

**FISMA**

**CALIFORNIA STATE UNIVERSITY,  
SAN BERNARDINO**

**Report Number 03-09**

**May 28, 2004**

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**BOARD OF TRUSTEES**

**THE CALIFORNIA STATE UNIVERSITY**

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## **ABBREVIATIONS**

CEL	College of Extended Learning
CSU	California State University
CSUSB	California State University, San Bernardino
DRP	Disaster Recovery Plan
FISMA	Financial Integrity and State Manager's Accountability Act
IT	Information Technology
SAM	State Administrative Manual
SCO	State Controller's Office
SUAM	State University Administrative Manual

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## EXECUTIVE SUMMARY

In 1983, the California Legislature passed the Financial Integrity and State Manager's Accountability Act of 1983 (FISMA). This act requires state agencies to establish and maintain a system of internal accounting and administrative control. To ensure that the requirements of this act are fully complied with, state entities with internal audit units are to complete internal control audits (covering accounting and fiscal compliance practices) in accordance with the *Standards for the Professional Practice of Internal Auditing* (Institute of Internal Auditors) as required by Government Code Section 1236. The Office of the University Auditor of the California State University (CSU) is currently responsible for conducting such audits within the CSU.

We visited the California State University, San Bernardino (CSUSB) campus from December 1, 2003, through January 23, 2004, and made a study and evaluation of the accounting and administrative control in effect as of January 23, 2004. This report represents our biennial review.

CSUSB management is responsible for establishing and maintaining adequate internal control. This responsibility, in accordance with Government Code, Sections 13402 et seq., includes documenting internal control, communicating requirements to employees, and assuring that internal control is functioning as prescribed. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of control procedures.

The objectives of accounting and administrative control are to provide management with reasonable, but not absolute, assurance that:

- ▶ Assets are safeguarded against loss from unauthorized use or disposition.
- ▶ Transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of reliable financial statements.
- ▶ Financial operations are conducted in accordance with policies and procedures established in the State Administrative Manual (SAM), Education Code, Title 5, and Trustee policy.

Our study and evaluation did not reveal any significant internal control problems or weaknesses that would be considered pervasive in their effects on the accounting and administrative controls. However, we did identify other reportable weaknesses that are described in the executive summary and body of this report.

In our opinion, CSUSB's accounting and administrative control in effect as of January 23, 2004, taken as a whole, was sufficient to meet the objectives stated above.

As a result of changing conditions and the degree of compliance with procedures, the effectiveness of controls change 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 their attention. Areas of review not mentioned in this section were found to be satisfactory. Numbers in brackets [ ] refer to page numbers in the report.

### **CASH RECEIPTS [5]**

Application fee reconciliations did not include the reviewer's name or preparation and review dates. As a result, we were unable to determine whether the reconciliations were completed in a timely manner.

### **ACCOUNTS RECEIVABLE [5]**

Uncollectible accounts receivable were not adequately pursued for discharge. No requests for discharge from accountability had been filed with the State Controller's Office for six accounts that were older than two years and over \$1,000.

### **CASH DISBURSEMENTS [6]**

Long-outstanding checks were not processed in a timely manner. As of December 2003, there were 180 outstanding checks totaling \$30,483 that were 12 to over 23 months old.

### **FIXED ASSETS [7]**

Fixed asset acquisitions were not always recorded timely. A review of 15 property acquisitions disclosed that, in 4 instances, the property was recorded into the property listing from 43 to 243 days after receipt. In addition, a review of 14 property thefts and losses since July 2001 disclosed that public safety was not notified in 11 instances.

### **FISCAL INFORMATION TECHNOLOGY [9]**

The campus information technology disaster recovery plan did not include the CashNet system. Controls over the integrity of data files were not adequate, because some individuals had Oracle IDs that allowed them to modify production PeopleSoft data.

### **TRUST FUNDS [10]**

The College of Extended Learning trust fund had a negative cash balance of \$447,450 and a negative fund balance of \$1,643,014 as of June 30, 2003.

