



CALIFORNIA STATE UNIVERSITY

Single Audit Reports

Year Ended June 30, 2017

(With Independent Auditors' Report Thereon)

CALIFORNIA STATE UNIVERSITY

Table of Contents

	Page
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1
Independent Auditors' Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	3
Schedule of Expenditures of Federal Awards	6
Notes to Schedule of Expenditures of Federal Awards	15
Schedule of Findings and Questioned Costs	16



KPMG LLP
Suite 700
20 Pacifica
Irvine, CA 92618-3391

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

The Board of Trustees
California State University:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate discretely presented component units of the California State University, an agency of the State of California, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise California State University's basic financial statements, and have issued our report thereon dated November 17, 2017. Our report refers to other auditors who audited 88 of the 90 aggregate discretely presented component units, which statements reflect total assets constituting 96% and total revenues constituting 94% of the aggregate discretely presented component units totals. The reports of the other auditors have been furnished to us, and our opinion, insofar as they relate to the amounts included for the 88 aggregate discretely presented component units, are based solely on the reports of the other auditors. The financial statements of 46 discretely presented component units are not audited in accordance with *Government Auditing Standards*. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters in accordance with *Government Auditing Standards* for the discretely presented component units.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered California State University's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of California State University's internal control. Accordingly, we do not express an opinion on the effectiveness of California State University's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



Compliance and Other Matters

As part of obtaining reasonable assurance about whether California State University's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the California State University's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the California State University's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KPMG LLP

Orange County, California
November 17, 2017



KPMG LLP
Suite 700
20 Pacifica
Irvine, CA 92618-3391

Independent Auditors' Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

The Board of Trustees
California State University:

Report on Compliance for Each Major Federal Program

We have audited the California State University's (the University) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the University's major federal programs for the year ended June 30, 2017. The University's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

The University's basic financial statements include the operations of the University's discretely presented component units, which received federal awards totaling \$357,939,887, which is not included in the schedule of expenditures of federal awards for the year ended June 30, 2017. Our audit, described below, did not include the operations of these component units because the component units engaged other auditors to perform audits in accordance with the Uniform Guidance.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the University's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the University's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the University's compliance.

Opinion on Each Major Federal Program

In our opinion, the California State University complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.



Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2017-001, 2017-002, and 2017-003. Our opinion on each major federal program is not modified with respect to these matters.

The University's responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The University's responses were not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on the responses.

Report on Internal Control over Compliance

Management of the University is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the University's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the University's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2017-001, 2017-002, and 2017-003 that we consider to be significant deficiencies.

The University's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The University's responses were not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on the responses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the business-type activities and the aggregate discretely presented component units of the University, an agency of the State of California, as of and for the year ended June 30, 2017, and have issued our report thereon dated November 17, 2017, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

KPMG LLP

Orange County, California
November 17, 2017

CALIFORNIA STATE UNIVERSITY
Schedule of Expenditures of Federal Awards
Year ended June 30, 2017

