

STUDENT RECORDS AND REGISTRATION

**CALIFORNIA STATE UNIVERSITY,
LOS ANGELES**

**Audit Report 08-37
October 20, 2008**

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THE CALIFORNIA STATE UNIVERSITY

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ABBREVIATIONS

| | |
|----------|--|
| CMS | Common Management Systems |
| CSU | California State University |
| EO | Executive Order |
| FERPA | Family Educational Rights and Privacy Act of 1974 (As Amended) |
| I Grade | Incomplete |
| RD Grade | Report Delayed |
| SAM | State Administrative Manual |
| SIMS/R | Student Information Management System/Relational |
| SRR | Student Records and Registration |
| W Grade | Withdrawals |

EXECUTIVE SUMMARY

As a result of a systemwide risk assessment conducted by the Office of the University Auditor during the last quarter of 2005, the Board of Trustees, at its January 2008 meeting, directed that *Student Records and Registration* (SRR) be reviewed. SRR was last audited in 1999.

We visited the California State University, Los Angeles campus from May 27, 2008, through June 27, 2008, and audited the procedures in effect at that time.

Our study and evaluation did not reveal any significant internal control problems or weaknesses that would be considered pervasive in their effects on SRR controls. However, we did identify other reportable weaknesses that are described in the executive summary and body of this report. In our opinion, the operational and administrative controls of SRR in effect as of June 27, 2008, taken as a whole, were sufficient to meet the objectives stated below.

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 satisfactory. Numbers in brackets [] refer to page numbers in the report.

REGISTRATION [5]

Changes made to registration priorities were not routinely monitored.

GRADING/RECORD ACCURACY AND INTEGRITY [5]

Students had not been given a reasonable opportunity to appeal grade changes. Additionally, the campus did not timely replace the administrative grading symbol RD (Report Delayed) with a substantive grade. This is a repeat finding from the last SRR audit.

SECURITY OF STUDENT RECORDS [8]

The campus did not review information management practices at least biennially and report the results to the chancellor's office. This is a repeat finding from the last SRR audit. In addition, the campus did not ensure that a reconciliation of transcript fees received to transcripts issued was prepared, reviewed, and approved. Also, the business continuity plan for SRR was outdated and incomplete.

INTRODUCTION

BACKGROUND

In recent years, the systems used for student records and registration in the California State University (CSU) have changed to accommodate implementation of Common Management Systems (CMS) and the suite of software from Oracle/PeopleSoft. One CMS application is Campus Solutions. The CSU implementation of Campus Solutions includes the following modules: Academic Advisement, Admissions, Campus Community, Financial Aid, Student Financials, and Student Records.

At the time of the audit, two CSU campuses (San Diego and San Francisco) were using a non-CMS legacy system for student records. This system is Student Information Management System/Relational (SIMS/R).

The Family Educational Rights and Privacy Act (FERPA) of 1974, which, as amended, governs the confidentiality and privacy of student educational records. FERPA covers all institutions that receive funding of any kind administered by the U.S. Department of Education including for example, federal student financial aid programs. Educational records are those records that are directly related to a student. Per 34 CFR 99.3 (Code of Federal Regulations), records are directly related if they are either personally identifiable or easily traceable to the student. FERPA divides student records into two distinct categories: directory information and non-directory or confidential information. Directory information is information contained in the educational records of a student that would not generally be considered harmful or an invasion of privacy if disclosed. FERPA covers records generated and held by many different campus offices including official academic records held by campus registrars. Generally, school officials with a legitimate educational interest can access student educational records otherwise disclosure or release of information is protected and institutions which do not comply with FERPA can have federal funding withheld.

The Office of the University Auditor last reviewed student records in 1999 and found that systemwide policies pertaining to incomplete grading, the withdrawal process, the approval of grading symbols, and other applicable areas were outdated and needed updating to provide clear guidance and direction to the campuses. In November 2001, the chancellor's office published Executive Order 792, *Grading Symbols, Assignment of Grades, and Grade Appeals* that established administrative grading symbols, minimum standards governing the assignment of grades, and provisions for appeal to ensure that the rights and responsibilities of faculty and students were properly recognized and protected. At the campuses, the registrar is typically the office responsible for registration and student records. At California State University, Los Angeles, the registrar is part of student affairs and reports to the associate vice president of student affairs - enrollment management.