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## INTRODUCTION

### **PURPOSE**

The principal audit objective was to assess the adequacy of controls and systems to ensure that:

- ▶ Cash receipts are processed in accordance with laws, regulations, and management policies.
- ▶ Receivables are promptly recognized and balances are periodically evaluated.
- ▶ Purchases are made in accordance with laws, regulations, and management policies.
- ▶ Revolving fund disbursements are authorized and processed in accordance with laws, regulations, and management policies.
- ▶ Cash disbursements are properly authorized and made in accordance with established procedures, and adequate segregation of duties exists.
- ▶ Payroll/personnel criteria for hiring employees, establishing compensation rates, and authorizing disbursements are controlled, and access to personnel and payroll records and processing areas are restricted.
- ▶ Purchase and disposition of fixed assets are controlled and assets are promptly recorded in the subsidiary records.
- ▶ Physical computer controls are in place and functioning.
- ▶ Investments are adequately controlled and securities are safeguarded.
- ▶ Trust funds are established in accordance with State University Administrative Manual guidelines.

### **SCOPE AND METHODOLOGY**

Our study and evaluation were conducted in accordance with the *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. The management 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. For those audit tests that required annualized data, fiscal year 2002/03 was the primary period reviewed. In certain instances, we were concerned with representations of the most current data—in such cases, the test period was July 2003 to January 2004. Our primary focus was on internal controls. Specifically, we reviewed and tested:

- ▶ Procedures for receipting and storing cash, segregation of duties involving cash receipting, and recording of cash receipts.

- ▶ Establishment of receivables and adequate segregation of duties regarding billing and payment of receivables.
- ▶ Approval of purchases, receiving procedures, and reconciliation of expenditures to State Controller's balances.
- ▶ Limitations on the size and types of revolving fund disbursements.
- ▶ Use of petty cash funds, periodic cash counts, and reconciliation of bank accounts.
- ▶ Authorization of personnel/payroll transactions and accumulation of leave credits in compliance with state policies.
- ▶ Posting of the property ledger, monthly reconciliation of the property to the general ledger, and physical inventories.
- ▶ Access restrictions to automated accounting systems and proper documentation of the systems.
- ▶ Procedures for initiating, evaluating, and accounting for investments.
- ▶ Establishment of trust funds, separate accounting, adequate agreements, and annual budgets.

We have not performed any auditing procedures beyond the date of our report. Accordingly, our comments are based on our knowledge as of that date. Since the purpose of our comments is to suggest areas for improvement, comments on favorable matters are not addressed.

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## **OBSERVATIONS, RECOMMENDATIONS, AND CAMPUS RESPONSES**

### **CASH RECEIPTS**

Application fee reconciliations did not include the reviewer's name or preparation and review dates. As a result, we were unable to determine whether the reconciliations were completed in a timely manner.

State Administrative Manual (SAM) §7908 states that all reconciliations will show the preparer's name, reviewer's name, date prepared, and date reviewed.

State University Administrative Manual (SUAM) §3825.01 requires that a reconciliation of applications for admission to fees received be completed one month after the end of the academic term being reconciled.

The bursar supervisor stated that the associate director of accounting reviewed reconciliations informally on a regular basis. She further stated that the reconciliations were continually being modified and updated in order to improve the process.

Failure to include the reviewer's name and preparation and review dates on reconciliations compromises accountability and increases the risk that errors and irregularities will not be timely detected.

#### **Recommendation 1**

We recommend that the campus strengthen controls to ensure that application fee reconciliations include the reviewer's name and preparation and review dates.

#### **Campus Response**

The campus concurs with the recommendation and has changed the application fee reconciliation to include the reviewer's name and preparation and review dates. To ensure compliance, the accounting director will sign off on reconciliations.

Projected completion date: July 31, 2004

### **ACCOUNTS RECEIVABLE**

Uncollectible accounts receivable were not adequately pursued for discharge.

Our review of 20 outstanding accounts receivables disclosed 6 accounts older than 2 years and over \$1,000, for which applications for discharge had not been filed with the State Controller's Office (SCO).

Campus policy states that any debt that is greater than two years old and less than \$1,000 will not be pursued for collection by the accounting department and may be written off as a bad debt. To write off debts that are greater than two years old and greater than \$1,000, a discharge from accountability form must be submitted for approval to the SCO.

SAM §8776.6 states, in part, that if all reasonable collection procedures do not result in payment, departments may request discharge from accountability of uncollectible amounts due from private entities. Departments will file an application for discharge from accountability form with the SCO.

The associate director of accounting stated that efforts for the last year had been concentrated on obtaining supporting documentation, such as collection letters, to send to the SCO.

