

Audit and Advisory Services
401 Golden Shore
Long Beach, CA 90802-4210

January 22, 2024

Dr. Tom Jackson, Jr., President
California State Polytechnic University, Humboldt
1 Harpst Street
Arcata, CA 95521

Dear Dr. Jackson:

**Subject: Audit Report 23-32, *International Programs*,
California State Polytechnic University, Humboldt**

We have completed an audit of *International Programs* as part of our 2023-2024 Audit Plan, and the final report is attached for your reference. The audit was conducted in accordance with the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*.

I have reviewed the management response and have concluded that it appropriately addresses our recommendations. The management response has been incorporated into the final audit report, which will be posted to Audit and Advisory Services' website. We will follow-up on the implementation of corrective actions outlined in the response and determine whether additional action is required.

Any observations not included in this report were discussed with your staff at the informal exit conference and may be subject to follow-up.

I wish to express my appreciation for the cooperation extended by the campus personnel over the course of this review.

Sincerely,



Vlad Marinescu
Vice Chancellor and Chief Audit Officer

c: Mildred García, Chancellor
Yammilette Rodriguez, Chair, Committee on Audit
Jean Picker Firstenberg, Vice Chair, Committee on Audit

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INTERNATIONAL PROGRAMS

**CALIFORNIA STATE
POLYTECHNIC UNIVERSITY,
HUMBOLDT**

**AUDIT REPORT 23-32
JANUARY 22, 2024**



CAL POLY HUMBOLDT

EXECUTIVE SUMMARY

AUDIT OBJECTIVES AND BACKGROUND

In accordance with the fiscal year (FY) 2023/24 Audit Plan, as approved by the Board of Trustees, Audit and Advisory Services performed an audit of international programs at California State Polytechnic University, Humboldt (Cal Poly Humboldt).

The objectives of the audit were to ascertain the effectiveness of operational and administrative controls related to international programs and to ensure compliance with relevant federal and state regulations, Trustee policy, Office of the Chancellor (CO) directives, and campus procedures.

In the Cal Poly Humboldt 2021-2026 Strategic Plan, globalization of the campus is a key objective to increase ethical, informed engagement with students and faculty and global communities and cultures. When the Center for International Programs (CIP) was dissolved in 2018, the international programs component was moved under the College of Extended Education to create the College of Extended Education and Global Engagement (CEEGE). Services provided include faculty-led study-abroad programs, direct and third-party provider exchange programs, and support for incoming international students and faculty. Through collaboration with various departments and colleges across campus, Cal Poly Humboldt offers a variety of opportunities for students to participate in exchange and study-abroad programs to further fulfill the campus's goal of globalization.

OVERALL CONCLUSION

Based upon the results of the work performed within the scope of the audit, except for the weaknesses described below, the operational and administrative controls for international programs as of September 22, 2023, taken as a whole, provided reasonable assurance that risks were being managed and objectives were met.

AUDIT SCOPE AND RESULTS

In general, we found that international programs operations were effective and services were provided in compliance with California State University (CSU) policies and procedures. However, we noted that due to the dissolution of CIP and departure of the interim dean and key staff, only one person was managing all aspects of international programs. The organizational change and staff turnover might have contributed to some of the audit observations. As of July 2023, the campus had a new dean for CEEGE, who aims to rebuild a robust program and plans to hire a study-abroad coordinator so that the campus can continue to provide beneficial services and meet the objectives of the strategic plan.

Our review noted areas for improvement in the governance structure of international programs, administration of international agreements, and faculty training. A summary of the observations noted in the report is presented in the table below. Further details are specified in the remainder of the report.

Area	Processes Reviewed	Audit Assessment
General Environment	Governance structure and oversight roles and responsibilities, strategic plan, management structure, composition of international activities, and policies and procedures	<i>Observations noted in defining the roles and responsibilities between state and self-support programs, policies and procedures, and the emergency management plan</i>
Study Abroad and Exchange	Program establishment and approval process, and administration of international agreements and outgoing programs, including international service-learning programs	<i>Observations noted in international agreements and faculty training</i>
International Students	Matriculation of international students, including admission process, orientation, and SEVIS monitoring	<i>Effective – no reportable observations noted</i>
International Faculty	Processing of H-1B visa fees	<i>Observations related to timely processing of H-1B visa applications</i>

The audit focused on procedures in effect from July 1, 2021, through September 22, 2023. Our audit and evaluation included the audit tests we considered necessary in determining whether operational and administrative controls are in place and operative. Our review was limited to gaining reasonable assurance that essential elements of international programs were in place and did not examine all aspects of the program.