PURPOSE

The overall audit objective was to ascertain the effectiveness of existing policies and procedures related to the administration of *Student Records and Registration*.

Within the overall audit objective, specific goals included determining whether:

- ▶ Accountability for the registration and student records functions has been clearly defined and documented including delineation of roles and responsibilities, provisions for formulation of goals/objectives, and measurement of outcomes.
- ▶ Registration/student records' calendars, policies and procedures, and standard forms are current and comprehensive; and aligned with relevant federal and state laws/regulations and CSU directives.
- ▶ The registration process/system is equitable with advance registration priorities consistent with campus needs and minimization of opportunities for favoritism.
- ▶ The risks of registering ineligible students or students who later result in excessive disenrollments are reasonably mitigated in the registration process/system.
- ▶ Instructors of record are integrally involved in assigning grades and processing grade changes.
- ▶ Students have a reasonable opportunity to appeal arbitrary and capricious grades.
- ▶ Grades are changed only in accordance with campus authorizations.
- ▶ Excessive use of Report Delayed (RD) grades or RD grades not replaced as soon as possible adversely affects the accuracy of student records.
- ▶ Inadequately documented Incomplete (I) grades or I grades not converted within established time limits adversely affects the accuracy and integrity of student records.
- ▶ Withdrawals (W) grades after census date or in the last 20 percent of instruction without adequate justification adversely affect the accuracy and integrity of student records.
- ▶ The campus has adopted written FERPA policies and biennially reviews information management practices for student records.
- ▶ Access to automated systems is controlled and limited to authorized users; data backup procedures are in place; and physical security over system hardware is adequate.
- ▶ Dissemination of protected information from student records is adequately controlled.
- ▶ The campus has adequate measures to protect student records from destruction/loss and control the shredding of confidential source documents.

SCOPE AND METHODOLOGY

The proposed scope of audit, as presented in Attachment B, Agenda Item 2 of the January 22-23, 2008, meeting of the Committee on Audit, stated that *Student Records and Registration* includes review of database recordkeeping and registration systems, procedures for creating and changing records, and security measures protecting against unauthorized or inadvertent modification, removal, or destruction of records.

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 whether 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 and campus policies, letters, and directives. The audit review focused on procedures in effect from July 1, 2007, through June 30, 2008.

Specifically, we reviewed and tested:

- ▶ Application of registration priorities.
- ▶ Use of registration holds.
- ▶ Assignment of grades including various grading symbols such as RD and I.
- ▶ Disenrollments and extent of student withdrawals.
- ▶ Grade change authorizations.
- ▶ Grade appeal processes.
- ▶ FERPA policies and procedures.
- ▶ Limitations on access to student records.
- ▶ Disclosure of student records.
- ▶ Issuance of transcripts.
- ▶ Business continuity planning for student records.

OBSERVATIONS, RECOMMENDATIONS, AND CAMPUS RESPONSES

REGISTRATION

Changes made to registration priorities were not routinely monitored.

Our review disclosed that approximately 38 staff members assigned to admissions and the registrar/records offices were authorized to modify registration priorities (dates and times). The campus' automated system did not include a process that allowed management the opportunity to examine (i.e., track and review) changes made to registration priorities.

State Administrative Manual (SAM) §5300.3 requires state agencies to provide for the proper use and protection of its information assets.

SAM §5305.1 stipulates responsibility for each agency to define a cost-effective approach to managing risks associated with its information assets.

The university registrar and director of enrollment services stated that, according to the campus director of Common Management Systems (CMS) and enterprise systems, the campus was using a CMS delivered version of the registration page and there were no audits enabled.

Failure to properly monitor changes in registration priorities increases the risk of unauthorized and inappropriate changes.

Recommendation 1

We recommend that the campus establish controls to better monitor registration priorities including, but not limited to, use of the registration system to track and review changes.

Campus Response

The campus will review the user access to changes in the registration system and will limit the number of individuals with access to the data element. Implementation date will be December 31, 2008.

GRADING/RECORD ACCURACY AND INTEGRITY

GRADE APPEALS

Students had not been given a reasonable opportunity to appeal grade changes.

