INTERNATIONAL PROGRAMS

CALIFORNIA STATE UNIVERSITY,
STANISLAUS

Audit Report 12-54
October 30, 2012

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ABBREVIATIONS

AA Academic Affairs
AVP Associate Vice President
CE Continuing Education
CFR Code of Federal Regulations
CO Chancellor’s Office
CSU California State University
EE Extended Education
EO Executive Order
ICSUAM Integrated California State University Administrative Manual
OIE Office of International Education
OUA Office of the University Auditor
USAC University Studies Abroad Consortium
EXECUTIVE SUMMARY

As a result of a systemwide risk assessment conducted by the Office of the University Auditor (OUA) during the last quarter of 2011, the Board of Trustees, at its January 2012 meeting, directed that International Programs be reviewed. The OUA had previously reviewed Off-Campus Activities in 2009.

We visited the California State University, Stanislaus campus from July 30, 2012, through August 24, 2012, and audited the procedures in effect at that time.

Our study and evaluation revealed certain conditions that, in our opinion, would result in significant errors and irregularities if not corrected. Specifically, the campus did not maintain adequate internal control over the following areas: administration of a program provider for study-abroad programs, student participant documentation, and fiscal controls over the receipt of funds from a provider of study-abroad programs. These conditions, along with other weaknesses, are described in the executive summary and body of this report. In our opinion, due to the effect of the weaknesses described above, the operational and administrative controls for international programs in effect as of August 24, 2012, taken as a whole, were not sufficient to meet the objectives stated in the “Purpose” section of this report.

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.

PROGRAMS FOR INTERNATIONAL STUDENTS [7]

The campus did not maintain evidence showing that international students had obtained required health insurance coverage.

STUDY-ABROAD AND EXCHANGE PROGRAMS [7]

Administration of program providers for study-abroad programs needed improvement. For example, the campus did not have a current written agreement with the University Studies Abroad Consortium (USAC), nor did the campus maintain evidence showing that it had performed the required due diligence to consider the risks the campus would take on as a member university of USAC, or USAC’s ability to comply with California State University (CSU) study-abroad requirements. In addition, the campus did not always maintain evidence showing that international exchange students had attended pre-enrollment orientation or that students participating in study-abroad programs met CSU requirements.
FISCAL ADMINISTRATION AND CONTROLS [12]

The campus received funds from a program provider that were used for travel and program administration that was inconsistent with the restrictions set forth in Executive Order 1022 and other systemwide policies.
INTRODUCTION

BACKGROUND

The Academic Council on International Programs (ACIP), created by the Board of Trustees on July 9, 1969, as part of the Policy for the California State Colleges International Programs, promotes campus participation in international program policy development and ensures regular communication between campuses and the Office of International Programs at the chancellor’s office (CO). The council is composed of one faculty representative appointed by each of the 23 campuses in a procedure established by the local academic senate and four student members who each serve a one-year term.

California State University (CSU) policies that address the creation and proper administration of campus-based international programs include Executive Order (EO) 744, *State Funded Campus Based Study Abroad Programs*, and EO 745, *Self-Support Campus Based Study Abroad Programs*, dated June 7, 2000. Both EOs delegate authority to the campus presidents to establish study abroad programs and provide broad curricula guidelines, and EO 745 makes the distinction that credit-bearing self-support programs are those that rely exclusively on non-state general funds and are administered by continuing education (CE) or extended education (EE).

Student exchange programs are authorized in EO 605, *Delegation of Authority to Approve International Student Exchanges, Tuition Waivers for International Students, and Tuition Waivers for Nonresident U.S. Graduate Students*, dated July 21, 1993. This policy outlines the campus presidents’ authority to initiate agreements with foreign institutions and allows the president to waive the tuition of the incoming foreign students if the agreement dictates that comparable expenses are waived or met by the foreign entity entering into the agreement. Coded memorandum Academic Affairs (AA) 2011-01, *Campus Compliance with Study Abroad Programs*, dated January 11, 2011, clarifies the campus responsibility to define the terms under which equivalence is maintained and directs campuses to maintain records documenting the reciprocity.