OBSERVATIONS, RECOMMENDATIONS, AND RESPONSES

1. MEMORANDUM OF UNDERSTANDING

OBSERVATION

The campus did not have an agreement or memorandum of understanding (MOU) with the CEEGE defining roles and responsibilities for the operation of international programs.

Specifically, we noted that international programs had been operated by CEEGE since 2018 and fell under the framework of CEEGE policies and processes. Although CEEGE was responsible for the programming and administration of international programs, and certain aspects of international programs were self-supported, such as summer study-abroad programs, the campus also used state funds to pay for two positions responsible for international programs. However, the campus did not have an agreement or MOU in place to detail the shared responsibility and framework, define the roles of the parties involved, or define the cost structure and any shared revenues or costs between state-supported and self-supported international programs.

Appropriate documentation and communication of agreements helps to ensure compliance with systemwide requirements and reduces the risk of misunderstanding of responsibilities and liabilities.

RECOMMENDATION

We recommend that the campus execute a written agreement or MOU with CEEGE defining the roles and responsibilities of the parties involved, as well as the cost structure and use of state or self-supported funds for the operation of international programs.

MANAGEMENT RESPONSE
<p>The campus concurs.</p> <p>The campus will execute a written agreement or MOU with CEEGE defining the roles and responsibilities of the parties involved, as well as the cost structure and use of state or self-supported funds for the operation of international programs.</p> <p>The campus will provide documentation evidencing fulfillment of the above recommendations by June 11, 2024.</p>

2. INTERNATIONAL AGREEMENTS

OBSERVATION

The campus's international agreements were not always executed properly and in accordance with CSU policy.

The campus offered various study-abroad and exchange opportunities for students, including programs provided by third-party providers (TPP) and faculty-led trips to universities overseas. Executive Order (EO) 1080, *International Agreements*, establishes minimum requirements for campuses entering into agreements as part of their international activities in state and self-support endeavors. Specifically, the policy requires that all international agreements be reviewed and approved by the CO through a standard web portal application before they are signed by the campus president.

We reviewed 12 study-abroad and exchange programs and found that:

- Three of the 12 trips were led by TPPs without a current contract in place. Specifically, two of the contracts expired in 2019, and a third agreement expired in 2021 and was not signed by the other party. Although one agreement had been forwarded to the CO for review and approval, the campus could not provide an executed copy of the agreement.
- One faculty-led summer study-abroad program took place without a current agreement in place with the foreign partner.
- One international service-learning program agreement was not sent to the CO for review and approval.

Furthermore, international agreements were not maintained centrally on campus. For example, although the campus submitted a TPP agreement to the CO for review and approval, as mentioned above, the campus could not locate a fully executed contract.

Adequate administration and proper retention of international agreements increases accountability and oversight and decreases the risk of misunderstanding and potential exposure to litigation.

RECOMMENDATION

We recommend that the campus:

- a. Develop and implement a documented approval process to ensure that study-abroad and exchange programs are not approved and commenced without a current executed contract approved by the CO.
- b. Maintain final international agreements centrally on campus.

MANAGEMENT RESPONSE
<p>The campus concurs.</p> <ol style="list-style-type: none">a. The campus will develop and implement a documented approval process to ensure that study-abroad and exchange programs are not approved and commenced without a current executed contract approved by the CO.b. The campus will establish a procedure and location to maintain final international agreements centrally on campus. <p>The campus will provide documentation evidencing fulfillment of the above recommendations by June 11, 2024.</p>

3. POLICIES AND PROCEDURES

OBSERVATION

Policies and procedures related to international programs, as well as the emergency management plan (EMP), were not reviewed and updated to reflect current practices.

Specifically, we noted that most of CEEGE’s policies and procedures were last updated in 2013, and the EMP and related emergency communications manual were last updated in 2018. The documents still referenced the CIP, its director, and staff who were no longer employed by the campus or involved with the administration of international programs. CIP was dissolved in 2018, and there was only one staff member remaining under CEEGE.

