

**ADMISSIONS**

**CALIFORNIA MARITIME ACADEMY**

**Report Number 04-18**

**December 17, 2004**

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## CONTENTS

Executive Summary.....	1
Introduction .....	2
Background .....	2
Purpose.....	3
Scope and Methodology.....	4

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## OBSERVATIONS, RECOMMENDATIONS, AND CAMPUS RESPONSES

Admissions Management and Control .....	6
International Students.....	6
Transfer Students .....	7
Exception Admissions.....	8
Student Classification.....	9
Student Record Privacy and Security .....	10
Student Information Management.....	10
Student Record Security.....	11

## APPENDICES

APPENDIX A:	Personnel Contacted
APPENDIX B:	Campus Response
APPENDIX C:	Chancellor's Acceptance

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## ABBREVIATIONS

BOT	Board of Trustees
CSU	California State University
CMA	California Maritime Academy
EO	Executive Order
FERPA	Family Educational Rights and Privacy Act
SEVIS	Student and Exchange Visitor Information System
TOEFL	Test of English as a Foreign Language

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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 the California Maritime Academy (CMA) campus from August 23, 2004, through September 17, 2004, and audited the procedures in effect at that time.

In our opinion, existing policies and procedures for the administration of the admissions function were, in most instances, operating effectively; however, the controls over international and transfer student admission processing and exception admissions required management attention.

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 [6]**

The campus was not in full compliance with California State University and/or CMA admission requirements for international and transfer students and international student immunization. Proof of health insurance coverage and immunization could not be located in most of the international student files reviewed, and some international students were admitted and enrolled without satisfying all the admission requirements. Further, 13 of the 25 upper division transfer students reviewed did not satisfy the English and/or math prerequisites. In addition, an adequate segregation of duties was not maintained over the approval of students admitted on an exception basis, exception approvals were not documented, and students were not always properly classified in the student administration system. The director of admission and enrollment services was responsible for both approving admission exceptions and increasing the student application pool to meet CMA enrollment goals, none of the exception admissions reviewed were formally approved, and 4 of 25 lower division transfer students reviewed were incorrectly classified as academy juniors in the student administration system.

### **STUDENT RECORD PRIVACY AND SECURITY [10]**

Campus procedures did not provide for the periodic review and reporting of information management practices concerning student records, and physical safeguards for the protection of confidential hard-copy student records needed improvement. Unrelated academic affairs information and supplies were stored in the same secured closet as archived student records. Although most of the student records were maintained in lockable fireproof safes within the secured closet, some records were not.

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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.

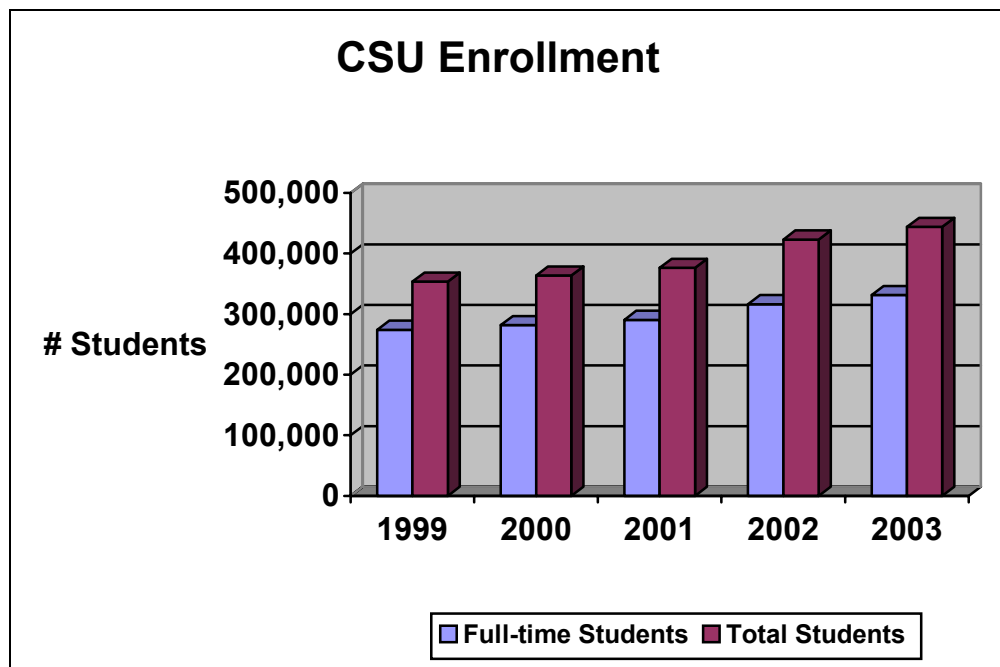
It remains the intent of the *Donahoe Higher Education Act* to provide each California resident who has the capacity and motivation an opportunity to earn a higher education. In 1972, the California State Colleges was officially named the California State University and Colleges. Ten years later, the 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.