*Access to Excellence*, the strategic plan adopted by the CSU system in 2008, pledges to increase student access and success, meet state needs for economic and civic development, and sustain institutional excellence. As part of the plan, the CSU commits to enhancing opportunities for global awareness by building strong and effective international programs and supporting faculty work that internationalizes the curricula.

The accompanying *Access to Excellence Accountability Plan* includes broad commitments to support, encourage, and promote study abroad programs and partnerships with international universities. It also sets forth plans to provide a clear policy framework governing international programs and the creation of international partnerships, as well as appropriate indicators and metrics to gauge the progress of the system and the individual campuses toward the globalization goal.

Other CSU policies address the risks involved with student and other participant travel. EO 1041, *California State University Student Travel Policy*, dated May 29, 2009; EO 1069, *Risk Management and Public Safety*, dated March 1, 2012; and EO 1051, *CSU Use of Approved Waiver of Liability*, dated September 1, 2010, include, among other things, guidelines for the selection of air or ground carriers for student travel, requirements for student travel-related insurance, and provisions for notifying participants of risks and obtaining waivers of liability.
Third-party providers also offer study abroad opportunities to CSU students. The CO addresses proper due diligence in the selection of these vendors and examples of acceptable and unacceptable practices for individuals involved in that selection process in EO 1022, Study Abroad through Non-CSU Providers, dated September 24, 2007, and an accompanying coded memorandum, AA-2007-25, Third Party Program Provider Study Abroad and Administrative Safeguards, dated September 24, 2007. Additionally, institutions that issue forms allowing foreign students (both matriculating in the university and non-matriculating in CE or EE courses) to obtain the appropriate visas are subject to Department of Homeland Security, Immigration and Customs Enforcement, or Department of State regulations.

In 2010, the Office of the University Auditor conducted an audit of Off-Campus Activities at nine campuses and issued a systemwide report. The report noted issues related to participant documentation, execution and maintenance of program agreements, exchange reciprocity, and student travel. Several of the recommendations from the resulting systemwide report were incorporated into AA 2011-01 and EO 1051, CSU Use of Approved Waiver of Liability, dated September 1, 2010.
PURPOSE

Our overall audit objective was to ascertain the effectiveness of existing policies and procedures related to international programs 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:

- Accountability for international programs has been clearly defined and documented, including delineation of roles and responsibilities, formulation of appropriate policies and procedures, and measurement of outcomes.

- The campus has established an adequate system for mitigating the risks in campus-based international programs.

- Study abroad and exchange programs offered to students are selected, monitored, and administered according to CSU guidelines.

- Agreements with third-party providers of study abroad and exchange programs and international student recruiters are investigated, reviewed, and approved according to CSU standards.

- Non-matriculating programs offered to international students meet regulatory and CSU requirements for scope, suitability, admissions, and administration.

- The campus is meeting the certification, programmatic, and record-keeping requirements of the Student and Exchange Visitor Program, Department of Homeland Security, and Department of State as a qualified institution for international students.

- Fiscal administration of international programs is in accordance with regulatory and CSU guidelines.

- Systems and applications administered by departments in charge of international programs are adequately controlled and secured, and access rights are granted on a need-to-know basis.
The proposed scope of the audit as presented in Action Item, Agenda Item 2 of the January 24 and 25, 2012, meeting of the Committee on Audit stated that International Programs includes a review of CSU students abroad and international students and visitors attending the CSU. Proposed audit scope would include, but was not limited to, review of program approvals, fiscal administration, and controls; risk management processes; curriculum and credit transfers; utilization of third-party providers; compliance with U.S. Department of State and other regulatory international travel requirements; and processes used to recruit international students, verify student credentials, and provide support on campus.

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 January 1, 2010, through June 1, 2012.