Campus policies and procedures did not include specific grade appeals requirements to ensure that students were made aware of their rights and the available recourse and protection.

Executive Order (EO) 792, *Grading Symbols, Assignment of Grades, and Grade Appeals*, dated November 12, 2001, states in part that each campus shall implement policy and procedures covering the assignment of grades and grade appeals, which include at least the following provisions:

- ▶ A means for preliminary review of potential appeals that may resolve differences before initiation of formal proceedings.
- ▶ Grounds for which grade appeal is permitted.
- ▶ Procedures whereby grades are assigned by other qualified faculty in circumstances where the instructor of record does not do so, including those instances where a grade change is recommended by a grade appeals committee and the instructor of record does not carry out that recommendation.
- ▶ Description of the extent of the authority of appeal committee, including provisions which clearly limit grade changes to instances where there is a finding that the grade was improperly assigned.
- ▶ A statement that there is a presumption that the grades assigned are correct. Thus, the burden of proof rests with the individual.
- ▶ Procedures for dealing with allegations of improper procedure.
- ▶ Assignment of authority to revise policies and procedures for grade appeals to the campus faculty senate.
- ▶ Provisions for annual reporting to the campus president and campus faculty senate on the number and disposition of cases heard.

The assistant vice president of student affairs stated that the student appeal process existed; however, the information was not centralized for ease of access.

Lack of appropriate grade appeals policy and procedures increases the risk that students will not be aware of the available recourse and protection afforded to them.

Recommendation 2

We recommend that the campus implement a centralized grade appeals policy and ensure that it is made readily available for students to review.

Campus Response

A centralized grade appeal policy will be established and readily available for students to access online. Implementation date will be March 31, 2009.

REPORT DELAYED GRADING SYMBOL

The campus did not timely replace the administrative grading symbol RD (Report Delayed) with a substantive grade. This is a repeat finding from the 1999 Student Records and Registration (SRR) audit.

Our review disclosed that 1,832 students had a grade of RD on their permanent records. Specifically, RD grades which date back as far as summer 2005 had not been replaced with a substantive grade.

| TERM | RDs |
|--------------|-------|
| Summer 2005 | 76 |
| Fall 2005 | 328 |
| Winter 2006 | 146 |
| Spring 2006 | 156 |
| Summer 2006 | 31 |
| Fall 2006 | 111 |
| Winter 2007 | 110 |
| Spring 2007 | 131 |
| Summer 2007 | 96 |
| Fall 2007 | 226 |
| Winter 2008 | 421 |
| Total | 1,832 |

EO 792, *Grading Symbols, Assignment of Grades, and Grade Appeals*, dated November 12, 2001, states the symbol RD may be assigned by the registrar only and, if assigned, shall be replaced by a substantive grading symbol as soon as possible. A RD shall not be used in calculating grade point average or progress points.

The university registrar and director of enrollment services stated that the procedures proposed by the campus in response to this finding from the prior SRR audit were not followed due to lack of management oversight.

Not maintaining an effective campus control system for grading symbols increases the possibility of inaccurate student records.

Recommendation 3

We recommend that the campus strengthen procedures to ensure that RD grades are replaced timely with a substantive grade.

Campus Response

A new grade reporting procedure will be implemented to strengthen initial receipt of grades from faculty. This will entail changing rules on PeopleSoft to only allow completed rosters to be accepted. Implementation date will be March 31, 2009.

SECURITY OF STUDENT RECORDS

STUDENT INFORMATION MANAGEMENT REVIEW

The student information management policy was outdated and the campus was not reviewing and reporting information management practices concerning student records at least biennially. This is a repeat finding from the 1999 SRR audit.

EO 796, *Privacy and Personal Information Management Student Record Administration*, dated January 1, 2002, states that each campus shall adopt a written policy statement establishing procedures by which the campus intends to comply with the federal Family Educational Rights and Privacy Act of 1974 and this executive order. These procedures shall include a requirement to periodically review campus information management practices concerning student records at least every two years or more often as the need arises. The results of these reviews shall be forwarded to the chancellor by the president and shall include any changes deemed necessary.

The assistant vice president of student affairs indicated that the review was not completed due to realignment of duties in a number of offices.