Not discharging old accounts receivable misstates cash flow and accounting records.

### **Recommendation 2**

We recommend that the campus strengthen procedures over the discharge of receivables greater than \$1,000.

### **Campus Response**

The campus concurs with the recommendation. During the time of the audit, the accounting department was in the process of coordinating the stale-dated warrants and write-off procedures. The procedures are now in place and several debts have been processed for discharge of accountability with the SCO.

Projected completion date: July 31, 2004

## **CASH DISBURSEMENTS**

Long-outstanding checks were not processed in a timely manner.

We reviewed a list of outstanding checks as of December 2003 and noted 87 checks totaling \$14,264 outstanding from 12 to 23 months, and 93 checks totaling \$16,219 older than 23 months.

SAM §8042 states that checks have a one-year period of negotiability, unless specific provisions of law require cancellation in a different period of time. Further, agencies will send a stop-payment request form to the State Treasurer's Office for all uncashed checks timed to arrive at least one week prior to the end of the one-year period of negotiability.

The associate director of accounting stated that a procedure was not currently in place for staff to follow-up the cancellation and remittance of long-outstanding checks to the state.

Not processing long-outstanding checks increases the risk of misappropriation and requires additional review efforts during the bank reconciliation process.

### **Recommendation 3**

We recommend that the campus promptly process noted long-outstanding checks as required by SAM §8042 and establish procedures to ensure that future long-outstanding checks are processed in a timely manner.

### **Campus Response**

The campus concurs with the recommendation. A stale-dated check procedure has been established and is in place to ensure the timely processing of long-outstanding checks. The associate director of accounting will require/review updates on the status of long-outstanding checks.

Projected completion date: July 31, 2004

## **FIXED ASSETS**

### **PROPERTY ACQUISITIONS**

Fixed asset acquisitions were not always recorded timely.

Our review of 15 property acquisitions disclosed that, in 4 instances, the property was recorded into the property listing from 43 to 243 days after receipt. These four property items were received between May 2002 and March 2003.

SAM §8650 requires departments to record specific property information when property is acquired. In addition, departments will keep track of state property, whether capitalized or not, in an automated property accounting system.

SAM §20050 indicates that the elements of a satisfactory system of internal accounting and administrative controls include a system of authorization and recordkeeping procedures adequate to provide effective accounting control over assets, liabilities, revenues, and expenditures.

The director of procurement and support services stated that the property clerk's process was such that items were entered into inventory after being physically tagged. She further stated that most of the four items were not tagged immediately, because the department had to first assemble and test the equipment before the campus accepted it.

Delays in recording fixed asset acquisitions increase the risk of theft and loss and understate property records.

#### **Recommendation 4**

We recommend that the campus strengthen procedures to ensure that all fixed asset acquisitions are entered into the property records in a timely manner.

#### **Campus Response**

The campus concurs with the recommendation. Processes have been altered to ensure that fixed asset acquisitions are recorded into property records upon receipt, rather than after the ordering department has assembled and tested the equipment.

Projected completion date: July 31, 2004

### **THEFTS AND LOSSES**

Thefts and losses of university property were not always reported to public safety.

Our review of 14 property thefts and losses since July 2001 disclosed that public safety was not notified in 11 instances. The 11 items belonged to the College of Arts and Letters.

Campus policy states that when a determination has been made that university property has been lost or stolen, the individual or department accountable should immediately notify public safety and file a police report. A copy of this report must be attached to the completed request for property survey form and sent to the property management office.

The director of procurement and support services stated that responsibility for lost or stolen property report filing rests with the departmental end user in accordance with campus policy. She further stated that the College of Arts and Letters had a loss of staffing in their property technician area.

Not reporting lost or stolen property to public safety in a timely manner may compromise the investigation of missing assets.

#### **Recommendation 5**

We recommend that the campus strengthen procedures to ensure asset thefts and losses are reported to the appropriate authorities in a timely manner.

#### **Campus Response**

The campus concurs with the recommendation. Processes have been altered to ensure that asset thefts and losses are reported to authorities in a timely manner. Once a theft or loss has been identified, the departmental end user will be given 30 days to file a police report. Should this not occur, the matter would be referred to the director of procurement and support services, who will then contact the appropriate administrator of the area to ensure that the report gets filed with University Police.

