will remind campuses of the importance of the recommendations (a) through (f) above in a systemwide-coded memorandum by September 30, 2005. In addition, the California State University (CSU) managers of admissions and records will be encouraged to work with their campus business office colleagues to address the recommendations about application fees and application fee waiver controls, including the deposit of checks into uncleared collection accounts.

## **STUDENT RECORD PRIVACY AND SECURITY**

### **SYSTEM ACCESS SECURITY ADMINISTRATION**

Security administration controls for online access to student information were not adequate.

We visited seven campuses and found that:

- ▶ A formal access approval process whereby system access to student information was only granted upon review and written approval by the campus president or vice president of administration had not been fully implemented at four campuses.
- ▶ Campus staff, temporary employees, and student assistants did not have a properly completed and signed access approval document and confidentiality agreement on file in the human resources department at four campuses.
- ▶ Access to confidential student records was not revoked in a timely manner for terminated or transferred employees and student workers at one campus.
- ▶ Temporary employees were assigned user IDs with identical passwords at one campus.
- ▶ The automated password expiration feature was disabled for certain employees at one campus.

Office of the Chancellor memorandum to CSU presidents, *Information Security Clarification*, dated March 28, 2003, states, in part, that no CSU employee will be granted access to confidential information in the CSU without review and written approval by the campus president or vice president of administration. Further, CSU employees who currently have such access to confidential information must undergo this review and written approval process in order to continue their access capability. This reapproval of employees with confidential information access must be completed immediately or such access will be revoked. In addition, employees approved for security access must sign a confidentiality document.

The CSU *Information Security Policy*, dated August 2002, states that campus policies and procedures should provide for individual unique user ID/passwords (no shared IDs). Further, campuses must have policies and procedures relative to employees who have physical or virtual access to information technology equipment or the data residing therein, which provide for password security and the granting, reviewing, and/or removal of access privileges upon assignment, reassignment, and/or termination of responsibilities/employment.

Campus management recognized that not enough attention had been afforded system access control due to other system implementation scheduling and related business process priorities. Campus management also stated their belief that the requirement for the president or vice president of administration to approve all access clearances was unduly burdensome.

Inadequate security administration controls compromise the privacy of confidential student information.

### **Recommendation 3**

We recommend that the chancellor's office:

- a. Review and evaluate existing system access security requirements whereby access to all systems is only granted upon review and written approval of the campus president or vice president of administration.
- b. Consider modifying the requirements to permit delegation of approval authority to responsible area management.
- c. Formalize the various chancellor's office system access and confidentiality memoranda and directives into an executive order.

### **Management Response**

We concur with this recommendation.

Chancellor's office staff will 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. 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 president 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 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.

The executive vice chancellor/chief financial officer has initiated the above responsive process. However, due to the need to provide opportunity to bargain regarding any mandatory subjects included in this executive order with all affected unions, we accept the current risk until the process can be completed.

#### **Recommendation 4**

We recommend that the chancellor's office remind the campuses of the importance of maintaining adequate controls over password security, and the granting, reviewing, and/or removal of access privileges upon assignment, reassignment, and/or termination of responsibilities/employment.

#### **Management Response**

We concur with this recommendation. The chancellor's office will remind campuses of the importance of maintaining necessary and required controls over the granting, reviewing, and removal of access to university information systems in a coded memorandum by December 30, 2005.

### **STUDENT INFORMATION MANAGEMENT**

Periodic reviews of information management practices concerning student records were either not reported to the chancellor's office or were reported late.

Three of the seven campuses reviewed failed to report the results of their student information practices review to the chancellor's office, while a fourth campus reported the results late.

EO 796, *Privacy and Personal Information Management — Student Record Administration*, dated January 1, 2002, states that each campus shall adopt a written policy statement establishing procedures by which the campus intends to comply with the Family Educational Rights and Privacy Act (FERPA) of 1974 and this executive order. These procedures shall include a requirement to periodically review campus information management practices concerning student records at least every two years, or more often as the need arises. The results of these reviews shall be forwarded to the chancellor by the president and shall include any changes deemed necessary.

