

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

October 25, 2021

Dr. Robert S. Nelsen, President
California State University, Sacramento
6000 J Street
Sacramento, CA 95819

Dear Dr. Nelsen:

Subject: Audit Report 21-32, Service Learning and Internships, California State University, Sacramento

We have completed an audit of *Service Learning and Internships* as part of our 2021-2022 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: Joseph I. Castro, 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,
Sacramento**

Audit Report 21-32
October 25, 2021

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, except for the weaknesses described below, the operational, administrative, and financial controls for SL and AI as of September 3, 2021, taken as a whole, provided reasonable assurance that risks were being managed and objectives were met.

In general, we found that California State University, Sacramento (Sacramento State) had an appropriate framework for SL and AI opportunities, which were centrally managed by the Community Engagement Center (CEC). However, the initial administration of AI opportunities was decentralized at the college-department level, and we found that site agreements and student learning agreements were not always appropriately completed. Additionally, the campus was not always able to provide course syllabuses or evidence that students completed the required liability and consent forms through the S4 system for both SL and AI. Furthermore, we found that expenditures related to the CEC were not always paid timely or approved by the appropriate personnel.

Specific observations, recommendations, and management responses are detailed in the remainder of this report.

OBSERVATIONS, RECOMMENDATIONS, AND RESPONSES

1. ACADEMIC INTERNSHIP ADMINISTRATION

OBSERVATION

Administration of the AI program needed improvement.

The CEC assists college departments and oversees AI opportunities on campus. In the 2019/20 and 2020/21 academic years, the CEC helped to place approximately 650 students in 63 academic courses in AI opportunities.

According to the campus process, faculty offering credit for AI courses are required to develop a course syllabus that details the academic learning objectives and requirements for the course. Additionally, the faculty member or a member of the CEC staff is required to complete a risk assessment of the AI site before submitting the request for the campus to enter into a site agreement, which is executed through the campus contract services office. Furthermore, students are required to complete a student learning agreement that is signed by the student, faculty advisor, and internship site supervisor.

The CEC uses the S4 system to track student enrollment and placement in AI courses. Students cannot be placed in the system without an executed campus agreement. Once an agreement is executed, the faculty places the student in S4 so they can complete the required liability waiver, orientation form, code of conduct, consent form, and, when applicable, COVID-19 safety training and acknowledgement form.

We compared the listing of students enrolled in AI courses with the number of students placed in S4, and we confirmed with college deans that 214 students in 17 courses were not appropriately placed in the system. As such, we could not confirm that these students who participated at internship sites had completed the required forms, or that the site had an executed site agreement with the campus.

Additionally, we reviewed 39 student placements in 39 internships, and we found that:

- For 22 internships, the student learning agreement did not include all the elements required by the campus policy, such as learning outcomes, credit awarded for completion, requirement of a written assessment, liability waiver, and accommodation for disabilities.
- For 14 internships, the student learning agreement was not provided; therefore, we could not verify whether the student received and acknowledged the required information, including the scope of work, learning outcomes, academic credit awarded, placement logistics, and FERPA waiver.
- For 13 internships, the course syllabus was not provided; therefore, we could not determine the required number of internship hours or verify whether necessary elements were included to orient the students in accordance with the campus policy.

- For ten internships, the student learning agreement was not signed by the student, faculty member, and/or site supervisor.
- For ten internships, the student did not complete the required S4 forms listed above.
- For six internships, the internship site agreement was not provided. As such, we could not verify whether insurance and indemnification requirements were met for these sites.
- For three courses, the course number was not coded "195" or "295," as required by campus policy.
- For three internships, the site risk assessment/agreement request form was not provided; therefore, we could not verify whether any potential risks were identified and addressed appropriately.

Maintaining AI documentation and establishing and implementing comprehensive and consistent site and student learning agreements help to ensure that internship opportunities will be both safe and educational while in compliance with campus, systemwide, and legal requirements to reduce the risk of exposure to potential litigation.

RECOMMENDATION

We recommend that the campus:

- a. Reinforce procedures for the administration and implementation of AI opportunities for the issues noted above, including requirements for designation of course numbers; provision of course syllabuses; completion of site risk assessments; completion of S4 liability documentation; execution of site agreements; and preparation and execution of student learning agreements.
- b. Provide refresher training regarding these requirements to individuals responsible for implementing AI protocols.

MANAGEMENT RESPONSE

We concur. The campus will take the following actions by April 5, 2022:

- a. Reinforce procedures for the administration and implementation of AI opportunities, including requirements for designation of course numbers; provision of course syllabuses; completion of site risk assessments; completion of S4 liability documentation; execution of site agreements; and preparation and execution of student learning agreements.
- b. Provide refresher training regarding these requirements to individuals responsible for implementing AI protocols.

2. SERVICE-LEARNING ADMINISTRATION

OBSERVATION

Administration of the SL program needed improvement.