The absence of biennial reviews increases the risk of inappropriate distribution of student records.

Recommendation 4

We recommend that the campus resume biennial reviews of information practices concerning student records and report results to the chancellor.

Campus Response

The student affairs office and the judicial affairs office will resume review of information practices on student records and report the results to the chancellor's office. Implementation will be in place by January 31, 2009.

OFFICIAL TRANSCRIPTS

The campus did not ensure that a reconciliation of transcript fees received to the number of transcripts issued was prepared, reviewed, and approved.

California State University, Los Angeles *Transcript Order Procedures*, dated October 19, 2005, states in part that the campus compares daily receipts to deposits to the supporting documentation (actual transcripts) to ensure they agree.

SAM §20050 states in part that that the elements of a satisfactory system of accounting and administrative control shall include, in part, recordkeeping procedures adequate to provide effective accounting control over assets, liabilities, revenues and expenditures, and an effective system of internal review.

The university registrar and director of enrollment services stated that the campus was working on improving the controls and the missing reconciliation procedure was an oversight.

Failure to prepare timely transcript fee reconciliations increases the risk that errors and irregularities will not be promptly detected and could result in misappropriation of transcript fee revenue.

Recommendation 5

We recommend that the campus perform a reconciliation of transcript fees to the number of transcripts issued periodically and ensure that reconciliations are timely reviewed, signed, and dated.

Campus Response

Reconciliation of the transcript fees collected and the number of transcripts issued will be performed on a scheduled basis to ensure accuracy. Implementation date will be March 31, 2009.

BUSINESS CONTINUITY

The business continuity plan for SRR was outdated and incomplete.

The April 4, 2006, version of the business continuity plan for the sub-section entitled *Admissions and Registration* contained three goals and two objectives under each goal. Goal number one was to reestablish student services, goal number two was to reestablish administrative services, and goal number three was to reestablish applicant services. There was little specificity on how these goals would be accomplished.

EO 921, *California State University Emergency Management Program*, dated November 12, 2004, states that each campus shall develop a business continuity plan with common elements such as annual plan review and as a minimum, biennial testing.

EO 1014, *California State University Business Continuity Program*, dated October 8, 2007, states that each business unit that is determined by the university to provide essential functions shall develop a business continuity plan that reflects sufficient forethought and detail to ensure a high probability of successful maintenance or restoration of essential functions following an unfavorable event.

International Standards Organization standard 14.1 states that a business continuity management process should integrate information technology with other factors such as operations, staffing, materials, transport, and facilities.

The university registrar and director of enrollment services stated that they rely on the campus 2008/09 emergency operations document as the SRR business continuity plan.

Inadequate business continuity planning and testing increases the risk of ineffective preparedness and loss of essential services.

Recommendation 6

We recommend that the campus develop and maintain a more current and comprehensive business continuity plan for SRR.

Campus Response

An updated comprehensive business continuity plan for SRR will be implemented by December 31, 2008.

APPENDIX A: PERSONNEL CONTACTED

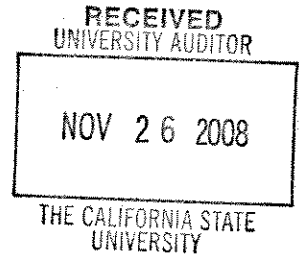
| <u>Name</u> | <u>Title</u> |
|-----------------|--|
| James M. Rosser | President |
| Kathy Anderson | Assistant to the Registrar |
| Susan Cash | Associate Vice President, Academic Affairs |
| Bill Chang | Director, Common Management Systems and Enterprise Systems |
| Letycia Gomez | Judicial Affairs Officer |
| Tanya Ho | University Internal Auditor |
| Michele Jordan | Compliance Officer |
| Do Hyun Kwon | Software Integration Engineer, Information Technology Services |
| Christine Leung | Senior Internal Auditor |
| Juanita Lewis | Administrative Assistant |
| Beverly Mitchum | Director, Information Technology Security Management |
| Sheryl Okuno | Director, Information Technology, Security and Compliance |
| George Pardon | Vice President, Administration and Chief Financial Officer |
| Mark Robinson | Associate Director, Institutional Research |
| Tony Ross | Vice President, Student Affairs |
| Lianne Salerno | Administrative Assistant |
| Mae Santos | Director, University Budget |
| Arlie Stops | Assistant Vice President, Student Affairs |
| Joan Woosley | University Registrar and Director of Enrollment Services |



CALIFORNIA STATE UNIVERSITY, LOS ANGELES

OFFICE OF THE PRESIDENT

November 21, 2008



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

Re: *University's Response to Recommendations Contained in Report Number 08-37
Student Records and Registration*

Dear Mr. Mandel:

Attached are the University's responses to the recommendations contained in Report Number 08-37, Student Records and Registration.