Campus management stated that they were unaware of the requirement to document and formally report their review of campus information management practices.

Failure to periodically review and report information management practices increases the risk of regulatory violations and liability lawsuits and may result in negative publicity in the event of a privacy complaint.

**Recommendation 5**

We recommend that the chancellor's office remind campuses of the importance of the review and reporting requirements of EO 796 and establish procedures to ensure that campuses submit reports to the chancellor at least every two years.

**Management Response**

We concur with this recommendation. The chancellor's office will remind campuses of the importance of the review and reporting requirements for privacy and personal information management in student record administration as specified in EO 796 by December 30, 2005.

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## APPENDIX A: PERSONNEL CONTACTED

### Chancellor's Office

David S. Spence	Executive Vice Chancellor and Chief Academic Officer (At time of review)
Jim Blackburn	Associate Director for Enrollment Management Services, Academic Affairs
Keith Boyum	Associate Vice Chancellor, Academic Affairs
Allison Jones	Assistant Vice Chancellor, Academic Support
Richard West	Executive Vice Chancellor and Chief Financial Officer

### California State University, Dominguez Hills

James E. Lyons, Sr.	President
Gayle Ball	University Registrar
Boice Bowman	Vice President, Student Affairs
Lisa Chavez	Associate Director, Accounting Services
Brian Dahm	Director, Accounting Services
Kathleen Hughes	Director, Business Process Management
Walter Jones	Director, Equal Opportunity and TRIO Programs
David McCulloch	Assistant Director, Business Process Management
Allen Mori	Provost and Vice President, Academic Affairs
George Pardon	Vice President, Administration and Finance
Alonzo Rodriguez	Associate Vice President, Student Affairs
Mary Ann Rodriguez	Associate Vice President, Administration and Finance
Enola Thompson-Logan	Support Services Administrator, Student Health Center and Psychological Services
Frank Urquidez	Assistant Director, Equal Opportunity Program
Linda Wise	Associate Director, Admissions
James Woods	Director of Admissions
Min Yao	Associate Vice President, Information Technology

### California State University, Fullerton

Milton A. Gordon	President
John Beisner	Director of Risk Management
James Blackburn	Director of Admissions and Records
Nancy Dority	Admissions Officer
Robert Ericksen	Director of International Education and Exchange
Willie Hagain	Vice President for Administration
Maria Mezhinsky	Information Technology Manager
Sherri Newcomb	Chief Financial Officer
Robert Palmer	Vice President of Student Affairs
Ruth Palmer	Applications Supervisor
Ephraim Smith	Vice President of Academic Affairs
Betsy Stuck	Assistant Applications Supervisor
Joni Talley	Supervisor of Records
Irma Torres-Garcia	CashNet Manager
Lay Tuan Tan	Associate Director of International Education
Alex Tzoumas	Director of Internal Audit

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APPENDIX A: PERSONNEL CONTACTED

Melissa Whateley Associate Registrar

California Maritime Academy

William B. Eisenhardt President  
Jay Christofferson Vice President, Academic Affairs (At time of review)  
Suzannah Dolan Director of Student Health Center  
Deborah Fischer Student Records Officer  
Chris Krzak Director of Admission and Enrollment Services  
Mark Nickerson Vice President, Administration and Finance  
Christy Redford Accounting Manager  
Earl Summers Chief Information Officer  
Kathleen Theobald Admissions Coordinator  
Ken Toet Controller  
Don Zingale Vice President, Academic Affairs

California State University, Northridge

Jolene Koester President  
Robert Barker University Controller  
Spero Bowman Associate Vice President/Chief Information Officer  
John A. Darakjy Assistant Director of Financial Services and Tax  
Sharon Eichten Director, Finance and Administrative Services  
Margaret A. Fieweger Associate Vice President  
Eric G. Forbes Director, Admissions and Records  
Mack I. Johnson Associate Vice President, Graduate Studies, Research, and  
International Programs  
Jerry D. Luedders Interim Executive Assistant to the Provost and  
Vice President for Academic Affairs  
Howard P. Lutwak Director of Internal Audit  
Laurie Martin Immunization and International Travel Clinic Coordinator - Klotz Student  
Health Center  
Selma L. Mayhew Supervisor, Admissions and Records  
Mohammad Qayoumi Vice President, Administration and Finance and Chief Financial Officer  
William Watkins Associate Vice President for Student Affairs

