INTERNATIONAL PROGRAMS
SONOMA STATE UNIVERSITY

Audit Report 13-17
April 26, 2013

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ABBREVIATIONS

AA Academic Affairs
BOT Board of Trustees
CO Chancellor’s Office
CSU California State University
EO Executive Order
OUA Office of the University Auditor
SEIE School of Extended and International Education
SSALI Sonoma State American Language Institute
SSU Sonoma State University
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 (BOT), at its January 2012 meeting, directed that International Programs be reviewed. Based on the results of the first cycle of these reviews and the systemwide risk assessment conducted by the OUA in the last quarter of 2012, the BOT directed at its January 2013 meeting that the OUA continue these reviews. The OUA had previously reviewed portions of international programs in the Off-Campus Activities audit in 2009.

We visited the Sonoma State University campus from January 21, 2013, through March 1, 2013, and audited the procedures in effect at that time.

In our opinion, except for the effect of the weaknesses described below, the fiscal, operational, and administrative controls for international programs as of March 1, 2013, taken as a whole, were sufficient to meet the objectives stated in the “Purpose” section of this report. Areas of concern include: the general environment and fiscal administration and controls.

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.

GENERAL ENVIRONMENT [6]

The campus did not have documented procedures for responding to emergencies that involved Sonoma State University students studying abroad.

STUDENT AND EXCHANGE VISITOR INFORMATION SYSTEM [6]

International student records located in the Sonoma State American Language Institute office were not adequately secured.

FISCAL ADMINISTRATION AND CONTROLS [7]

Fees for travel-study programs were not always appropriately administered.
The Academic Council on International Programs, 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.

In December 2012, the CO issued three new executive orders (EO) that updated and augmented existing policies for the creation and proper administration of campus-based international programs.

EO 1080, *International Agreements*, dated December 6, 2012, establishes minimum requirements for campuses entering into agreements as a part of their international activity in state and self-support endeavors. Under the EO, only the campus president is authorized to sign an agreement in which the campus commits resources toward activities for international students, universities, or other people or entities doing business outside the United States. The EO also requires that all such agreements be reviewed and approved by the CO before the president signs them, and that international activities be managed centrally on the campus.

EO 1081, *Study Abroad and Exchange Programs*, dated December 6, 2012, supersedes several outdated EOs and establishes requirements for campuses to establish study-abroad and/or exchange programs as part of their international activities. EO 1081 delegates to the campus presidents the responsibility for the development, implementation, and oversight of international programs. The policy also describes the circumstances under which a campus president can waive tuition for an incoming foreign student and outlines requirements for use of non-CSU program providers for study abroad. The policy also reiterates that all exchange and/or study-abroad agreements are subject to the review and approval requirements of EO 1080.

EO 1082, *International Students*, dated December 6, 2012, establishes requirements for campuses enrolling nonresident international students as part of their international activities. The policy addresses confirmation of proper visa status and the campuses’ responsibility to provide full-time course study in accordance with visa requirements; the establishment of adequate student services for international students and procedures to ensure the students obtain proper health insurance coverage; and acceptable evidence of English language competency. The policy also addresses international student recruitment, including the use of agents or other outside parties.

*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 international 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.

Technical letters related to international programs include coded memorandum Academic Affairs (AA) 2007-25, *Third Party Program Provider Study Abroad and Administrative Safeguards*, dated September 24, 2007, which clarifies prohibited and acceptable activities related to the use of study-abroad program providers; and AA-2011-01, *Campus Compliance with Study Abroad Programs*, dated January 11, 2011, which clarifies the campus responsibility to define the terms in which value equivalence is achieved in exchange programs with foreign universities. Additionally, institutions that issue forms allowing foreign students (both matriculating and non-matriculating) in continuing education or extended education 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 22 and 23, 2013, meeting of the Committee on Audit stated that International Programs includes a review of CSU students participating in instructional programs abroad and international students and visitors attending the CSU. Proposed audit scope would include, but was not limited to, review of program administration and approvals, fiscal administration, and controls; risk management processes; 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.

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 March 1, 2013.

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.
OBSERVATIONS, RECOMMENDATIONS,
AND CAMPUS RESPONSES

GENERAL ENVIRONMENT

The campus had not developed documented procedures for responding to emergencies that involved Sonoma State University (SSU) students studying abroad.

Executive Order 998, *Study Abroad Programs*, dated January 25, 2007, states that study-abroad programs must consider the health, safety, and security of students, staff, and faculty as a central feature of planning and operation.

The dean of the school of extended and international education (SEIE) stated that SEIE assumed responsibility for international programs at the beginning of this academic year and had identified the need for documented procedures but had not yet had the opportunity to develop them.

Inadequate emergency procedures for students studying abroad increases the risk to the health and safety of campus participants and increases potential legal liabilities.

**Recommendation 1**

We recommend that the campus develop emergency procedures specific to SSU students studying abroad.

**Campus Response**

We concur. Emergency procedures for SSU students studying abroad will be developed. When possible, instructors of travel-study courses will also be provided with a satellite telephone to facilitate and ensure necessary communication with campus officials.

Anticipated completion date: August 1, 2013

STUDENT AND EXCHANGE VISITOR INFORMATION SYSTEM

International student records at the Sonoma State American Language Institute (SSALI) office were not adequately secured.

We found that the records were contained in a file cabinet located in a back room that was easily accessible to students. In addition, the file cabinet remained unlocked during business hours.

Integrated California State University Administrative Manual §8080.0, *Physical Security*, dated April 19, 2010, states that each campus must identify physical areas that must be protected from unauthorized physical access. Such areas would include data centers and other locations on the campus where information assets containing protected data are stored.
The director of SSALI stated that the files were stored in an unsecured area due to lack of space and were left unlocked during work hours for convenience.