The CEC is responsible for overseeing all SL opportunities on campus, including tracking the participation of SL sites and students within the S4 system. In the 2019/20 and 2020/21 academic years, the CEC supported the placement in SL opportunities of approximately 3,500 students in 93 academic courses.

According to the campus process, similar to the aforementioned AI process, faculty members offering SL programs to students are required to develop course syllabuses that detail the academic learning objectives and requirement for the course. Additionally, the faculty member or a member of the CEC staff is required to complete a risk assessment of the SL site before submitting the request for the campus to enter into a site agreement, which is executed through the campus contract services office. The CEC uses the S4 system to track student enrollment and placement in SL courses. Students cannot be placed in the system without an executed campus agreement, but once an agreement is executed and the faculty member places the student in the system, they can complete the required liability waiver, orientation form, code of conduct, consent form, and, when applicable, COVID-19 safety training and acknowledgement form.

We reviewed 30 student placements in 30 courses that had SL components, and we found that:

- For three SL sites, the campus did not provide the course syllabus; therefore, we could not determine the required number of SL hours or review the learning objectives and requirements for the SL experience.
- For two SL sites, the student did not complete the required S4 forms listed above.

Maintaining SL documentation helps to ensure compliance with campus, systemwide, and legal requirements and reduce the risk of exposure to potential litigation.

RECOMMENDATION

We recommend that the campus reinforce procedures for the establishment and administration of SL opportunities for the issues noted above, including requirements for course syllabuses and completion of S4 liability documentation.

MANAGEMENT RESPONSE

We concur. The campus will reinforce procedures for the establishment and administration of SL opportunities, including requirements for course syllabuses and completion of S4 liability documentation, by April 5, 2022.

3. EXPENDITURE ADMINISTRATION

OBSERVATION

The administration of expenditures needed improvement.

We reviewed 30 expenditures related to CEC, and we found that:

- For three expenditures totaling \$5,954, payments were made after the invoice due date, and no additional explanation or approval was provided for the late payment. The expenditures related to computer equipment and staffing resources, and late payments ranged from five days to 143 days late.
- For three expenditures totaling \$3,367, evidence of the expense approval was not provided; however, we confirmed that the expenditures were appropriate and approved by campus management.
- For one vendor providing staffing services to the CEC, the supporting memorandum of understanding was not fully executed.

Adequate processing and proper approval of expenditures improves accountability and decreases the risk of noncompliance with CSU and campus policies and the potential for improper payments.

RECOMMENDATION

We recommend that the campus provide comprehensive refresher training to relevant campus employees involved in the expenditure process, including approving officials. This training should address the issues noted above, including timely payment of invoices, full execution of agreements, and appropriate expenditure approvals.

MANAGEMENT RESPONSE

We concur. The campus will provide comprehensive refresher training to relevant campus employees involved in the expenditure process, including approving officials. The training will take place by April 5, 2022.

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 service-learning 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 service learning an expectation, condition, or requirement for the undergraduate experience.

The Center for Community Engagement (CCE) office was established at the Office of the Chancellor (CO), and since fiscal year 2000/01, the CSU has received more than \$21 million to support and expand service learning throughout the 23 campuses. Call to Service funds have served as the foundation for the CSU campuses to build, expand, and ultimately sustain key partnership with nonprofits, campus members, businesses, local government, and funders to offer engaging service-learning 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 service-learning initiative, many campuses have integrated the administration of internship placements into service-learning offices. Student internship placement is required to be administered in accordance with Executive Order (EO) 1064, *Student Internships*.

At Sacramento State, the CEC is situated under Academic Affairs and oversees community-engaged learning. Overall, the CEC is responsible for providing support to faculty intending to develop SL and AI opportunities and to students wishing to participate. The CEC assists faculty with incorporating SL and AI into the curriculum, provides support for community partner development, and facilitates the agreement process to define and document roles, responsibilities, and expectations of all parties. The CEC also offers student support in completing the necessary documentation in the S4.

SCOPE

Due to temporary operating procedures and limitations resulting from the COVID-19 public health emergency, we performed fieldwork remotely from July 12, 2021, through September 3, 2021. 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 July 1, 2019, to September 3, 2021.

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 agreements developed by the academic areas to ensure that they establish the expectations and responsibilities of participants receiving credit for 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 service-learning opportunities and student placements. The audit did not include service-learning 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 SL and internship programs 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*
- *California State University Experiential Learning during the COVID-19 pandemic*
- *Sac State Academic Internships and Service-Learning Policy*
- *Sac State Travel Policy*
- *Sac State Hospitality Expenses Procedures*
- *Sac State AP Payment Process*
- *Sac State Procurement Card Manual*

AUDIT TEAM

Audit Manager: Christina Chen
Senior Auditor: Christina Fennell