Projected completion date: July 31, 2004

## **FISCAL INFORMATION TECHNOLOGY**

### **DISASTER RECOVERY PLAN**

The campus information technology (IT) disaster recovery plan (DRP) did not include the CashNet system.

SAM §4843.1 requires each state agency to establish and maintain both an operational recovery plan to protect its information assets in the event of a disaster or serious disruption to its operations and a plan to resume operations following a disaster affecting those applications.

Executive Order 696, *Implementation of The California State University Emergency Preparedness Program*, dated January 29, 1999, states, in part, that each campus president is delegated the responsibility for the implementation of an emergency management system program on campus and shall ensure that management activities, including, but not limited to, maintenance and regular updating of the institutional emergency management system plan; and determination, acquisition, and maintenance of facilities, equipment, and related supplies required for emergency preparedness are accomplished.

The manager of administration and finance technical services stated that plans were in place to acquire the necessary hardware, but the plan had not been formally documented in writing.

Without a detailed IT DRP that addresses all critical systems and corresponding business continuation procedures, the campus may not be able to restore CashNet services within a reasonable time frame.

#### **Recommendation 6**

We recommend that the campus develop a written IT disaster recovery plan for the CashNet system.

#### **Campus Response**

The campus concurs with the recommendation and will incorporate the CashNet system into the Information Resources and Technology Disaster Recovery Plan.

Projected completion date: December 31, 2004.

## **PRODUCTION DATA ACCESS**

Some individuals had Oracle IDs that allowed them to modify production PeopleSoft data.

SAM §4842.2 states that appropriate risk management procedures should be implemented to safeguard the integrity of data files, which includes effective account management. Effective account

management is considered to include an appropriate authorization and monitoring of accounts that have access to production data files.

The director of administrative computing services stated that guidelines had not yet been established for monitoring the use of production Oracle accounts.

Inadequate control over the use and monitoring of accounts with access to production data increases the risk of unauthorized and undetected modification of production data.

**Recommendation 7**

We recommend that the campus implement a process for authorizing and monitoring the use of IDs with access to production data to ensure that all such access is authorized and appropriate.

**Campus Response**

The campus concurs with the recommendation and will establish guidelines to ensure that production Oracle accounts are appropriately managed and controlled.

Projected completion date: December 31, 2004

**TRUST FUNDS**

The College of Extended Learning (CEL) trust fund had a negative cash balance of \$447,450 and a negative fund balance of \$1,643,014 as of June 30, 2003.

SUAM §3710.01 states that each trust project must maintain a positive cash and fund balance.

The associate director of accounting stated that due to the implementation of state-supported summer session, the CEL had recognized a significant loss of revenue during the past three years.

Inadequate control over trust projects increases the risk of monetary loss and lack of funds for trust disbursements.

**Recommendation 8**

We recommend that the campus establish a written plan to address the negative CEL trust fund balances and strengthen oversight over trust fund activity and account balances to ensure that positive trust balances are maintained.

**Campus Response**

The campus concurs with the recommendation and will establish a written plan to address the negative CEL trust fund balances and strengthen oversight over trust fund activity account balances to ensure that positive trust balances are maintained.

Projected completion date: December 31, 2004

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## APPENDIX A: PERSONNEL CONTACTED

<u>Name</u>	<u>Title</u>
Albert K. Karnig	President
Karen Abbey	Property Manager
William Aguilar	Vice President, Information Resources and Technology
Happy Almogela	Director, Office of Housing and Residential Life
John Camien	Library Assistant IV, Circulation
Claudia Campos	Accounting Technician II
Gina Chavez	Accounting Technician II
Pegeen Davison	Payroll Technician III, Lead
David DeMauro	Vice President, Administration and Finance
Shirley Dorsey	Payroll Manager
Mark Erickson	Manager, Fiscal and Business Services – College of Extended Learning
Lorraine Frost	Director, Administrative Computing Services
Kathy Hansen	Director, Procurement and Support Services
Lisa Hernandez	Accounting Technician III
Julie Keller	Bursar Supervisor
Shannon Kelley	Accounts Payable Manager
Judy Kham	Administrative Support Assistant I, Office of Housing & Residential Life
Les Kong	Head, Public Services – Library
Vanessa Kragenbrink	Executive Assistant to the Vice President, Information Resources and Technology
Ruth Landeros	Administrative Coordinator of Business and Conferences, Office of Housing & Residential Life
Laurel Lilienthal	Executive Assistant to the Provost, Academic Affairs
Carolyn McDermid	Associate Director, Accounting
Lonelle Minesinger	Administrative Support Coordinator
Jerry Monahan	General Accounting Supervisor
Jim O’Linger	Manager, Administration and Finance Technical Services
Owen Owens	Director, Telecommunications and Network Services
Linda Pella-Hartley	Aide to the Vice President, Administration and Finance
Sheryl Pytlak	Director, Accounting
William Takehara	Assistant Vice President, Financial Operations
Javier Torner	Information Security Officer, Information Resources and Technology
Steven Waldman	Video Production Coordinator, Academic Computing & Media
Dale West	Director, Human Resources