California State University, San Bernardino

Albert K. Karnig President  
Mary Chouinard Associate Director of Records, Registration and Evaluations  
David DeMauro Vice President, Administration and Finance  
Lorraine Frost Director, Administrative Computing Services  
Marylou Garcia Admissions Coordinator  
Julie Keller Bursar Supervisor  
Vanessa Kragenbrink Executive Assistant to the Vice President, Information Resources  
and Technology  
Robert McGowan Associate Vice President, Enrollment Management  
Elsa Ochoa-Fernandez Director, International Student Services  
Cynthia Olivo Associate Director, Admissions and Student Recruitment  
Linda Pella-Hartley Aide to the Vice President, Administration and Finance

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APPENDIX A: PERSONNEL CONTACTED

Sheryl Pytlak	Director, Accounting
Cheryl Quiroz	Admissions Processor
Frank Rincon	Vice President, Student Affairs
Olivia Rosas	Director, Admissions and Student Recruitment
William Takehara	Assistant Vice President, Financial Operations
Dale West	Director, Human Resources

San Diego State University

Stephen L. Weber	President
Beverly Arata	Director of Admissions
Valerie J. Carter	Audit and Tax Manager
Sandra Cook	Executive Director, Enrollment Services
Jane C. Kalionzes	Associate Director, International Student Advisor
Natha J. Kraft	Manager, Prospective Student Center, Office of Admissions
Kristina B. Moller	Graduate Admissions Coordinator, Graduate Division and Research
Mary Ann Patty	Manager, University Cashier's Office
Deborah Quiett	Manager, Student Financial Services
Dawn Renze Wood	Assistant Director, International Student Center
Frankie Riley	Coordinator, Operations and Patient Care Services, Student Health Services
Janet F. Rodgers	Student Services Operations Manager
Sally F. Roush	Vice President for Business and Financial Affairs
Heather J. Shapazian	International Admissions Coordinator, Student Affairs
Felecia Vlahos	Information Security Officer

San José State University

Don W. Kassing	President
Joseph N. Crowley	Interim President (At time of review)
Marlene Anderson	Bursar
Paul Brown	Special Assistant to the Provost
Valerie Caviel	Admission Services Manager
Terri Eden	Manager, Records and Registration
Susan Hoagland	Director, Graduate Admissions and Program Evaluations
Rose Lee	Interim Vice President for Administration and Finance
John Loera	Director, Undergraduate Admissions
Zeljko Pavic	Director, Testing and Systems
Ninh Pham-Hi	Director of Internal Control
Anita Ramirez	International Evaluations Lead
Marshall Rose	Associate Vice President, Enrollment Services
Helen Stevens	Director, International Programs and Services
Victor Van Leer	Systems Support Group Manager
Frank Wada	Director, Registrar Services



# THE CALIFORNIA STATE UNIVERSITY

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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

**KEITH O. BOYUM**

Associate Vice Chancellor, Academic Affairs

August 18, 2005

**To:** Mr. Larry Mandel

**From:** Keith O. Boyum

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

Thank you for your July 15, 2005 memorandum transmitting the draft audit report Number 04-13, *Admissions, Systemwide*. In accordance with the *Policies and Procedures for the Office of the University Auditor*, we have inserted our response and corrective action plan to each of the five recommendations on the enclosed diskette/file that you provided with the audit recommendations. A printed copy of the recommendations with our management response is also attached.

We appreciate both the work and the recommendations of the Office of the University Auditor. The recommendations and our corrective action plan will strengthen the effectiveness of the California State University's admission process.

KOB:lem

Attachments

cc: Dr. Charles B. Reed (w/o diskette)  
Mr. Richard P. West (w/o diskette)  
Mr. Allison G. Jones (w/o diskette)

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UNIVERSITY AUDITOR

AUG 18 2005

THE CALIFORNIA STATE  
UNIVERSITY

## ADMISSIONS

## SYSTEMWIDE

Report Number 04-13

### ADMISSIONS MANAGEMENT AND CONTROL

#### Recommendation 1

We recommend that the chancellor's office review existing admissions executive orders for relevancy, and take appropriate action to either revise, rescind, or reaffirm them.