Storing sensitive data in an unsecured area increases the risk of misappropriation of personal information.

**Recommendation 2**

We recommend that the campus store international student records in a locked cabinet in a secure area.

**Campus Response**

We concur. A letter of instruction by the dean of Extended and International Education will be sent to all persons who may have access to international student records to ensure that student files are to be stored in a locked cabinet at all times in a secured area.

Anticipated completion date: August 1, 2013

**FISCAL ADMINISTRATION AND CONTROLS**

Fees for travel-study programs were not always appropriately administered.

We found that travel fees for room, board, and various program expenses for a 2012 summer faculty-led study program were deposited into a bank account opened by the instructor.

*SSU Self Support Instruction Policy*, dated October 2, 2000, states that self-supporting courses must be administered in the continuing education revenue fund or in the campus trust fund.

The dean of SEIE stated that extended education was unaware that the instructor had opened a separate account. He further stated that discussion between SEIE staff and the instructor regarding the need for an authorized educational provider did not take place, and campus policy did not require training in this area for the instructor.

Inadequate oversight over fees for travel-study programs increases campus exposure to loss from inappropriate acts.

**Recommendation 3**

We recommend that the campus ensure that fees for travel-study programs are appropriately administered.
Campus Response

We concur. A procedure to address appropriate administration of travel-study fees will be developed. Instructors of travel-study courses and programs will attend a mandatory orientation, which will also address the issue of fees for travel-study programs; the instructors will be required to sign a statement confirming that they have attended the orientation.

Anticipated completion date: August 1, 2013
## APPENDIX A: PERSONNEL CONTACTED

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
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<tbody>
<tr>
<td>Ruben Armiñana</td>
<td>President</td>
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<tr>
<td>Jenifer Crist</td>
<td>Purchasing Manager, Financial Services</td>
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<tr>
<td>Edvige Day</td>
<td>International Admissions Specialist</td>
</tr>
<tr>
<td>Shalyn Eyer</td>
<td>Coordinator, Executive and Professional Programs</td>
</tr>
<tr>
<td>Robert Eyler</td>
<td>Chair, Associate Professor, Economics</td>
</tr>
<tr>
<td>Laurence Furukawa-Schlereth</td>
<td>Vice President, Administration and Finance</td>
</tr>
<tr>
<td>Helen Kallenbach</td>
<td>Director, Sonoma State American Language Institute</td>
</tr>
<tr>
<td>Kurt Koehle</td>
<td>Director, Internal Operations, Analysis and Review</td>
</tr>
<tr>
<td>Mark Merickel</td>
<td>Dean, School of Extended and International Education</td>
</tr>
<tr>
<td>Andrew Rogerson</td>
<td>Provost</td>
</tr>
<tr>
<td>Robert Rosen</td>
<td>Director of Business and Operations, School of Extended and International Education</td>
</tr>
<tr>
<td>Elizabeth Thach</td>
<td>Associate Professor of Business Administration</td>
</tr>
<tr>
<td>Marisa Thigpen</td>
<td>Coordinator of International Services</td>
</tr>
<tr>
<td>John Wingard</td>
<td>Professor of Anthropology</td>
</tr>
</tbody>
</table>
June 12, 2013

MEMORANDUM

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

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

SUBJECT:     International Programs, Draft Audit Report #13-17
             Campus Response

On behalf of President Armijana, I am submitting the initial Campus Response to the recommendations of Draft Audit Report # 13-17, International Programs.

We will provide documentation to demonstrate the completion of corrective actions for each recommendation.

This memorandum [pdf copy], and the Campus Response is submitted via email to OUA@calstate.edu.

Enclosure

c:          President Ruben Armijana
             Andrew Rogerson
             Mark Merickel
             Robert Rosen
             Marisa Thigpen
             Roberta Hodges
             Letitia Coate
             Brian Orr
             Kurt Koehle
INTERNATIONAL PROGRAMS  
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GENERAL ENVIRONMENT

Recommendation 1

We recommend that the campus develop emergency procedures specific to SSU students studying abroad.

Campus Response

We concur. Emergency procedures for SSU students studying abroad will be developed. When possible instructors of travel study courses will also be provided with a satellite telephone to facilitate and ensure necessary communication with campus officials.

Anticipated completion date: August 1, 2013

STUDENT AND EXCHANGE VISITOR INFORMATION SYSTEM

Recommendation 2

We recommend that the campus store international student records in a locked cabinet in a secure area.

Campus Response

We concur. A letter of instruction by the Dean of Extended and International Education will be sent to all persons who may have access to international student records to ensure that student files are to be stored in a locked cabinet at all times in a secured area.

Anticipated completion date: August 1, 2013

FISCAL ADMINISTRATION AND CONTROLS

Recommendation 3

We recommend that the campus ensure that fees for travel-study programs are appropriately administered.
Campus Response

We concur. A procedure to address appropriate administration of travel study fees will be developed. Instructors of travel study courses and programs will attend a mandatory orientation which will also address the issue of fees for travel-study programs; the instructors will be required to sign a statement confirming that they have attended the orientation.

Anticipated completion date: August 1, 2013
June 24, 2013

MEMORANDUM

TO: Mr. Larry Mandel
    University Auditor

FROM: Timothy P. White
      Chancellor

SUBJECT: Draft Final Report 13-17 on *International Programs*, Sonoma State University

In response to your memorandum of June 24, 2013, I accept the response as submitted with the draft final report on *International Programs*, Sonoma State University.

TPW/amd