Please contact Tanya Ho, University Internal Auditor, at (323) 343-5102, if you wish to discuss any matter contained herein.

Sincerely,

A handwritten signature in black ink, appearing to read "James M. Rosser".

James M. Rosser
President

Attachment

cc: (with attachments)
George Pardon, Vice-President for Administration and Chief Financial Officer
Arlie Stops, Assistant Vice President of Student Affairs
Tanya Ho, University Internal Auditor
Michele Jordan, University Compliance Officer

STUDENT RECORDS AND REGISTRATION

CALIFORNIA STATE UNIVERSITY, LOS ANGELES

Audit Report 08-37

REGISTRATION

Recommendation 1

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Campus Response

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GRADING/RECORD ACCURACY AND INTEGRITY

GRADE APPEALS

Recommendation 2

We recommend that the campus implement a centralized grade appeals policy and ensure that it is made readily available for students to review.

Campus Response

A centralized grade appeal policy will be established and readily available for students to access on-line. Implementation date will be March 31, 2009.

REPORT DELAYED GRADING SYMBOL

Recommendation 3

We recommend that the campus strengthen procedures to ensure that RD grades are replaced timely with a substantive grade.

Campus Response

A new grade reporting procedure will be implemented to strengthen initial receipt of grades from faculty. This will entail changing rules on People Soft to only allow completed rosters to be accepted. Implementation date will be March 31, 2009.

SECURITY OF STUDENT RECORDS

STUDENT INFORMATION MANAGEMENT REVIEW

Recommendation 4

We recommend that the campus resume biennial reviews of information practices concerning student records and report results to the chancellor.

Campus Response

The student affairs office and the judicial affairs office will resume review of information practices on student records and report the results to the Chancellor's Office. Implementation will be in place by January 31, 2009.

OFFICIAL TRANSCRIPTS

Recommendation 5

We recommend that the campus perform a reconciliation of transcript fees to the number of transcripts issued periodically and ensure that reconciliations are timely reviewed, signed, and dated.

Campus Response

Reconciliation of the transcript fees collected and the number of transcripts issued will be performed on a scheduled basis to ensure accuracy. Implementation date will be March 31, 2009.

BUSINESS CONTINUITY

Recommendation 6

We recommend that the campus develop and maintain a more current and comprehensive business continuity plan for SRR.

Campus Response

An updated comprehensive business continuity plan for Student Records and Registration will be implemented by December 31, 2008.



THE CALIFORNIA STATE UNIVERSITY
OFFICE OF THE CHANCELLOR

BAKERSFIELD

December 4, 2008

CHANNEL ISLANDS

CHICO

MEMORANDUM

DOMINGUEZ HILLS

EAST BAY

TO: Mr. Larry Mandel
University Auditor

FRESNO

FROM: Charles B. Reed
Chancellor

FULLERTON

HUMBOLDT

SUBJECT: Draft Final Report 08-37 on *Student Records and Registration*,
California State University, Los Angeles

LONG BEACH

LOS ANGELES

In response to your memorandum of December 4, 2008, I accept the response as submitted with the draft final report on *Student Records and Registration*, California State University, Los Angeles.

MARITIME ACADEMY

MONTEREY BAY

NORTHRIDGE

CBR/jt

POMONA

Enclosure

SACRAMENTO

cc: Ms. Tanya Ho, University Internal Auditor
Mr. George Pardon, Vice President, Administration and
Chief Financial Officer
Dr. James M. Rosser, President

SAN BERNARDINO

SAN DIEGO

SAN FRANCISCO

SAN JOSÉ

SAN LUIS OBISPO

SAN MARCOS

SONOMA

STANISLAUS