INTERNATIONAL PROGRAMS
HUMBOLDT STATE UNIVERSITY

Audit Report 13-20
July 26, 2013

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ABBREVIATIONS

AA  Academic Affairs
BOT  Board of Trustees
CIP  Center for International Programs
CO  Chancellor’s Office
CSU  California State University
EO  Executive Order
ICSUAM  Integrated California State University Administrative Manual
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 (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 Humboldt State University campus from May 13, 2013, through June 14, 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 June 14, 2013, taken as a whole, were sufficient to meet the objectives stated in the “Purpose” section of this report. Areas of concern include: study-abroad and exchange programs, and fiscal administration.

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.

STUDY-ABROAD AND EXCHANGE PROGRAMS [7]

Administration of international exchange programs needed improvement. For example, exchange agreements did not always include the appropriate indemnification language. This is a repeat finding from the Off-Campus Activities audit. Also, proper approval for short-term study-abroad programs was not always obtained and documented. In addition, the campus did not always maintain evidence showing that students participating in study-abroad programs met California State University (CSU) requirements, including proof of attendance at orientation sessions and proper insurance. Further, the campus had not developed procedures for the review and approval of third-party study-abroad program providers, nor had it developed a list of approved third-party program providers that clearly stated the criteria used for approval. Additionally, agreements with third-party study-abroad providers were not always approved by the president or his/her designee, did not always include an appropriate sunset clause, and sometimes included provisions that were prohibited by CSU policy. Also, 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 CSU study-abroad requirements.
FISCAL ADMINISTRATION AND CONTROLS [14]

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

BACKGROUND

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.
SCOPE AND METHODOLOGY

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 fiscal, operational, 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 14, 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

STUDY-ABROAD AND EXCHANGE PROGRAMS

EXCHANGE PROGRAM AGREEMENTS

Administration of international exchange programs needed improvement.

We reviewed five international exchange programs and found that:

- One exchange agreement was expired, but students continued to be exchanged.
- Two exchange agreements lacked the appropriate indemnification language. This is a repeat finding from the Off-Campus Activities audit.

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, and that requirements for successful contract performance should be clearly defined within the contract documents.

Executive Order (EO) 849, California State University Insurance Requirements, dated February 5, 2003, states that student-placement agreements must be in writing and shall specify minimum insurance requirements applicable to the contracting parties and appropriate hold-harmless provisions based on the needs of the contracting parties.

The director of the center for international programs (CIP) stated that the agreements had been in place for a while and therefore did not follow the more recent template, which includes an indemnification clause. She further stated that exchange agreements were not always updated in a timely manner due to competing priorities.

Inadequate administration of agreements with exchange partners increases the risk of misunderstandings and potential legal liabilities.

Recommendation 1

We recommend that the campus:

a. Review the expired exchange agreement, and renew it if the relationship is to be maintained.

b. Include appropriate indemnification language in all exchange agreements.

Campus Response

We concur. The campus will renew the expired exchange agreements and ensure that the appropriate indemnification language is included.
Implementation date: December 1, 2013

**STUDY-ABROAD PROGRAM APPROVAL**

Proper approval for short-term study-abroad programs was not always obtained and documented. We reviewed five short-term study-abroad trips and found that:

- Three programs were approved by the department chair, college dean, and CIP director in accordance with campus procedures, but these individuals did not have written delegation of authority from the campus president to approve short-term study-abroad programs.
- Two programs lacked any documented approval.

EO 745, *Self-Support Campus Based Study Abroad Programs*, dated June 7, 2000, states that the president of the campus or his/her designee may initiate self-supporting campus-based study-abroad programs that support, enrich, and/or broaden existing curricular offerings.

Coded memorandum Academic Affairs (AA) 2011-1, *Campus Compliance with Study Abroad Policy*, dated January 11, 2011, states that a written delegation of authority should be on file if someone other than the president is approving these programs.

The CIP director stated that short-term study-abroad trips were reviewed and recommended for approval by the international programs review committee, and therefore the requirement for a delegation of authority from the president was overlooked. She further stated that some documentation could not be located because the programs had been in place for a while, and the campus had not yet implemented its procedure for annual review and approval of ongoing programs.

Inadequate approval of study-abroad programs increases the risk of misunderstandings and potential legal liabilities.

**Recommendation 2**

We recommend that the campus obtain and document proper approval for all short-term study-abroad programs.

**Campus Response**

We concur. The Center for International Programs will obtain written delegation of authority from the campus presidents to approve short-term study-abroad programs.