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## INTRODUCTION

- ▶ 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 impact 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 *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 January 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.

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# OBSERVATIONS, RECOMMENDATIONS, AND CAMPUS RESPONSES

## ADMISSIONS MANAGEMENT AND CONTROL

### INTERNATIONAL STUDENTS

The campus was not in compliance with California State University (CSU) and California Maritime Academy (CMA) admission and immunization requirements for international students.

Our review of files for seven international students admitted and enrolled for fall 2003 disclosed that:

- ▶ In five instances, proof of accident and medical insurance could not be located in the student health file.
- ▶ In four instances, evidence of immunization was not included in the student health file.
- ▶ In two instances, students had not signed the applications, and it appeared that one individual had completed both applications.
- ▶ In one instance, the foreign language requirement was not met.
- ▶ In one instance, the English language proficiency requirement was not met.

Executive Order (EO) 622, *Health Insurance Coverage for F-1 and J-1 Visa Students*, dated August 1, 1995, states that as a condition to issuing a Form I-20, campuses shall obtain from all international student applicants their agreement to obtain and maintain insurance coverage for health, medical evacuation, and repatriation during their period of enrollment in the CSU.

CMA policy No. 219.2, *Academy Health Services – Health Insurance*, dated October 30, 2003, states that it is the policy of the CMA to require all matriculated students to show proof of and maintain health insurance.

Health and Safety Code §120390.5 states, in part, that on or after January 1, 2000, the Trustees of the CSU shall require first-time enrollees who are 18 years of age or younger to provide proof of full immunization against the hepatitis B virus prior to enrollment.

The *CMA 2003–2005 General Catalog* states that entering CSU students are required to present proof of full immunization against measles and rubella (i.e., those students born after January 1, 1957), and hepatitis B (i.e., those students who will be 18 years of age or younger) and file a complete undergraduate application. Further, CMA requires applicants to have satisfactorily completed two years in the same foreign language, and international students to pass and submit the results of the Test of English as a Foreign Language (TOEFL).

The director of admission and enrollment services stated his belief that CMA non-degree-seeking international exchange students did not have to submit the same documents as those students seeking

a degree. He also stated that the exceptions noted with respect to degree-seeking international students were oversights.

Failure to adhere to admission and immunization requirements jeopardizes the integrity of the admission process and increases the risk that enrolled international students will not be adequately insured or protected should the student become ill or contract a virus.

**Prior to the start of the audit, campus management had identified and resolved the issues surrounding international student health insurance and immunization.**

### **Recommendation 1**

We recommend that the campus establish and implement controls to ensure that international students:

- a. Submit accurate, complete, and signed application forms.
- b. Satisfy their foreign language and English proficiency requirements.

### **Campus Response**

We concur.

- a. We will make certain that all international applications are properly completed and signed, effective immediately.
- b. We will adhere to having all international students, including exchange students, submit satisfactory scores proving English proficiency prior to enrollment, effective immediately.

## **TRANSFER STUDENTS**

The campus was not in compliance with CMA subject area prerequisites for transfer students.

Our review of 25 upper division students admitted and enrolled for fall 2003 disclosed that 13 did not satisfy the English and/or math prerequisites. In addition, 2 of these 13 students were placed on academic probation by the end of the semester.

The *CMA 2003–2005 General Catalog* states that all transfer students should complete three subject areas prior to admission to CMA (i.e., English composition, math, and lab science).

The director of admission and enrollment services stated that he admitted the transfer students because 90 percent of them were on four-year CMA program tracks and, for the most part, were in good academic standing at their previous institution and/or met high school eligibility requirements.

Failure to adhere to transfer student admission requirements jeopardizes the integrity of the admission process.

## **Recommendation 2**

We recommend that the campus more clearly establish, document, and communicate transfer student subject area prerequisite requirements and establish controls to ensure that the prerequisites are met.

### **Campus Response**

We concur.

We will develop a plan by March 31, 2005, for transfer admission and outline the necessary requirements to transfer students for admission. This plan will be implemented for admission to the enrolling class of fall 2006.

## **EXCEPTION ADMISSIONS**

An adequate segregation of duties was not maintained over the approval of students admitted on an exception basis, and the exception approvals were not documented.