We focused primarily on the internal administrative, compliance, and operational controls over international programs. Specifically, we reviewed and tested:

- The development and maintenance of policies and procedures adequate to ensure compliance with CSU and regulatory requirements.
- Due diligence processes for study abroad or exchange programs offered to students, both those established by the campus staff and those offered via third-party vendors.
- Methods by which the campus reviews student records to ensure that all required documentation, including emergency contacts and medical insurance, are obtained by and retained on the campus.
- Campus processes ensuring that outgoing study abroad students and incoming foreign students participating in international programs are provided with crucial and required information at appropriate intervals.
- Procedures to ensure that the campus shows evidence of proper processing of foreign student visa form requirements.
- Budgets and financial records of self-support programs.
PROGRAMS FOR INTERNATIONAL STUDENTS

The campus did not maintain evidence showing that international students had obtained health insurance coverage.

We reviewed visa documents for nine international English Language Program students and found that four student files lacked health insurance coverage certificates.

Executive Order (EO) 622, *Health Insurance Coverage for F-1 and J-1 Visa Students*, dated August 1, 1995, states that campuses shall require certificates of insurance or other evidence of coverage from the F-1 and J-1 visa recipient as a condition of registration.

The interim associate vice president (AVP) for academic planning and analysis stated her belief that the students had obtained the required health insurance coverage, but the records could not be located due to staffing changes in the office of international education (OIE).

Failure to ensure that students obtain required health insurance coverage increases the risk to the health and safety of international students, as well as potential legal liabilities.

**Recommendation 1**

We recommend that the campus maintain evidence showing that international students have obtained health insurance coverage.

**Campus Response**

We concur. A checklist will be included in each international student’s file that indicates that the student has obtained health insurance coverage, along with a copy of proof of coverage. The checklist will be signed and dated by the international education coordinator. A review of the file will be done every six months by the director of international education. Once the file is reviewed, the director of international education will sign and date the checklist, indicating that evidence of insurance was obtained.

Expected date of completion: January 31, 2013

STUDY-ABROAD AND EXCHANGE PROGRAMS

**STUDY-ABROAD PROVIDERS**

Administration of program providers for study-abroad programs needed improvement.

We reviewed the campus arrangement with the University Studies Abroad Consortium (USAC), a program provider of study-abroad programs, and found that:
The campus did not have a current written agreement with USAC, approved by the president or his/her designee, that defined the relationship with USAC, addressed allocation of risk, and ensured that the performance of the contractor met all California State University (CSU) requirements. The campus could only provide an application for associated university status with USAC that was signed on April 8, 1998, by a prior director of international studies.

The campus did not maintain evidence showing that it had performed the required due diligence to consider the risks it would take on as a member university of USAC, or USAC’s ability to comply with CSU study-abroad requirements.

EO 1022, Study Abroad Through Non-CSU Program Providers, dated September 24, 2007, states that there must be a written agreement between the study-abroad organization (program provider) to represent an agreement between the home school and the foreign school.

Integrated California State University Administrative Manual (ICSUAM) §5233, Risk Allocation and Performance Assurance, dated April 20, 2004, states 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 the requirements for successful contract performance should be clearly defined within the contract documents.

Coded Memorandum Academic Affairs (AA) 2007-25, Third-Party Program Provider Study Abroad and Administrative Safeguards, dated September 26, 2007, states that approval of third-party study-abroad provider programs and agreements should be signed by the president or a designee. In addition, it states that the selection of third-party study-abroad program providers shall provide for a systematic consideration, according to uniform criteria and consistent information, of the potential benefits for students, as well as the quality of service provided to students and the campus, and that campuses are encouraged to consult broadly with faculty, administration, and relevant campus committees in considering a program for approval. It also advises campuses to maintain a list of approved third-party-provided study-abroad programs that clearly states all criteria used in deciding to include those programs on the approved list. It further states that the criteria should include program offerings, student support services, program destination and curricular focus, and risk management issues, and that the campus should make appropriate updates to the information on the list on an annual basis.