Implementation date: October 1, 2013

**STUDY-ABROAD STUDENT RECORDS**

The campus did not always maintain evidence showing that students participating in study-abroad programs met California State University (CSU) requirements.
We reviewed 20 student files for four exchange programs and ten study-abroad programs, and we found that:

- None of the student files contained evidence of student attendance at a mandatory pre-departure orientation.

- Two student files did not contain evidence that the student had purchased required medical insurance valid in the host country or trip insurance for bodily injury or death.

EO 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 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, and that students are required to carry medical insurance that will be valid in the host country(ies).

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.

Coded memorandum AA-2011-1, *Campus Compliance with Study Abroad Policy*, dated January 11, 2011, states that it is essential to have a system of administrative controls as part of program operation. It further states that one aspect of these controls is to maintain adequate documentation about the program and the participants and that these documents should be retained for three years.

The coordinator of study-abroad programs stated that she used attendance sheets at each orientation, but she did not retain the records because it was not explicitly required in CSU directives. She further stated that the two students missing proof of insurance were traveling to Australia, where government regulations require the student to obtain insurance in order to maintain a visa, and therefore she did not require those students to provide her with evidence of coverage. She also stated that lack of evidence that trip insurance was obtained was due to oversight.

Lack of evidence that study-abroad students attended pre-departure orientation and obtained medical and trip insurance increases the risk to the health and safety of campus participants and increases potential legal liabilities.

**Recommendation 3**

We recommend that the campus:

a. Maintain evidence showing that all students participating in study-abroad programs attended a pre-departure orientation.

b. Obtain documentation showing that exchange students purchased medical insurance valid in the host countries and trip insurance for bodily injury or death.
Campus Response

We concur. Evidence that students have attended a pre-departure orientation will be maintained and copies of trip insurance for exchange students will be maintained in the individual student file.

Implementation date: Complete

ADMINISTRATION OF THIRD-PARTY STUDY-ABROAD PROVIDERS

Administration of third-party providers for study-abroad programs needed improvement.

We found that the campus had not developed:

- Procedures for the review and approval of third-party study-abroad program providers. We reviewed five programs and found that none had been subject to the required due diligence.
- A list of approved third-party program providers that clearly stated the criteria used for approval.

EO 1022, *Study Abroad Through Non-CSU Program Providers*, dated September 24, 2007, states that the campus should have a process for approving study-abroad program providers and deciding whether to enter into an agreement with a program provider. It further states that before the campus enters into an agreement, it should consider the academic and curricular offerings; the student support services; the health, safety, and security preparedness undertaken by the program provider; and the cost to the student.

Coded memorandum AA 2007-25, *Third-Party Program Provider Study Abroad and Administrative Safeguards*, dated September 26, 2007, 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. It also states that campuses should make appropriate updates to the list and programs on an annual basis.

The coordinator of study-abroad programs stated that the need to develop a review and approval process had been recognized, but had not yet been addressed due to competing priorities.

Lack of due diligence when choosing third-party study-abroad program providers increases the risk to the health and safety of campus participants and the risk of potential legal liabilities.

Recommendation 4

We recommend that the campus develop:

a. Procedures for the review and approval of third-party study-abroad program providers.

b. A list of approved third-party program providers that clearly states the criteria used for approval.
Campus Response

We concur. The Center for International Programs staff will work with the International Program Review Committee to establish procedures to review and approve third-party providers, as well as to develop criteria for approval of said programs.

Implementation date: December 1, 2013

AGREEMENTS WITH THIRD-PARTY STUDY-ABROAD PROVIDERS

Agreements with third-party study-abroad providers needed improvement.

We reviewed three affiliation agreements, and we found that:

- Although the agreements were signed by personnel involved with international programs, none were approved by the president or his/her designee with a written delegation of authority.

- None of the agreements included a sunset clause of five years or less.

- Two agreements contained provisions prohibited by CSU policy, including the campus’ right to receive compensation for site visits and marketing efforts.

EO 1022, Study Abroad through Non-CSU Program Providers, dated September 24, 2007, states that the president of the campus, or his/her designee, is delegated the authority to enter into affiliation agreements with study-abroad program providers.

Coded memorandum 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.

Coded memorandum AA 2011-1, Campus Compliance with Study Abroad Policy, dated January 11, 2011, states that the campus president is delegated authority to enter into agreements related to study abroad and exchange, and that if someone other than the president is to sign, a written delegation of authority should be on file. It further states that all agreements should have a “sunset” clause with a duration of no more than five years before review and renewal.

