

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

October 5, 2020

Mr. Framroze M. Virjee, President
California State University, Fullerton
800 N. State College Boulevard
Fullerton, CA 92834

Dear President Virjee:

Subject: Audit Report 20-20, Service Learning and Internships, California State University, Fullerton

We have completed an audit of *Service Learning and Internships* as part of our 2020-21 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*.

There were no reportable observations revealed during the review. The final audit report will be posted to Audit and Advisory Services' website.

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

Sincerely,



Vlad Marinescu
Interim Chief Audit Officer

c: Timothy P. White, Chancellor
Adam Day, Chair, Committee on Audit
Jane W. Carney, Vice Chair, Committee on Audit

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SERVICE LEARNING AND INTERNSHIPS

**California State University,
Fullerton**

Audit Report 20-20
August 27, 2020

EXECUTIVE SUMMARY

OBJECTIVE

The objectives of the audit were to ascertain the effectiveness of operational, administrative, and financial controls related to service learning (SL) and academic internship (AI) opportunities offered to students and to ensure compliance with relevant federal and state regulations, Trustee policy, Office of the Chancellor (CO) directives, and campus procedures.

CONCLUSION

Based upon the results of the work performed within the scope of the audit, the operational, administrative, and financial controls for SL and AI opportunities as of August 13, 2020, taken as a whole, provided reasonable assurance that risks were being managed and objectives were met.

There were no reportable observations revealed during the review.

GENERAL INFORMATION

BACKGROUND

In April 1999, Governor Gray Davis called for a community service requirement for all students enrolled in California's public institutions of higher education. He formalized the initiative in a July 15, 1999, letter to each of the leaders of the public systems of higher education. In the letter, the governor stated that the initiative's primary purpose was to enable those in need and strengthen an ethic of service among graduates of California universities, and he requested that faculty members from the California State University (CSU), University of California, and California Community Colleges work through the Intersegmental Committee of Academic Senates to develop a community service requirement for graduation.

The CSU was the first to respond to the governor's call to service. The Academic Senate CSU, campus faculty senates, students, community partners, community service and SL coordinators, and CSU Advisory Group on Community Service participated in months of intensive dialogue around ways to strengthen and build upon the service initiatives that had been developed over past decades. The result was a resolution passed by the CSU Board of Trustees at its March 2000 meeting endorsing campus efforts to make community-based activities such as SL an expectation, condition, or requirement for the undergraduate experience.

The Center for Community Engagement (CCE) office was established at the CO, and since fiscal year 2000/01, the CSU has received more than \$21 million to support and expand SL throughout the 23 campuses. Call to Service funds have served as the foundation for the CSU campuses to build, expand, and ultimately sustain key partnerships with nonprofits, campus members, businesses, local government, and funders to offer engaging SL experiences that contribute to student success and close the equity gap. In 2002, the CCE worked in conjunction with Systemwide Risk Management to develop guidance, *Community Service Learning in the California State University – Best Practices for Managing Risk in Service Learning*. In 2010, to address recommendations from an audit of off-campus activities, the CSU, through a series of meetings, peer review, and research, updated and renamed the guidance to *California State University Center for Community Engagement, A Resource Guide for Managing Risk in Service Learning*.

Recognizing that student internship experiences dovetail with the objectives of the SL initiative, many campuses have integrated the administration of internship placements into SL offices. Student internship placement is required to be administered in accordance with Executive Order (EO) 1064, *Student Internships*.

At California State University, Fullerton (CSUF), the Center for Internships and Community Engagement (CICE) is responsible for supporting student learning through AI, SL courses, and community engagement programs. CICE develops reciprocal partnerships with community organizations, public agencies, and industries that offer opportunities for students to learn through service and/or work experiences relevant to their studies. CICE is within the Division of Student Affairs.

SCOPE

Due to temporary operating procedures and limitations resulting from the COVID-19 public health emergency, we performed fieldwork remotely from July 13, 2020, through August 13, 2020. Our audit and evaluation included the audit tests we considered necessary in determining whether operational, administrative, and financial controls are in place and operative. The audit focused on procedures in effect from January 1, 2018, to August 13, 2020.

Specifically, we reviewed and tested:

- Organizational roles and responsibilities for oversight of SL and AI placements.
- Policies and procedures governing SL and AI placements to ensure that all required provisions are included.
- Risk assessment planning, including initial site assessments and ongoing monitoring of programs.
- Agreements with SL and AI sites to ensure that all required information was captured and all parties signed the document.
- Learning plans to ensure that they establish the expectations and responsibilities of participants receiving credit for SL and AI engagements.
- Proper implementation and oversight for tracking service hours, including the provision of a participant orientation.
- Proper stewardship of special fund allocations designated for the expansion of the SL initiative.
- Systems for administering the placement process and for collecting and compiling data for required CO reporting.

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.

Our testing and methodology, which was designed to provide a review of key operational, administrative, and financial controls, included interviews and testing of a limited number of SL and AI opportunities and student placements administered by CICE, and did not include those administered by specific programs/departments or for programs that require licensure, such as nursing, teaching, or counseling. The audit did not include SL or AI site visits or validation of the risk assessment information provided by staff in the course of the internal process. Our review was limited to gaining reasonable assurance that essential elements of the CICE program were in place and did not examine all aspects of the program.

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 1051, *Use of Approved Waiver of Liability*
- EO 1064, *Student Internships*
- EO 1069, *Risk Management and Public Safety*
- EO 1000, *Delegation of Fiscal Authority and Responsibility*
- CCE A Resource Guide for Managing Risk in Service Learning
- CCE Allocation Process
- CCE Call to Service Initiative Statement of Intent Allocation Process
- CSUF UPS 411.601, *Policy on Academic Internships*
- CSUF UPS 411.600, *Policy on Service Learning*
- CICE Academic Internship Approval Process
- CICE Learning Activity Placement Agreement Process
- CICE Service-Learning Approval Process
- CICE Site Visit Process

AUDIT TEAM

Senior Audit Manager: Joanna McDonald
Senior Auditor: Marcos Chagollan