The interim AVP for academic planning and analysis stated that significant staff turnover had occurred at the campus subsequent to the initiation of the relationship with USAC in 1998, and as such, historical knowledge and documentation were difficult to locate.

Failure to maintain a properly approved agreement with a study-abroad provider increases the risk of misunderstandings and potential legal liabilities.
Recommendation 2

We recommend that the campus:

a. Create a written agreement with USAC, approved by the president or his/her designee, that defines the relationship with USAC, addresses allocation of risk, and ensures that the performance of the contractor meets all CSU requirements.

b. Perform a thorough due diligence review that considers the risks the campus takes on as a member university of USAC, and USAC’s ability to comply with CSU study-abroad requirements.

Campus Response

We concur. The campus is forming an International Education Advisory Committee. The committee will review the criteria for approval of study-abroad program providers. Specifically, the criteria will define the relationship with USAC, the allocation of risk, and provisions to ensure that the contractor meets all CSU requirements. The committee will ensure that the USAC relationship will be subject to a due diligence review that considers the risks the campus takes on by being a member of USAC. The committee will review USAC for compliance with the criteria. If the committee determines USAC is in compliance with the criteria, an agreement will be developed with USAC that meets all CSU requirements, signed by the president.

Expected date of completion: April 30, 2013

INTERNATIONAL EXCHANGE STUDENT VISA REQUIREMENTS

The campus did not always maintain evidence showing that international exchange students had attended pre-enrollment orientation.

We reviewed visa documents for six international exchange students and found that three student files lacked evidence showing that the students had attended the mandatory orientation.

Code of Federal Regulations (CFR) Title 22, Part 62, Exchange Visitors, §10(c) states that sponsors shall offer appropriate orientation for all exchange visitors.

22 CFR, Part 62, Exchange Visitors, §10(h) states that sponsors shall retain all records related to their exchange visitor program and exchange visitors for a minimum of three years.

Coded Memorandum AA-2011-1, Campus Compliance with Study Abroad Policy, dated January 11, 2011, states that campuses must maintain all agreements and other documentation for all study-abroad and exchange programs.

The interim AVP for academic planning and analysis stated her belief that the students attended orientation as required, but the records could not be located due to staffing changes in the OIE. She
further stated that all three of the students had participated in the same exchange program, ending in 2011, which contributed to the inability to locate the records.

Failure to maintain evidence that exchange visitors attended a pre-enrollment orientation increases the risk to the health and safety of campus participants and increases potential legal liabilities.

**Recommendation 3**

We recommend that the campus maintain evidence showing that international exchange students have attended pre-enrollment orientation.

**Campus Response**

We concur. A checklist will be included in each international student’s file that indicates that the student has attended new student orientation, along with proof of attendance signed by the student. The checklist will be signed and dated by the international education coordinator. A review of the file will be done every six months by the director of international education. Once the file is reviewed, the director of international education will sign and date the checklist indicating that evidence the student has attended pre-enrollment orientation was obtained.

Expected date of completion: January 31, 2013

**STUDY-ABROAD STUDENTS**

The campus did not always maintain evidence showing that students participating in study-abroad programs met CSU requirements.

We reviewed one exchange program and one study-abroad program and found that:

- The campus did not maintain evidence for any of the three exchange students reviewed that trip insurance was obtained for bodily injury or death, medical insurance was obtained and valid in the host countries, pre-departure orientation was attended, or emergency contacts were obtained.

- Two of the three exchange student files did not contain a completed CSU Release of Liability, Promise Not to Sue, Assumption of Risk, and Agreement to Pay Claims form.

- None of the five USAC study-abroad students had completed a CSU Release of Liability, Promise Not to Sue, Assumption of Risk, and Agreement to Pay Claims form. Instead, these students completed USAC’s Program Agreement, which did not appear to adequately address protection of the CSU or fulfill the CSU requirement.