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 student 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 CIP director stated that lack of written delegation of authority to approve third-party study-abroad providers was due to oversight. She further stated that the terms of the agreements were defined in templates used by the third-party provider, and although these templates included provisions offering certain benefits, the campus was aware of CSU policy in this area and did not accept any prohibited benefits from these providers.

Affiliation agreements that are not properly approved, incomplete, and include prohibited provisions increase the risk of misunderstandings and potential legal liabilities.

**Recommendation 5**

We recommend that the campus:

a. Properly approve agreements with third-party study-abroad providers.

b. Include a sunset clause of five years or less in agreements with third-party study-abroad providers.

c. Remove provisions that are prohibited by CSU policy, such as the campus’ right to receive compensation for site visits and marketing efforts, from all agreements with third-party study-abroad providers.

**Campus Response**

We concur. The Center for International Programs will obtain written delegation of authority from the campus president to approve third-party study-abroad programs. Agreements will include a sunset clause of no more than five years. All provisions that are prohibited by CSU policy, such as the campus’ right to receive compensation for site visits and marketing efforts, will be removed from all agreements with third-party study-abroad providers.

Implementation date: October 1, 2013

**STUDY-ABROAD CONSORTIUM**

Administration of the campus arrangement with the University Studies Abroad Consortium (USAC), a study-abroad program provider, needed improvement.
Specifically, we 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 CSU requirements. The campus could only provide an application for associated university status with USAC that was signed on April 15, 1999, by a prior dean of research and graduate 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.

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 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 CIP director stated that the relationship with USAC pre-dated the current CIP staff, and therefore historical knowledge was minimal and documentation could not be located. She further stated that subsequent review had not taken place because the campus did not have a procedure for a formal, ongoing review of study-abroad providers, although campus experience with USAC had been positive.

Agreements with study-abroad providers that are not properly vetted and approved increase the risk of misunderstandings and potential legal liabilities.
Recommendation 6

We recommend that the campus:

a. Establish 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 and are working with USAC and the Office of General Counsel to establish a written agreement. Further, the campus will perform a risk assessment/due diligence on the relationship with USAC.

Implementation date: January 25, 2014

FISCAL ADMINISTRATION AND CONTROLS

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

We found that:

- The campus received annual grant money based on the size of student membership in USAC study-abroad programs. These funds were held at USAC on behalf of the campus, and the campus could charge expenses against them. We found that, in part:
  - Block grant funds were used to reimburse travel expenses incurred for the coordinator of study-abroad programs and another campus employee to attend the 2013 USAC board of directors meeting in Idaho. The total reimbursement to date was $817.06, with additional reimbursements still pending.
  - Block grant funds were used to reimburse the cost of foreign site visits for the coordinator of study-abroad programs. These expenditures were $1,911 for a 2011/12 visit to India and $2,348 for a 2012/13 visit to Thailand. In addition, lodging costs were covered by USAC and paid directly to the vendor for these trips.

- The campus received USAC Ambassador Program funds in 2011/12 and 2012/13 totaling $2,560 and $2,600, respectively. These funds were used to pay for a student employee position to provide peer advising and outreach support for international programs and study abroad.
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 student 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 CIP director stated her belief that the receipt and use of USAC funds was appropriate because the campus was a member of the consortium, and the funds were applied toward developing and running study-abroad programs at the campus and allowed the campus to perform due diligence activities in order to evaluate USAC programs.

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

**Recommendation 7**

We recommend that the campus consult with the Office of the General Counsel at the chancellor’s office to investigate the receipt and use of funds from USAC and resolve the issue in accordance with established CSU policies and procedures.

**Campus Response**

We concur. The campus will consult with the Office of the General Counsel regarding the receipt and use of USAC funds and educate its Center for International Program staff with regard to any restrictions.

Implementation date: January 25, 2014
### APPENDIX A: PERSONNEL CONTACTED

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
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<tbody>
<tr>
<td>Rollin C. Richmond</td>
<td>President</td>
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<tr>
<td>Rebecca Brown</td>
<td>Director, Center for International Programs (CIP)</td>
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<td>Emily Kirsch</td>
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<td>Emily Kupec</td>
<td>Financial Analyst, Reporting Analysis</td>
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<td>Joyce Lopes</td>
<td>Vice President, Administrative Affairs</td>
</tr>
<tr>
<td>Carol Lorentzen</td>
<td>Associate Vice President of Business Services</td>
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<tr>
<td>Megan Mefford</td>
<td>Coordinator of International Admission, Immigration, and Advising, CIP</td>
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<td>Lynne Sandstrom</td>
<td>Director, Financial Services</td>
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<td>Sharon Seward</td>
<td>Fiscal Specialist, CIP</td>
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<tr>
<td>Penelope Shaw</td>
<td>Coordinator, Study-Abroad Programs, CIP</td>
</tr>
<tr>
<td>Robert Snyder</td>
<td>Provost and Vice President for Academic Affairs</td>
</tr>
</tbody>
</table>
Dear Mr. Mandel:

Please find enclosed Humboldt State University’s second revision of the Campus response to International Programs Audit Report 13-20.