For example, the *Criteria for Review and Approval of Third Party Provider Study Abroad Programs* was last revised in 2013 and instructed CIP to work with the international programs review committee to review proposed agreements. Additionally, although the campus *Admin Memo Approved Policy for the H-1B Process* was updated in March 2019, it still directed questions to CIP.

Similarly, CEEGE’s EMP referenced CIP, the director, and positions that are currently not filled. The emergency communications manual stated that the chief communications officer of CIP is the sole source of communication in an emergency, and the position has been vacant since 2018. In addition, the staff listing for international crisis communications included CIP staff who were no longer employed with the campus.

Comprehensive and updated policies and procedures help to ensure compliance with systemwide requirements. In addition, updated emergency-response procedures for campus personnel in the event of an emergency involving students, faculty, or staff members traveling internationally reduces the risk and potential liability to the campus.

RECOMMENDATION

We recommend that the campus:

- a. Update policies and procedures to reflect current practices and appropriate roles and responsibilities and communicate updated procedures to appropriate personnel.
- b. Update the EMP and emergency communications manual to reference appropriate contacts for emergencies that occur internationally.

MANAGEMENT RESPONSE
<p>The campus concurs.</p> <ul style="list-style-type: none">a. The campus will update policies and procedures to reflect current practices and appropriate roles and responsibilities and communicate updated procedures to appropriate personnel.b. The campus will also update the EMP and emergency communications manual to reference appropriate contacts for emergencies that occur internationally. <p>The campus will provide documentation evidencing fulfillment of the above recommendations by June 11, 2024.</p>

4. FACULTY AND STAFF TRAINING

OBSERVATION

The campus did not provide or require formal training for staff or faculty who led study-abroad programs and other international activities.

According to EO 1081, *Study Abroad and International Programs*, the campus must provide a training

session to those leading study-abroad programs that covers emergency-response training, communication from abroad, student conduct code, alcohol and drug policy, and disciplinary procedures, in addition to other country- or program-specific information.

Of the 12 study-abroad trips we tested, six were faculty-led. None of the six faculty who led those programs received formal training.

Leader training for staff and faculty in charge of study-abroad programs provides greater assurance that the trips will be conducted in a manner that more fully considers the health and safety of participants.

RECOMMENDATION

We recommend that the campus develop training materials incorporating key information as required by systemwide policy noted above, provide training sessions to staff and faculty who lead study-abroad programs, and retain evidence of the completed training.

MANAGEMENT RESPONSE
<p>The campus concurs. The campus will develop training materials incorporating key information as required by systemwide policy noted above, provide training sessions to staff and faculty who lead study-abroad programs, and retain evidence of the completed training.</p> <p>The campus will provide documentation evidencing fulfillment of the above recommendations by June 11, 2024.</p>

5. H-1B VISA APPLICATION FEES

OBSERVATION

The process for H-1B visa application submission and approval needed improvement.

According to the CO memorandum *Clarification of CSU Practice for H-1B and Permanent Resident Status Fees and Hiring of F-1/OPT Individuals*, campuses are responsible to pay for certain fees related to the hiring of international faculty and staff. Specifically, campuses must pay the basic petition (Form I-129) filing fee and fraud detection and prevention fee. The memo further states that campuses should pay the premium processing fee if, and only if, the need for premium processing is a direct result of a delay caused by the campus itself, or premium processing is needed to address an immediate and express business need of the campus.

We reviewed documentation of visa fees paid for six new international faculty hired during the audit period and found that the campus paid a premium processing fee of \$2,500 for each of the six new hires. The campus provided documented justification for two of the new hires, stating that the forms were not routed to the appropriate approvers so that payment and applications could be submitted timely. Justification for the remaining four was not provided.

Timely and appropriate approval of visa applications helps the campus adhere to systemwide requirements and reduces the cost of filing H-1B visa applications.

RECOMMENDATION

We recommend that the campus:

- a. Establish a routing process to ensure that appropriate reviewers receive the documents and approve them timely to avoid paying the premium processing fee.
- b. Maintain documented justification when premium processing fees are necessary.

MANAGEMENT RESPONSE

The campus concurs.