EO 1041, *California State Student Travel Policy*, dated July 1, 2009, states that students participating in CSU sponsored air travel shall be required to purchase life and personal injury insurance in amounts stipulated by the chancellor. It further states that all students participating in CSU-affiliated travel shall be required to acknowledge that they have been informed of the risks of travel and to sign a statement that they have been informed of and undertake such travel voluntarily with full
knowledge of such risks, and release and hold harmless the state of California, the CSU, and the campus, among others.

EO 998, Study Abroad Programs, dated January 25, 2007, states that students are required to carry medical insurance that will be valid in the host country(ies). The policy further states that all CSU study-abroad programs must include a pre-departure orientation about the destination including health, safety, security, legal exposures or political restrictions, financial information, and CSU or campus policies for study abroad.

Coded Memorandum AA 2011-1, Campus Compliance with Study Abroad Policy, dated January 11, 2011, states that maintenance of adequate documentation about the program and the participants includes student emergency contact information. It further states that the documents should be retained for three years.

EO 1051, California State University Use of Approved Waiver of Liability, dated September 1, 2010, in order to provide uniform and consistent application of risk control on all campuses in the CSU system, provides a standard waiver for use in all campus planned or sponsored events. This document is the CSU Release of Liability, Promise Not to Sue, Assumption of Risk, and Agreement to Pay Claims.

The interim AVP for academic planning and analysis stated that all three of the exchange students participated in the same exchange program ending in 2011, which contributed to the inability to locate the records, and that she had been advised by the previous OIE director that exchange students had met all the requirements. She further stated her belief that the “Hold Harmless Release” clause in USAC’s program agreement adequately protected the CSU in accordance with CSU requirements.

Failure to maintain evidence that study-abroad students provided student trip and medical insurance, emergency contact information, and appropriate liability waivers and attended pre-departure orientation increases the risk to the health and safety of campus participants and increases potential legal liabilities.

**Recommendation 4**

We recommend that the campus maintain evidence showing that the students participating in study-abroad programs have:

a. Provided student trip and medical insurance information, emergency contact information, and adequate liability waivers and attended a pre-departure orientation.

b. Completed the CSU Release of Liability, Promise Not to Sue, Assumption of Risk, and Agreement to Pay Claims form.

**Campus Response**

We concur. The file for each student studying abroad will have evidence of trip and medication insurance information; emergency contact information; attendance at a pre-departure orientation; and
CSU Release of Liability, Promise Not to Sue, Assumption of Risk, and Agreement to Pay Claims form.

The checklist will be signed and dated by the international education coordinator. A review of the file will be done every six months by the director of international education. Once the file is reviewed, the director of international education will sign and date the checklist indicating that evidence of trip and medication insurance information, emergency contact information, attendance at a pre-departure orientation, and CSU Release of Liability, Promise Not to Sue, Assumption of Risk, and Agreement to Pay Claims form have been obtained and are in the student file.

Expected date of completion: January 31, 2013

FISCAL ADMINISTRATION AND CONTROLS

The campus received funds from a program provider that were used for travel and program administration that was inconsistent with the restrictions set forth in EO 1022 and other systemwide policies.

We found that:

- The campus received a fee from USAC for each student participating in the provider’s study-abroad programs, as well as annual grant money based on the size of student membership in USAC study-abroad programs. In fiscal year 2011/12, we found that the campus billed USAC and received payment for:

  - Nine students attending summer 2011 study-abroad programs. The total invoice was $2,700, or $300 per student.

  - Fourteen students attending fall 2011 study-abroad programs. The total invoice was $4,600, with a per-student charge that ranged from $200 to $400.

  - Travel expenses of $2,086.59 for the interim AVP for academic planning and analysis and another campus employee to perform a site visit and attend the April 2012 USAC board of directors meeting in Costa Rica.

- The campus processed a $4,500 expense against the USAC funds for consulting services, involving the recruitment of international students from China by a third-party provider, that were unrelated to the USAC program.