Federal grantor/pass-through agency/program title	Catalog of federal domestic assistance (CFDA) number	Pass-through entity identifying number	Federal disbursements/ expenditures	Amounts provided to subrecipients
Student Financial Assistance Cluster:				
U.S. Department of Education:				
Direct programs:				
Federal Supplemental Educational Opportunity Grant	84.007		\$ 14,436,674	—
Federal Work-Study Program	84.033		16,727,445	—
Federal Perkins Loan Program	84.038		91,371,067	—
Federal Pell Grant Program	84.063		954,076,959	—
Federal Direct Student Loans	84.268		1,488,666,916	—
Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	84.379		2,787,730	—
Postsecondary Education Scholarships for Veteran's Dependents (Iraq and Afghanistan Service Grant (IASG))	84.408		5,413	—
Total U.S. Department of Education			<u>2,568,072,204</u>	<u>—</u>
U.S. Department of Health and Human Services:				
Direct program:				
Nursing Student Loans	93.364		2,443,644	—
Total U.S. Department of Health and Human Services			<u>2,443,644</u>	<u>—</u>
Total Student Financial Assistance Cluster			<u>2,570,515,848</u>	<u>—</u>
Other programs and clusters:				
U.S. Department of Agriculture:				
Direct programs:				
Higher Education Multicultural Scholars Program	10.220		10,727	227
Passed through California Department of Education: Child and Adult Care Food Program	10.558		47,514	—
Total U.S. Department of Agriculture			<u>58,241</u>	<u>227</u>
U.S. Department of Commerce:				
Direct program:				
Marine Debris Program	11.999		18,934	—
Total U.S. Department of Commerce			<u>18,934</u>	<u>—</u>
U.S. Department of Defense:				
Passed through Institute of International Education Inc.:				
		Amendment #2-0054-SFSU-8 #0054-SFSU-8- #0054-SFSU-8-PO2 Amendment 2-2340-SFSU-14 2340-SFSU-14 1-0054-SFSU-8-CHN-280-PO1		
The Language Flagship Grants to Institutions of Higher Education	12.550	SFSU-CHN	606,797	178,365
Total U.S. Department of Defense			<u>606,797</u>	<u>178,365</u>
U.S. Department of the Interior:				
Passed through California Office of Historic Preservation:				
Historic Preservation Fund Grants-in-Aid	15.904	C8960512	913	—
Passed through CSU Dominguez Hills Foundation:				
Preservation of Japanese American Confinement Sites	15.933	500020	4,050	—
Direct program:				
Cultural Resources Management	15.946		15,148	—
Total U.S. Department of the Interior			<u>20,111</u>	<u>—</u>
U.S. Department of Labor:				
Workforce Innovation and Opportunity Act (WIOA) Cluster:				
Passed through Fresno Regional Workforce Development Board:				
Workforce Investment Act (WIA)/WIOA Adult Program	17.258	CONTRACT NO. 554	25,000	—
Total WIOA Cluster			25,000	—
Direct program:				
Trade Adjustment Assistance Community College and Career Training (TAACCT) Grants	17.282		979,608	15,931
Total U.S. Department of Labor			<u>1,004,608</u>	<u>15,931</u>

CALIFORNIA STATE UNIVERSITY
Schedule of Expenditures of Federal Awards
Year ended June 30, 2017

Federal grantor/pass-through agency/program title	Catalog of federal domestic assistance (CFDA) number	Pass-through entity identifying number	Federal disbursements/ expenditures	Amounts provided to subrecipients
U.S. Department of Transportation:				
Passed through California Department of Transportation:				
U.S. Department of Transportation (not classified elsewhere)	20.UNK	06A2062, 03A2168, 04A4782 04A4916, 43A0342, 04A4091 04A4643, 04A4658	\$ 399,811	—
Direct programs:				
State Maritime Schools	20.806		818,070	—
Ballast Water Treatment Technologies	20.819		206,413	—
Total U.S. Department of Transportation			<u>1,424,294</u>	<u>—</u>
National Aeronautics and Space Administration:				
Direct program:				
Science	43.001		572	—
Passed through Association of Universities for Research in Astronomy, Incorporated:				
Science	43.001	STI-509915	293,186	—
Passed through Stanford University:				
Science	43.001	PY04430-22727-C	22,195	—
Passed through The Regents of the University of California:				
Science	43.001	012815	152	—
Subtotal CFDA 43.001			<u>316,105</u>	<u>—</u>
Direct Program:				
Education	43.008		185,632	3,576
Passed through Napa Valley College:				
Education	43.008	SSU16	127,742	—
Subtotal CFDA 43.008			<u>313,374</u>	<u>3,576</u>
Total National Aeronautics and Space Administration			<u>629,479</u>	<u>3,576</u>
National Endowment for the Humanities:				
Direct program:				
Promotion of the Humanities – Division of Preservation and Access	45.149		7,847	—
Passed through CSU Dominguez Hills Foundation:				
Promotion of the Humanities – Division of Preservation and Access	45.149	500027	1,000	—
Subtotal CFDA 45.149			<u>8,847</u>	<u>—</u>
Direct program:				
Promotion of the Humanities Fellowships and Stipends	45.160		37,825	—
Total National Endowment for the Humanities			<u>46,672</u>	<u>—</u>
National Science Foundation:				
Direct programs:				
Mathematical and Physical Sciences	47.049		18,818	—
Education and Human Resources	47.076		110,000	—
Passed through University Enterprises, Incorporated California State University, Sacramento:				
Education and Human Resources	47.076	523841, HRD – 1302873 5205-41A	42,375	—
Subtotal CFDA 47.076			<u>152,375</u>	<u>—</u>
Direct program:				
Trans-NSF Recovery Act Research Support	47.082		37	—
Subtotal CFDA 47.082			<u>37</u>	<u>—</u>
Total National Science Foundation			<u>171,230</u>	<u>—</u>
U.S. Environmental Protection Agency:				
Passed through Environmental Quality Management:				
U.S. Environmental Protection Agency (not classified elsewhere)	66.UNK	13-017_021003	216,257	—
Passed through Weston Solutions, Incorporated:				
U.S. Environmental Protection Agency (not classified elsewhere)	66.UNK	0091101_CO1	8,553	—
Subtotal CFDA 66.UNK			<u>224,810</u>	<u>—</u>
Direct program:				
Regional Wetland Program Development Grants	66.461		181,102	181,102
Total U.S. Environmental Protection Agency			<u>405,912</u>	<u>181,102</u>