We noted that:

- ▶ The director of admission and enrollment services was responsible for both approving admission exceptions and increasing the student application pool to meet CMA enrollment goals.
- ▶ None of the exception approvals were documented for the 11 students reviewed who were admitted on an exception basis.

Government Code §13402 and §13403 state that management is responsible for establishing and maintaining a system of internal administrative controls, which shall include, but not be limited to, a plan of organization that provides segregation of duties appropriate for proper safeguarding of assets, an established system of practices to be followed in performance of duties and functions, and an effective system of internal review.

The director of admission and enrollment services stated that he had not considered the implications of the inherent separation of functions concerning both the approval of admission exceptions and meeting CMA student enrollment goals. He further stated that, although he did not document his approval of admission exceptions, he was involved in all exceptions made to CMA admission policy.

Not maintaining an adequate segregation of duties over the approval of admission exceptions increases the risk that unqualified students will be admitted to meet enrollment goals, and failure to document admission exception approvals increases the risk that exception criteria might be inconsistently applied and admission decisions questioned or challenged.

### **Recommendation 3**

We recommend that the campus:

- a. Review admission exception approval authority and take appropriate action to adequately segregate duties, such as assigning approval authority to academic affairs management or an exception committee.
- b. Establish and implement controls to ensure that documented approval is obtained for all admission exceptions.

### **Campus Response**

We concur.

- a. We will establish an admission exception committee, which will determine if an applicant should receive an exception. Effective immediately, a manager from outside the enrollment service division will chair the committee.
- b. We will establish and implement a procedure for properly documenting admission exceptions by March 15, 2005.

## **STUDENT CLASSIFICATION**

Students were not always properly classified in the PeopleSoft student administration system.

Our review of 25 lower division transfer students disclosed that four of the students had incorrectly been coded as academy juniors. Each student had less than 56 transferable units.

The CSU Admission Handbook, *Upper Division Admission Requirements*, states, in part, that students are eligible for admission to the CSU if they have completed 56 transferable semester (84 quarter) units.

The director of admission and enrollment services stated that the staff had not realized that only transferable units, not total units transferred, counted when determining the admission basis code.

Incorrect student classification information could result in misleading enrollment reports and unsupportable management decisions.

### **Recommendation 4**

We recommend that the campus establish and implement controls to ensure that student classification information is entered correctly.

### **Campus Response**

We concur.

Effective immediately, we will ensure that all transfer students are coded properly based on the number of transferable units.

## **STUDENT RECORD PRIVACY AND SECURITY**

### **STUDENT INFORMATION MANAGEMENT**

Campus procedures did not provide for the periodic review and reporting of information management practices concerning student records.

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.

The director of admission and enrollment services stated that he was unaware of EO 796 requirements.

Failure to periodically review 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 campus establish procedures to periodically review student record information management practices and forward the results of the review to the chancellor.

### **Campus Response**

We concur.

We will review our student information security by March 15, 2005, and report the findings to the chancellor's office. This will be done every 24 months thereafter.

## STUDENT RECORD SECURITY

Physical safeguards for the protection of confidential hard-copy student records needed improvement.

We noted that unrelated academic affairs information and supplies were stored in the same secured closet as archived student records. Although most of the student records were maintained in lockable fireproof safes within the secured closet, some records were not.

Title 5 §42396.2, *Principles of Personal Information Management*, states that precautions should be taken to prevent the unauthorized access to or use of personal information retained by the CSU.

CFR §314.3, *Standards for Safeguarding Customer Information*, states, in part, that one of the objectives of the Gramm-Leach-Bliley Act is to protect against any anticipated threats or hazards to the security or integrity of non-public personal information.

The director of admission and enrollment services stated that his department staff was unaware that unrelated supplies stored with student records posed a threat. He further stated that no one was ever allowed to enter the storage room without a student records staff member present.

Insufficient safeguards over student records increases the risk of unauthorized access to or loss of student personal information, which might lead to identity theft and potential liability to the CSU.

### Recommendation 6

We recommend that the campus store confidential student information in a secure and dedicated storage location or, at a minimum, maintain all student records in lockable fireproof safes.

### Campus Response

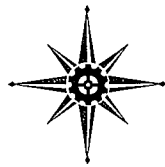
We concur.

We will remove foreign items from the student records storage room by March 15, 2005.

