

ADMISSIONS

**CALIFORNIA STATE UNIVERSITY,
NORTHRIDGE**

**Report Number 04-20
February 11, 2005**

Members, Committee on Audit

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BOARD OF TRUSTEES

THE CALIFORNIA STATE UNIVERSITY

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ABBREVIATIONS

BOT	Board of Trustees
CMS	Common Management Systems
CSU	California State University
FERPA	Family Educational Rights and Privacy Act
SEVIS	Student and Exchange Visitor Information System

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 State University, Northridge campus from November 29, 2004, through December 16, 2004, and audited the procedures in effect at that time.

In our opinion, existing policies and procedures for the administration of the admission function were, in most instances, operating effectively; however, controls over documentation management and student record privacy and security needed to be strengthened.

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.

APPLICATION FEE AND WAIVER CONTROLS [6]

The campus did not retain hard-copy fee waiver documentation prepared by students.

STUDENT RECORD PRIVACY AND SECURITY [6]

Procedures for granting employees online access to confidential student information were not in compliance with the chancellor's office directives. The campus president or vice president of administration and finance had not formally approved access for all employees with online access to student confidential information. Additionally, online access authorization forms and confidentiality statements were not consistently completed and retained on file, and various types of documentation were in use, which adversely affected security administration.

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.

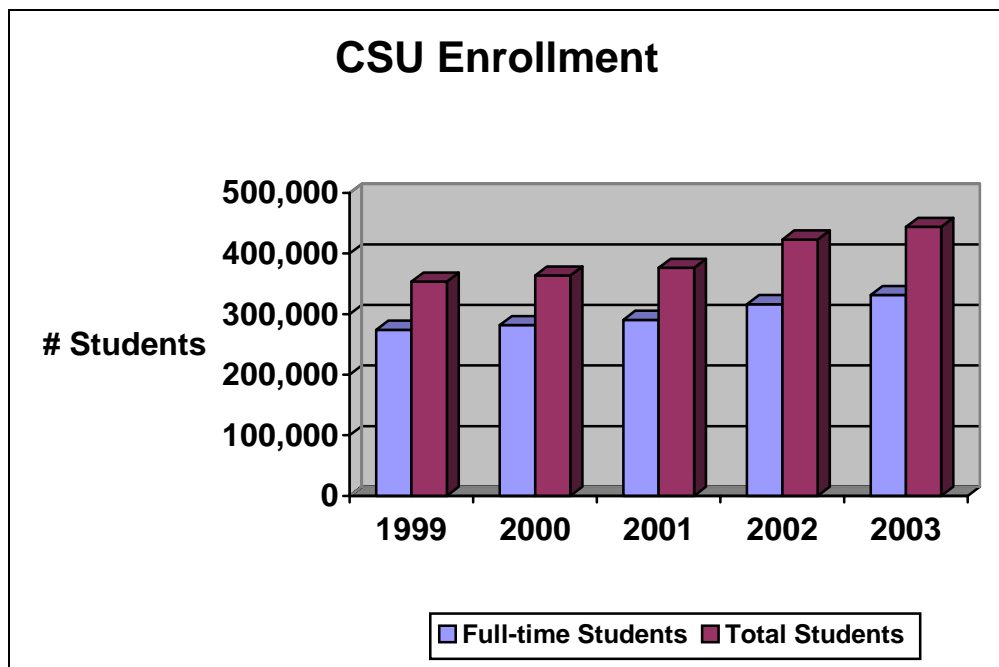
It remains the intent of the *Donahoe Higher Education Act* to provide each California resident who has the capacity and motivation an opportunity to earn a higher education. In 1972, the California State Colleges was officially named the California State University and Colleges. Ten years later, the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

INTRODUCTION

- ▶ 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.

OBSERVATIONS, RECOMMENDATIONS, AND CAMPUS RESPONSES

APPLICATION FEE AND WAIVER CONTROLS

The admissions and records department did not retain hard-copy fee waiver documentation prepared by students.

Government Code §13402 and §13403 state that management is responsible for establishing and maintaining a system of internal administrative controls, 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.

The director of admissions and records stated that it had been a long-standing practice at California State University, Northridge to dispose of approved application fee waiver documentation once the information had been entered into the system.

Failure to retain fee waiver support documentation places the campus in a weak position in the event the waiver decision is appealed or system information is questioned.

Recommendation 1

We recommend that the campus retain manually prepared student fee waiver applications for a reasonable amount of time.

Campus Response

We concur. Fee waiver request forms are now maintained throughout the processing cycle for each semester. An updated written procedure for handling fee waiver transactions has been included in admissions and records policies and procedures.

Corrective action has been completed.

STUDENT RECORD PRIVACY AND SECURITY

Security administration procedures for the student administration module of the Common Management Systems (CMS) were not consistently applied.

Our review of 30 employees with access to online student information disclosed that:

- ▶ The campus president or vice president of administration and finance had not formally approved access for 3 of 30 employees granted access to confidential information.
- ▶ Access request documentation was not on file for 13 of the employees. Further, various types of documentation were used to request access and evidence access approval.

- ▶ Confidentiality statements were not on file for four of the employees.

Office of the Chancellor memorandum to California State University (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. 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. Further, employees approved for security access must sign a confidentiality statement.

The chief information officer stated that the system security procedural exceptions were due to the challenges associated with implementing the CMS and related business processes within the prescribed time frames. He further stated that efforts were currently underway to enhance and implement CMS access security procedures and business processes during the first quarter of 2005.