CALIFORNIA STATE UNIVERSITY
Schedule of Expenditures of Federal Awards
Year ended June 30, 2017

Federal grantor/pass-through agency/program title	Catalog of federal domestic assistance (CFDA) number	Pass-through entity identifying number	Federal disbursements/ expenditures	Amounts provided to subrecipients
U.S. Department of Energy:				
Passed through Alliance for Sustainable Energy, LLC: Renewable Energy Research and Development	81.087	AFC-5-52004-02	\$ 7,088	—
Direct program:				
Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance	81.117		95,826	—
Total U.S. Department of Energy			102,914	—
U.S. Department of Education, excluding Student Financial Assistance Cluster:				
TRIO Cluster:				
Direct program:				
TRIO – Student Support Services	84.042		1,778,177	—
Passed through The CSU, Chico Research Foundation: TRIO – Student Support Services	84.042	P042A100854-15	29,500	—
Passed through California State University, Fresno Foundation: TRIO – Student Support Services	84.042	P042A150383, P042A150475	111,672	—
Subtotal CFDA 84.042			1,919,349	—
Direct programs:				
TRIO – Talent Search Program	84.044		623,793	—
TRIO – Upward Bound Program	84.047		1,594,716	—
TRIO – McNair Post-Baccalaureate Achievement	84.217		208,989	—
Total TRIO Cluster			4,346,847	—
Passed through University Enterprises Corporation at California State University San Bernardino: Undergraduate International Studies and Foreign Language Programs				
	84.016	GT-14130	4,650	—
Direct program:				
Higher Education-Institutional Aid	84.031		4,672,539	378,875
Passed through California State University, Long Beach Research Foundation:				
Higher Education-Institutional Aid	84.031	SG1391SUP-CO SG1391SUP_STAN	27,987 581	— —
Passed through Santa Barbara City College: Higher Education – Institutional Aid	84.031	12131.4070.562000.60	155,900	—
Passed through Ventura County Community College District: Higher Education – Institutional Aid	84.031	P0083733	46,859	—
Higher Education – Institutional Aid	84.031	P0103046	86,868	—
Passed through San Mateo County Community College District: Higher Education – Institutional Aid	84.031	P031C1100159	40,520	—
Subtotal CFDA 84.031			5,031,254	378,875
Direct programs:				
TRIO Staff Training Program	84.103		398,015	—
Grants to States	84.126	28592	109,506	—
Direct program:				
Rehabilitation Long-Term Training	84.129		329,283	—
Passed through Oxnard School District: Magnet Schools Assistance				
	84.165	13-176	494	—
Direct program:				
Special Education – Personnel Development to Improve Services and Results for Children with Disabilities	84.325		1,086,816	148,646
Passed through Commission on Teacher Credentialing: Special Education – Personnel Development to Improve Services and Results for Children with Disabilities				
	84.325	14STC0035	1,804	—
Subtotal CFDA 84.325			1,088,620	148,646
Direct programs:				
Special Education – Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	84.326		600,545	—
Child Care Access Means Parents in School	84.335		279,072	—
Passed through The California State University, Chico Research Foundation: Teacher Quality Partnership Grants				
	84.336	14-042, 15-034	67,833	—
Passed through California State University Dominguez Hills Foundation: Transition to Teaching				
	84.350	500011	64,706	—

CALIFORNIA STATE UNIVERSITY
Schedule of Expenditures of Federal Awards
Year ended June 30, 2017