#### Management Response

We concur with this recommendation. Executive Orders 88 and 336 will be reviewed and revised, replaced, rescinded, or reaffirmed as appropriate by December 30, 2005.

### APPLICATION FEE AND WAIVER CONTROLS

#### Recommendation 2

We recommend that the chancellor's office remind the campuses of the importance of:

- 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.
- f. Adequately safeguarding application fee receipts, including timely endorsement of checks.

#### Management Response

We concur with this recommendation. The Chancellor's Office will remind campuses of the importance of the recommendations (a) through (f) above in a systemwide coded memorandum by September 30, 2005. In addition, the CSU managers of admissions and records will be encouraged to work with their campus business office colleagues to address the auditors' recommendations about application fees and application fee waiver controls, including the deposit of checks into uncleared collection accounts.

## STUDENT RECORD PRIVACY AND SECURITY

### SYSTEM ACCESS SECURITY ADMINISTRATION

#### Recommendation 3

We recommend that the chancellor's office:

- a. Review and evaluate existing system access security requirements whereby access to all systems is only granted upon review and written approval of the campus president or vice president of administration.
- b. Consider modifying the requirements to permit delegation of approval authority to responsible area management.
- c. Formalize the various chancellor's office system access and confidentiality memoranda and directives into an executive order.

#### Management Response

We concur with this recommendation.

Chancellor's office staff will 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. 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 president 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 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.

The executive vice chancellor/chief financial officer has initiated the above responsive process. However, due to the need to provide opportunity to bargain regarding any mandatory subjects included in this executive order with all affected unions, we accept the current risk until the process can be completed.

#### Recommendation 4

We recommend that the chancellor's office remind the campuses of the importance of maintaining adequate controls over password security, and the granting, reviewing, and/or removal of access privileges upon assignment, reassignment, and/or termination of responsibilities/employment.

**Management Response**

We concur with this recommendation. The Chancellor's Office will remind campuses of the importance of maintaining necessary and required controls over the granting, reviewing, and removal of access to university information systems in a coded memorandum by December 30, 2005.

**STUDENT INFORMATION MANAGEMENT**

**Recommendation 5**

We recommend that the chancellor's office remind campuses of the importance of the review and reporting requirements of EO 796 and establish procedures to ensure that campuses submit reports to the chancellor at least every two years.

**Management Response**

We concur with this recommendation. The Chancellor's Office will remind campuses of the importance of the review and reporting requirements for privacy and personal information management in student record administration as specified in Executive Order 796 by December 30, 2005.

THE CALIFORNIA STATE UNIVERSITY  
OFFICE OF THE CHANCELLOR



BAKERSFIELD

August 22, 2005

CHANNEL ISLANDS

CHICO

DOMINGUEZ HILLS

**MEMORANDUM**

EAST BAY

FRESNO

TO: Mr. Larry Mandel  
University Auditor

FULLERTON

FROM: Charles B. Reed  
Chancellor

HUMBOLDT

LONG BEACH

SUBJECT: Draft Final Report Number 04-13 on  
*Admissions, Systemwide*

LOS ANGELES

MARITIME ACADEMY

MONTEREY BAY

In response to your memorandum of August 22, 2005, I accept the response as submitted with the draft final report on *Admissions, Systemwide*.

NORTHRIDGE

POMONA

CBR/jt

SACRAMENTO

Enclosure

SAN BERNARDINO

Dr. Keith O. Boyum, Associate Vice Chancellor, Academic Affairs  
Mr. Allison Jones, Assistant Vice Chancellor, Academic Affairs  
Mr. Richard P. West, Executive Vice Chancellor and Chief Financial Officer

SAN DIEGO

SAN FRANCISCO

SAN JOSÉ

SAN LUIS OBISPO

SAN MARCOS

SONOMA

STANISLAUS