Inconsistently applied security administrative procedures increases the risk that the security and privacy of confidential student information will be compromised.

Recommendation 2

We recommend that the campus ensure that:

- a. Written approval by the campus president or the vice president of administration and finance is obtained for all employees granted access to confidential information.
- b. A standard access request form is on file for all employees granted access to the CMS.
- c. A signed confidentiality statement is on file for all employees with access to online student information.

Campus Response

We concur.

- a. The campus has developed written procedures for granting access to CMS, which include written approval by the vice president of administration and finance for access to confidential information. An Office of the Chancellor memorandum to CSU presidents, *Increased Security Measures for CMS*, dated March 26, 2003 states, in part, that “the CSU’s PeopleSoft system currently restricts access to confidential information (social security number and date of birth).” Accordingly, all employees requesting access to full social security number and date of birth will have their access approved by the vice president of administration and finance. A review of employees that previously had access to these fields has been completed and approval by the vice president of administration and finance has occurred.

- b. Standard access request forms have been developed for each CMS module: Financial, Human Resources and Student Administration.
- c. The campus has developed a process for ensuring that signed confidentiality statements are on file for all employees. A data entry field has been included in PeopleSoft Human Resources that is used for indicating whether or not a confidentiality form is on file in human resources. Supervisors of employees without signed confidentiality statements on file are contacted and are required to have their employees submit confidentiality statements.

Corrective action has been completed.

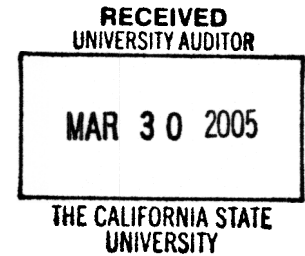
APPENDIX A: PERSONNEL CONTACTED

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



Jolene Koester
President

March 28, 2005



Mr. Larry Mandel, University Auditor
Office of the University Auditor
The California State University
401 Golden Shore, 4th Floor
Long Beach, CA 90802

Subject: Campus Response to Recommendations of Audit Report 04-20
Admissions at California State University, Northridge

Dear Larry:

Enclosed please find the California State University, Northridge (CSUN) response to the recommendations of the audit, as requested in your letter of March 4, 2005. Also included is a copy of the responses in a Word document on the enclosed diskette.

We have read the report including the observations and recommendations, and agree with them. Corrective action to implement all of the recommendations has been taken. By separate correspondence, the applicable documents evidencing completion of our implementation process and corrective action for each recommendation will be provided.

Should there be questions regarding the contents of the response, they may be addressed to Howard Lutwak, CSUN's Director of Internal Auditor at (818) 677-7647.

We appreciate the recommendations to improve CSUN's systems of internal control.

Sincerely,

Jolene Koester
President

JK:mh

Enclosures

cc: Dr. Mohammad Qayoumi, VP for Administration and Finance and CFO
Dr. Harry Hellenbrand, Provost and VP for Academic Affairs
Howard Lutwak, Director, Internal Audit

ADMISSIONS

CALIFORNIA STATE UNIVERSITY, NORTHRIDGE

Report Number 04-20

APPLICATION FEE AND WAIVER CONTROLS

Recommendation 1

We recommend that the campus retain manually prepared student fee waiver applications for a reasonable amount of time.

Campus Response

We concur. Fee waiver request forms are now maintained throughout the processing cycle for each semester. An updated written procedure for handling fee waiver transactions has been included in Admissions and Records Policies and Procedures.

Corrective action has been completed.

STUDENT RECORD PRIVACY AND SECURITY

Recommendation 2

We recommend that the campus ensure that:

- a. Written approval by the campus president or the vice president of administration and finance is obtained for all employees granted access to confidential information.
- b. A standard access request form is on file for all employees granted access to the CMS.
- c. A signed confidentiality statement is on file for all employees with access to online student information.

Campus Response

We concur.

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- b. Standard access request forms have been developed for each CMS module: Financial, Human Resources and Student Administration.
- c. The campus has developed a process for ensuring that signed confidentiality statements are on file for all employees. A data entry field has been included in PeopleSoft HR that is used for indicating whether or not a confidentiality form is on file in Human Resources. Supervisors of employees without signed confidentiality statements on file are contacted and are required to have their employees submit confidentiality statements.

Corrective action has been completed.

THE CALIFORNIA STATE UNIVERSITY
OFFICE OF THE CHANCELLOR

BAKERSFIELD

CHANNEL ISLANDS

April 7, 2005

CHICO

DOMINGUEZ HILLS

MEMORANDUM


FRESNO

FULLERTON

TO: Mr. Larry Mandel
University Auditor

HAYWARD

HUMBOLDT

FROM: Charles B. Reed
Chancellor 

LONG BEACH

SUBJECT: Draft Final Report Number 04-20 on *Admissions*,
California State University, Northridge

LOS ANGELES

MARITIME ACADEMY

MONTEREY BAY

In response to your memorandum of April 7, 2005, I accept the response as
submitted with the draft final report on *Admissions*, California State University,
Northridge.

NORTHRIDGE

POMONA

SACRAMENTO

CBR/amd

SAN BERNARDINO

Enclosure

SAN DIEGO

cc: Dr. Jolene Koester, President

SAN FRANCISCO

Dr. Mohammad Qayoumi, Vice President for Administration and Finance
and Chief Financial Officer

SAN JOSE

SAN LUIS OBISPO

SAN MARCOS

SONOMA

STANISLAU