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## APPENDIX A: PERSONNEL CONTACTED

<u>Name</u>	<u>Title</u>
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



**CAL MARITIME**

*Vice President for Administration and Finance*

APPENDIX B - Page 1 of 4

RECEIVED  
UNIVERSITY AUDITOR

FEB - 7 2005

THE CALIFORNIA STATE  
UNIVERSITY

February 03, 2005

Mr. Larry Mandel  
University Auditor  
The California State University  
401 Golden Shore  
Long Beach, CA 90802

Dear Mr. Mandel:

Enclosed please find California State University, California Maritime Academy's response to the Admissions Audit 04-18. The campus is committed to addressing and resolving the issues identified in the audit report.

If you have any questions or would like additional information, please contact me.

Sincerely,

Mark Nickerson  
Vice President for Administration and Finance

cc: Dr. William Eisenhardt, President  
Dr. Donald Zingale, Vice President for Academic Affairs  
Ken Toet, Controller  
Chris Krzak, Director of Admissions  
file

**THE CALIFORNIA MARITIME ACADEMY**

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**ADMISSIONS**

**CALIFORNIA MARITIME ACADEMY**

**Report Number 04-18**

**ADMISSIONS MANAGEMENT AND CONTROL**

**INTERNATIONAL STUDENTS**

**Recommendation 1**

We recommend that the campus establish and implement controls to ensure that international students:

- a. Submit accurate, complete, and signed application forms.
- b. Satisfy their foreign language and English proficiency requirements.

**Campus Response**

We concur.

- a. We will make certain that all international applications are properly completed and signed effective immediately.
- b. We will adhere to having all international students, including exchange students, submit satisfactory scores proving English proficiency prior to enrollment, effective immediately.

**TRANSFER STUDENTS**

**Recommendation 2**

We recommend that the campus more clearly establish, document, and communicate transfer student subject area prerequisite requirements and establish controls to ensure that the prerequisites are met.

**Campus Response**

We concur.

We will develop a plan by March 31, 2005, for transfer admission and outline the necessary requirements to transfer students for admission. This plan will be implemented for admission to the enrolling class of Fall 2006.

## EXCEPTION ADMISSIONS

### Recommendation 3

We recommend that the campus:

- a. Review admission exception approval authority and take appropriate action to adequately segregate duties, such as assigning approval authority to academic affairs management or an exception committee.
- b. Establish and implement controls to ensure that documented approval is obtained for all admission exceptions.

### Campus Response

We concur.

- a. We will establish an admission exception committee, which will determine if an applicant should receive an exception. Effective immediately, a manager from outside the enrollment service division will chair the committee.
- b. We will establish and implement a procedure for properly documenting admission exceptions by March 15, 2005.

## STUDENT CLASSIFICATION

### Recommendation 4

We recommend that the campus establish and implement controls to ensure that student classification information is entered correctly.

### Campus Response

We concur.

Effective immediately, we will ensure that all transfer students are coded properly based on the number of transferable units.

## STUDENT RECORD PRIVACY AND SECURITY

### STUDENT INFORMATION MANAGEMENT

#### Recommendation 5

We recommend that the campus establish procedures to periodically review student record information management practices and forward the results of the review to the chancellor.

**Campus Response**

We concur.

We will review our student information security by March 15, 2005, and report the findings to the Chancellor's Office. This will be done every 24 months thereafter.

**STUDENT RECORD SECURITY**

**Recommendation 6**

We recommend that the campus store confidential student information in a secure and dedicated storage location or, at a minimum, maintain all student records in lockable fireproof safes.

**Campus Response**

We concur.

We will remove foreign items from the student records storage room by March 15, 2005.


  
**THE CALIFORNIA STATE UNIVERSITY**  
 OFFICE OF THE CHANCELLOR

BAKERSFIELD

February 16, 2005

CHANNEL ISLANDS

CHICO

DOMINGUEZ HILLS

**MEMORANDUM**

FRESNO

FULLERTON

TO: Mr. Larry Mandel  
University Auditor

HAYWARD

FROM: Charles B. Reed  
Chancellor

HUMBOLDT

LONG BEACH

SUBJECT: Draft Final Report Number 04-18 on *Admissions*,  
California Maritime Academy

LOS ANGELES

MARITIME ACADEMY

MONTEREY BAY

In response to your memorandum of February 16, 2005, I accept the response as submitted with the draft final report on *Admissions*, California Maritime Academy.

NORTHRIDGE

POMONA

SACRAMENTO

CBR/aml

SAN BERNARDINO

Enclosure

SAN DIEGO

cc: Dr. William B. Eisenhardt, President

SAN FRANCISCO

SAN JOSE

SAN LUIS OBISPO

SAN MARCOS

SONOMA

STANISLAUS