EO 1022, Study Abroad through Non-CSU Program Providers, dated September 24, 2007, states that in the course of cooperating with a program provider, neither a CSU campus nor any employee or agent of any CSU campus shall accept payments or other benefits in exchange for being an approved program. This includes, but is not necessarily limited to, the following: payment of conference or training registration fees, transportation, or lodging costs for an employee of the campus; fees for
advertisements in official publications of the campus or international office that are designed to explain the students program options; or payment of site visit costs in conjunction with program oversight or program familiarization responsibilities.

Coded Memorandum AA 2007-25, *Third-Party Program Provider Study Abroad and Administrative Safeguards*, dated September 26, 2007, states that no CSU campus, and no employee, or agent of any CSU, may solicit any program provider for financial or other benefits or services to the campus or its personnel; or accept any travel paid for by a third-party provider, specifically including travel to study-abroad program sites offered by current or prospective provider partners.

The interim AVP for academic planning and analysis stated her belief that the receipt and use of funds from USAC was appropriate because the campus was a charter member of the consortium and the funds were applied toward developing and running study-abroad programs at the campus, providing student scholarships, and evaluating USAC programs.

The receipt of funds from a study-abroad provider in exchange for student participation in the program, and use of the funds for payment of expenses prohibited by CSU policy, increases reputation and financial risk for the system.

**Recommendation 5**

We recommend that the campus investigate the receipt and use of funds from USAC and resolve the issue in accordance with established CSU policies and procedures.

**Campus Response**

The USAC agreement will be amended to include guidelines and requirements set forth in EO 1022 and the related provisions in Coded Memorandum AA-2007-25. The agreement will specifically prohibit the acceptance of administrative fees and site visits.

Expected date of completion: April 30, 2013
## APPENDIX A: PERSONNEL CONTACTED

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
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<tbody>
<tr>
<td>Joseph F. Sheley</td>
<td>Interim President</td>
</tr>
<tr>
<td>Julie Benevedes</td>
<td>Interim Associate Vice President, Financial Services</td>
</tr>
<tr>
<td>Susan Clapper</td>
<td>Administrative Analyst, Academic Affairs</td>
</tr>
<tr>
<td>Russell Giambelluca</td>
<td>Vice President, Business and Finance</td>
</tr>
<tr>
<td>Briquel Hutton</td>
<td>Director of Audit Services</td>
</tr>
<tr>
<td>Marjorie Jaasma</td>
<td>Interim Associate Vice President, Academic Planning and Analysis</td>
</tr>
<tr>
<td>Kevin Nemeth</td>
<td>Dean, University Extended Education</td>
</tr>
<tr>
<td>William Potter</td>
<td>Chair, Department of Psychology</td>
</tr>
<tr>
<td>Amy Thomas</td>
<td>Assistant Director of Safety and Risk Management</td>
</tr>
</tbody>
</table>
December 5, 2012

Larry Mandel, University Auditor  
The California State University  
Office of the University Auditor  
401 Golden Shore, 4th Floor  
Long Beach, CA  90802-4210  

RE: International Programs Audit Responses to Incomplete Draft Audit Report 12-54

Dear Mr. Mandel,

Enclosed please find the campus responses to the International Programs Incomplete Draft Audit Report 12-54 for California State University, Stanislaus.

If you have any questions please do not hesitate to contact myself or Briquel Hutton, Director of Audit Services at (209) 664-6783.

Sincerely,

Russell Giambelluca  
Vice President, Business and Finance

Enclosures
INTERNATIONAL PROGRAMS

CALIFORNIA STATE UNIVERSITY, STANISLAUS

Audit Report 12-54

PROGRAMS FOR INTERNATIONAL STUDENTS

Recommendation 1

We recommend that the campus maintain evidence showing that international students have obtained health insurance coverage.