## **STATEMENT OF INTERNAL CONTROLS**

### **A. INTRODUCTION**

Internal accounting and related operational controls established by the State of California, the California State University Board of Trustees and the Office of the Chancellor are evaluated by the University Auditor, in compliance with professional standards for the conduct of internal audits, to determine if an adequate system of internal control exists and is effective for the purposes intended. Any deficiencies observed are brought to the attention of appropriate management for corrective action.

### **B. INTERNAL CONTROL DEFINITION**

Internal control, in the broad sense, includes controls that may be characterized as either accounting or operational as follows:

#### **1. Internal Accounting Controls**

Internal accounting controls comprise the plan of organization and all methods and procedures that are concerned mainly with, and relate directly to, the safeguarding of assets and the reliability of financial records. They generally include such controls as the systems of authorization and approval, separation of duties concerned with record keeping and accounting reports from those concerned with operations or asset custody, physical controls over assets, and personnel of a quality commensurate with responsibilities.

#### **2. Operational Controls**

Operational controls comprise the plan of organization and all methods and procedures that are concerned mainly with operational efficiency and adherence to managerial policies and usually relate only indirectly to the financial records.

### **C. INTERNAL CONTROL OBJECTIVES**

The objective of internal accounting and related operational control is to provide reasonable, but not absolute, assurance as to the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a system of internal accounting and operational control should not exceed the benefits derived and also recognizes that the evaluation of these factors necessarily requires estimates and judgment by management.

**D. INTERNAL CONTROL SYSTEMS LIMITATIONS**

There are inherent limitations that should be recognized in considering the potential effectiveness of any system of internal accounting and related operational control. In the performance of most control procedures, errors can result from misunderstanding of instruction, mistakes of judgment, carelessness, or other personal factors. Control procedures whose effectiveness depends upon segregation of duties can be circumvented by collusion. Similarly, control procedures can be circumvented intentionally by management with respect to the executing and recording of transactions. Moreover, projection of any evaluation of internal accounting and operational control to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions and that the degree of compliance with the procedures may deteriorate. It is with these understandings that internal audit reports are presented to management for review and use.

State of California

California State University, San Bernardino  
5500 University Parkway  
San Bernardino, California 92407-2397

**MEMORANDUM**

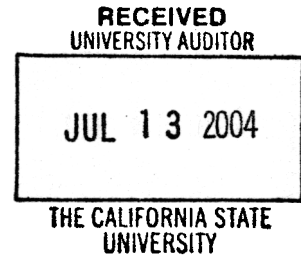
DATE : July 12, 2004

TO Larry Mandel  
University Auditor  
The California State University



FROM : David DeMauro, Vice President  
for Administration and Finance

SUBJECT: **Campus Update Response to  
*FISMA Audit Report No. 03-09*  
California State University, San Bernardino**



Enclosed is the campus response for CSUSB's *FISMA Audit Report No. 03-09*. Also enclosed is the diskette containing an electronic version of the response.

Documentation to support closure of several findings will be forwarded within the next few days.

c William Aguilar  
Lorraine Frost  
Kathy Hansen  
Sheryl Pytlak  
Bill Takehara

Enclosure

## FISMA

CALIFORNIA STATE UNIVERSITY,  
SAN BERNARDINO

REPORT NO. 03-09

**CASH RECEIPTS****Recommendation 1**

We recommend that the campus strengthen controls to ensure that application fee reconciliations include the reviewer's name and preparation and review dates.

**Campus Response**

The campus concurs with the recommendation and has changed the application fee reconciliation to include the reviewer's name, preparation and review dates. To ensure compliance, the Accounting Director will sign off on reconciliations.