Please review the information and let us know if there are any questions, concerns or if we can provide additional information. We appreciate the effort you and your staff have made to indicate areas where our procedures could be strengthened.

Please direct questions regarding the responses to Carol Lorentzen, AVP of Business Services at (707) 826-3127 or carol.lorentzen@humboldt.edu.

cc: Rollin C. Richmond, President (w/o enclosures)
   Carol Lorentzen, Associate Vice President of Business Services (w/o enclosures)
STUDY-ABROAD AND EXCHANGE PROGRAMS

EXCHANGE PROGRAM AGREEMENTS

Recommendation 1

We recommend that the campus:

a. Review the expired exchange agreement, and renew it if the relationship is to be maintained.

b. Include appropriate indemnification language in all exchange agreements.

Campus Response

We concur. The campus will renew the expired exchange agreements and ensure that the appropriate indemnification language is included.

Implementation date: December 1, 2014

STUDY-ABROAD PROGRAM APPROVAL

Recommendation 2

We recommend that the campus obtain and document proper approval for all short-term study-abroad programs.

Campus Response

We concur. The Center for International Programs will obtain written delegation of authority from the campus presidents to approve short-term study-abroad programs.

Implementation date: October 1, 2013

STUDY-ABROAD STUDENT RECORDS

Recommendation 3

We recommend that the campus:

a. Maintain evidence showing that all students participating in study-abroad programs attended a pre-departure orientation.
b. Obtain documentation showing that exchange students purchased medical insurance valid in the host countries and trip insurance for bodily injury or death.

**Campus Response**

We concur. Evidence that students have attended a pre-departure orientation will be maintained and copies of trip insurance for exchange students will be maintained in the individual student file.

Implementation date: Complete

**ADMINISTRATION OF THIRD-PARTY STUDY-ABROAD PROVIDERS**

**Recommendation 4**

We recommend that the campus develop:

a. Procedures for the review and approval of third-party study-abroad program providers.

b. A list of approved third-party program providers that clearly states the criteria used for approval.

**Campus Response**

We concur. The Center for International Programs staff will work with the International Program Review Committee to establish procedures to review and approve third-party providers, as well as to develop criteria for approval of said programs.

Implementation date: December 1, 2013

**AGREEMENTS WITH THIRD-PARTY STUDY-ABROAD PROVIDERS**

**Recommendation 5**

We recommend that the campus:

a. Properly approve agreements with third-party study-abroad providers.

b. Include a sunset clause of five years or less in agreements with third-party study-abroad providers.

c. Remove provisions that are prohibited by CSU policy, such as the campus’ right to receive compensation for site visits and marketing efforts, from all agreements with third-party study-abroad providers.

**Campus Response**

We concur. The Center for International Programs will obtain written delegation of authority from the campus president to approve third-party study-abroad programs. Agreements will include a sunset clause of no more than five years. All provisions that are prohibited by CSU policy, such as the campus’ right to receive compensation for site visits and marketing efforts, will be removed from all agreements with third-party study-abroad providers.
Implementation date: October 1, 2013

STUDY-ABROAD CONSORTIUM

Recommendation 6

We recommend that the campus:

a. Establish 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 and are working with USAC and the Office of General Counsel to establish a written agreement. Further, the campus will perform a risk assessment/due diligence on the relationship with USAC.

Implementation date: January 25, 2014

FISCAL ADMINISTRATION AND CONTROLS

Recommendation 7

We recommend that the campus consult with the Office of the General Counsel at the chancellor’s office to investigate the receipt and use of funds from USAC and resolve the issue in accordance with established CSU policies and procedures.

Campus Response

We concur. The campus will consult with the Office of General Counsel regarding the receipt and use of USAC funds and educate its Center for International Program staff with regard to any restrictions.

Implementation date: January 25, 2014
November 7, 2013

MEMORANDUM

TO:          Mr. Larry Mandel
             University Auditor

FROM:        Timothy P. White
             Chancellor

SUBJECT:     Draft Final Report 13-20 on *International Programs*,
             Humboldt State University

In response to your memorandum of November 7, 2013, I accept the response as submitted with the draft final report on *International Programs*, Humboldt State University.

TPW/amd