Campus Response

We concur. A checklist will be included in each international student’s file that indicates that the student has obtained health insurance coverage along with a copy of proof of coverage. The checklist will be signed and dated by the International Education Coordinator. A review of the file will be done every six months by the Director of International Education. Once the file is reviewed the Director of International Education will sign and date the checklist indicating that evidence of insurance was obtained.

Expected Date of Completion: January 31, 2013

STUDY-ABROAD AND EXCHANGE PROGRAMS

STUDY-ABROAD PROVIDERS

Recommendation 2

We recommend that the campus:

a. Create a written agreement with USAC, approved by the president or his/her designee, that defines the relationship with USAC, addresses allocation of risk, and ensures that the performance of the contractor meets all CSU requirements.

b. Perform a thorough due diligence review that considers the risks the campus takes on as a member university of USAC, and USAC’s ability to comply with CSU study-abroad requirements.

Campus Response

We concur. The campus is forming an International Education Advisory Committee. The Committee will review the criteria for approval of study abroad program providers. Specifically the criteria will define the relationship with USAC, the allocation of risk and provisions to ensure that the contractor meets all CSU requirements. The Committee will ensure that the USAC relationship will be subject
to a due diligence review that considers the risks the campus takes on by being a member of USAC. The Committee will review USAC for compliance with the criteria. If the Committee determines USAC is in compliance with the criteria, an agreement will be developed with USAC that meets all CSU requirements, signed by the President.

Expected Date of Completion: April 30, 2013

INTERNATIONAL EXCHANGE STUDENT VISA REQUIREMENTS

Recommendation 3

We recommend that the campus maintain evidence showing that international exchange students have attended pre-enrollment orientation.

Campus Response

We concur. A checklist will be included in each international student’s file that indicates that the student has attended new student orientation along with proof of attendance signed by the student. The checklist will be signed and dated by the International Education Coordinator. A review of the file will be done every six months by the Director of International Education. Once the file is reviewed the Director of International Education will sign and date the checklist indicating that evidence the student has attended pre-enrollment orientation was obtained.

Expected Date of Completion: January 31, 2013

STUDY-ABROAD STUDENTS

Recommendation 4

We recommend that the campus maintain evidence showing that the students participating in study-abroad programs have:

a. Provided student trip and medical insurance information, emergency contact information, and adequate liability waivers and attended a pre-departure orientation.

b. Completed the CSU Release of Liability, Promise Not to Sue, Assumption of Risk, and Agreement to Pay Claims form.

Campus Response

We concur. The file for each student studying abroad will have evidence of trip and medication insurance information; emergency contact information; attendance at a pre-departure orientation; and CSU Release of Liability, Promise Not to Sue, Assumption of risk, and Agreement to Pay Claims form.

The checklist will be signed and dated by the International Education Coordinator. A review of the file will be done every six months by the Director of International Education. Once the file is reviewed the Director of International Education will sign and date the checklist indicating that
evidence of trip and medication insurance information, emergency contact information, attended pre-departure orientation and CSU Release of Liability, Promise Not to Sue, Assumption of risk, and Agreement to Pay Claims form have been obtained and are in the student file.

Expected Date of Completion: January 31, 2013

FISCAL ADMINISTRATION AND CONTROLS

Recommendation 5

We recommend that the campus investigate the receipt and use of funds from USAC and resolve the issue in accordance with established CSU policies and procedures.

Campus Response

The USAC agreement will be amended to include guidelines and requirements set forth in Executive Order 1022 and the related provisions in Coded Memorandum AA-2007-25. The agreement will specifically prohibit the acceptance of administrative fees and site visits.

Expected Date of Completion: April 30, 2013
January 2, 2013

MEMORANDUM

TO: Mr. Larry Mandel
   University Auditor

FROM: Timothy P. White
       Chancellor

SUBJECT: Draft Final Report 12-54 on International Programs, California State University, Stanislaus

In response to your memorandum of January 2, 2013, I accept the response as submitted with the draft final report on International Programs, California State University, Stanislaus.

TPW/amd