- a. The campus will establish a routing process to ensure that appropriate reviewers receive the documents and approve them timely to avoid paying the premium processing fee.
- b. The campus will establish a procedure to maintain documented justification when premium processing fees are necessary.

The campus will provide documentation evidencing fulfillment of the above recommendations by June 11, 2024.

GENERAL INFORMATION

ADDITIONAL BACKGROUND

In May 2008, the Board of Trustees adopted Access to Excellence as the new strategic plan for the CSU. Access to Excellence focuses on the intersection of the CSU with the economic, political, and social environment of the state of California, and among its eight commitments is a goal to enhance opportunities for global awareness. Subsequent reports to the Board of Trustees reflect ongoing initiatives to expand the use of academic technologies to bring global education opportunities into the CSU environment; increase mobility for incoming and outgoing exchange, study-abroad, and degree-seeking students; review the safety and security environment for specific regional programs abroad; and establish a framework for international activity to share information and best practices that encourage activities while considering the safety of students and institutions.

In 2012, the CO issued new EOs that updated requirements for three main areas of international activities: international agreements with overseas educational partners; study-abroad and exchange programs for CSU students; and international students hoping to study at a CSU campus. EO 1080, *International Agreements*, requires that all agreements with foreign partners that commit CSU resources be approved by the campus president after the document is reviewed by designated CO departments. EO 1081, *Study Abroad and Exchange Programs*, and EO 1082, *International Students*, establish requirements for campuses that set up study-abroad and/or exchange programs and enroll nonresident international students, respectively, as part of their international activities. The president of each campus is delegated the responsibility for the development, implementation, and oversight of international programs in accordance with these three EOs and other related CSU policy.

All three of the EOs require that international activities be conducted in a manner that demonstrates a clear benefit to the CSU and that the activities be part of the university's overall mission to educate the citizens of California. The policy on international students further states that recruitment of international students should be part of a broader internationalization strategy that benefits all CSU students, the campus, and international students. The policy regarding study-abroad and exchange programs for CSU students acknowledges the integral role these activities play in the mission of the institution while addressing the importance of minimizing risk to both the participants and the university. In addition to the policies specific to international activities, the CO has related policies addressing risk management concerns for student travelers.

At Cal Poly Humboldt, international programs are overseen by CEEGE, which is housed under Academic Affairs. CEEGE is responsible for ensuring that all faculty-led study-abroad and exchange programs are developed in accordance with system and campus requirements, in collaboration with colleges at the campus. The international programs office is the main office responsible for implementing both logistical and compliance components of general study-abroad programs and exchanges, including participant orientation and leader training, and faculty leaders are responsible for submitting logistical, compliance, and budgeting components for program approval. International students attend university as matriculated students in degree programs. They must apply through the same channels as domestic students, via CSU Apply, and must meet certain federal visa requirements in addition to the university standards for admission.

CRITERIA

Our audit was based upon standards as set forth in federal and state regulations and guidance; Trustee policy; Office of the Chancellor directives; and campus procedures; as well as sound administrative

practices and consideration of the potential impact of significant risks. This audit was conducted in conformance with the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*.

This review emphasized, but was not limited to, compliance with:

- EO 1041, *California State University Student Travel Policy*
- EO 1051, *Use of Approved Waiver of Liability*
- EO 1080, *International Agreements*
- EO 1081, *Study Abroad and Exchange Programs*
- EO 1082, *International Students*
- Coded memorandum Academic Affairs 2015-17, *Non-Resident Tuition Waivers*
- Coded memorandum Risk Management (RM) 2014-01, *High Hazard International Travel*
- RM 2011-02, *Independent International Travel – Students*
- CO memorandum *Clarification of CSU practice for H-1B and Permanent Resident Status Fees and Hiring of F-1/OPT Individuals*
- Cal Poly Humboldt *International Programs Review Committee Policy on Study Abroad Solicitations*
- Cal Poly Humboldt *Admin Memo Approved Policy for the H-1B Process*
- Cal Poly Humboldt *Criteria for Review and Approval of Third Party Provider Study Abroad Programs*
- Cal Poly Humboldt *Emergency Management Plan*
- Cal Poly Humboldt *Emergency Communications Manual*

AUDIT TEAM

Senior Audit Manager: Christina Chen

Senior Auditor: Brenda Auner