Projected completion date: July 31, 2004

**ACCOUNTS RECEIVABLE****Recommendation 2**

We recommend that the campus strengthen procedures over the discharge of receivables greater than \$1,000.

**Campus Response**

The campus concurs with the recommendation. During the time of the audit, the Accounting Department was in the process of coordinating the stale-dated warrants and write-off procedures. The procedures are now in place and several debts have been processed for discharge of accountability with the State Controller's Office.

Projected completion date: July 31, 2004

**CASH DISBURSEMENTS****Recommendation 3**

We recommend that the campus promptly process noted long-outstanding checks as required by SAM §8042 and establish procedures to ensure that future long-outstanding checks are processed in a timely manner.

**Campus Response**

The campus concurs with the recommendation. A stale-dated check procedure has been established and is in place to ensure the timely processing of long-outstanding checks. The Associate Director will require/review updates on the status of long-outstanding checks.

Projected completion date: July 31, 2004

**FIXED ASSETS****PROPERTY ACQUISITIONS****Recommendation 4**

We recommend that the campus strengthen procedures to ensure that all fixed asset acquisitions are entered into the property records in a timely manner.

**Campus Response**

The campus concurs with the recommendation. Processes have been altered to ensure that fixed asset acquisitions are recorded into property records upon receipt, rather than after the ordering department has assembled and tested the equipment.

Projected completion date: July 31, 2004

**THEFTS AND LOSSES****Recommendation 5**

We recommend that the campus strengthen procedures to ensure asset thefts and losses are reported to the appropriate authorities in a timely manner.

**Campus Response**

The campus concurs with the recommendation. Processes have been altered to ensure that asset thefts and losses are reported to authorities in a timely manner. Once a theft or loss has been identified, the departmental end user will be given 30 days to file a police report. Should this not occur, the matter will be referred to the Director of Procurement and Support Services, who will then contact the appropriate administrator of the area to ensure that the report gets filed with University Police.

Projected completion date: July 31, 2004

## FISCAL INFORMATION TECHNOLOGY

### DISASTER RECOVERY PLAN

#### Recommendation 6

We recommend that the campus develop a written IT disaster recovery plan for the CashNet system.

#### Campus Response

The campus concurs with the recommendation and will incorporate the CashNet system into the Information Resources and Technology Disaster Recovery Plan.

Projected completion date: December 31, 2004.

### PRODUCTION DATA ACCESS

#### Recommendation 7

We recommend that the campus implement a process for authorizing and monitoring the use of IDs with access to production data to ensure that all such access is authorized and appropriate.

#### Campus Response

The campus concurs with the recommendation and will establish guidelines to ensure that production Oracle accounts are appropriately managed and controlled.

Projected completion date: December 31, 2004

## TRUST FUNDS

#### Recommendation 8

We recommend that the campus establish a written plan to address the negative CEL trust fund balances and strengthen oversight over trust fund activity and account balances to ensure that positive trust balances are maintained.

#### Campus Response

The campus concurs with the recommendation and will establish a written plan to address the negative CEL trust fund balances and strengthen oversight over trust fund activity account balances to ensure that positive trust balances are maintained.

Projected completion date: December 31, 2004

THE CALIFORNIA STATE UNIVERSITY  
OFFICE OF THE CHANCELLOR

BAKERSFIELD

July 27, 2004

CHANNEL ISLANDS

CHICO

DOMINGUEZ HILL

**MEMORANDUM**

FRESNO

FULLERTON

TO: Mr. Larry Mandel  
University Auditor

HAYWARD

FROM: Charles B. Reed  
Chancellor


HUMBOLDT

LONG BEACH

SUBJECT: Draft Final Report Number 03-09 on *FISMA*,  
California State University, San Bernardino

LOS ANGELES

MARITIME ACADEMY

MONTEREY BAY

In response to your memorandum of July 27, 2004, I accept the response as submitted with the draft final report on *FISMA*, California State University, San Bernardino.

NORTHRIDGE

POMONA

SACRAMENTO

CBR/al

SAN BERNARDINO

Enclosure

SAN DIEGO

cc: Mr. David DeMauro, Vice President, Administration and Finance  
Dr. Albert K. Karnig, President

SAN FRANCISCO

SAN JOSE

SAN LUIS OBISPO

SAN MARCOS

SONOMA

STANISLAUS