Federal grantor/pass-through agency/program title	Catalog of federal assistance (CFDA) number	Pass-through entity identifying number	Federal disbursements/ expenditures	Amounts provided to subrecipients
Direct program:				
English Language Acquisition State Grants	84.365		\$ 401,620	—
Passed through University of California, Santa Cruz:				
English Language Acquisition State Grants	84.365	S0183643	37,179	—
Subtotal CFDA 84.365			<u>438,799</u>	<u>—</u>
Passed through Santa Rosa City Schools:				
Mathematics and Science Partnerships	84.366	101	115,047	—
Passed through California Department of Education:				
Supporting Effective Instruction Grant (Formerly Improving Teacher Quality State Grants)	84.367	15-15196-3064-00 16-15196-3064-00	246,729	109,430
Passed through The Regents of the University of California:				
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367	NCLB12-CMP-SONOMA NCLB12-CISP-SONOMA NCLB13-CMP STANISLAUS NCLB13-CMP-SONOMA NCLB13-CWP TURLOCK NCLB13-CISP-SONOMA	129,496	—
Passed through National Writing Project:				
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367	92-CA10-SEED2012 92-CA10-SEED2016 92-CA10-SEED2016-ILI AM2A 92CA10 SEED2012	39,206	—
Subtotal CFDA 84.367			<u>415,431</u>	<u>109,430</u>
Direct Program:				
Strengthening Minority-Serving Institutions	84.382		95,287	—
Passed through California Department of Rehabilitation:				
Promoting Readiness of Minors in Supplemental Security Income	84.418	29505	581	—
Total U.S. Department of Education, excluding Student Financial Assistance Cluster			<u>13,385,970</u>	<u>636,951</u>
U.S. Department of Health and Human Services:				
477 Cluster:				
Child Care and Development Fund Cluster:				
Passed through California Department of Education:				
Child Care and Development Block Grant	93.575	CCTR-6042, CSPP-6095	59,742	—
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	CCTR-6042, CSPP-6095	130,066	—
Total Child Care and Development Fund Cluster			<u>189,808</u>	<u>—</u>
Total 477 Cluster			<u>189,808</u>	<u>—</u>
Direct programs:				
Mental Health Research Grants	93.242		47,951	19,197
Substance Abuse and Mental Health Services – Projects of Regional and National Significance	93.243		323,826	—
Passed through University of California, San Francisco:				
Substance Abuse and Mental Health Services – Projects of Regional and National Significance	93.243	8300SC	10,325	—
Subtotal CFDA 93.243			<u>334,151</u>	<u>—</u>
Passed through University of California, San Francisco:				
Minority Health and Health Disparities Research	93.307	7518SC	5,535	—
Passed through California Department of Education:				
Head Start	93.600	15291, 15292, 15298	444,359	—
Passed through University of California, Berkeley:				
Foster Care – Title IV-E	93.658	00009246 #15-IA-00850	2,189,315	—
Passed through The Regents of the University of California:				
Foster Care – Title IV-E	93.658	15-IA-00850	1,222,473	—
Subtotal CFDA 93.658			<u>3,411,788</u>	<u>—</u>
Direct program:				
Biomedical Research and Research Training	93.859		2,200,081	—
Passed through AIDS United:				
HIV Prevention Activities – Non-Governmental Organization Based	93.939	880-20172	37,995	—
Total U.S. Department of Health and Human Services			<u>6,671,668</u>	<u>19,197</u>

CALIFORNIA STATE UNIVERSITY
Schedule of Expenditures of Federal Awards
Year ended June 30, 2017

Federal grantor/pass-through agency/program title	Catalog of federal domestic assistance (CFDA) number	Pass-through entity identifying number	Federal disbursements/ expenditures	Amounts provided to subrecipients
Corporation for National and Community Service:				
Direct programs:				
Learn and Serve America Higher Education	94.005		\$ 79,437	—
AmeriCorps	94.006		116,913	—
Passed through Jumpstart for Young Children:				
AmeriCorps	94.006	CFDA-94.006-JS-SITE#10	6,717	—
Subtotal CFDA 94.006			<u>123,630</u>	<u>—</u>
Direct program:				
Volunteers in Service to America	94.013		9,962	—
Total Corporation for National and Community Service			<u>213,029</u>	<u>—</u>
U.S. Department of Homeland Security:				
Passed through Department of Parks and Recreation, Division of Boating and Waterways:				
Boating Safety Financial Assistance	97.012	C8956314, 11-201-014	37,886	—
Total U.S. Department of Homeland Security			<u>37,886</u>	<u>—</u>
Research and Development Cluster:				
U.S. Department of Agriculture:				
Direct program:				
Capacity Building for Non-Land Grant Colleges of Agriculture (NLGCA)	10.326		76,927	25,269
Supplemental Nutrition Assistance Program (SNAP) Cluster:				
Direct program:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561		7,059	—
Total Supplemental Nutrition Assistance Program (SNAP) Cluster				
Direct program:				
Cooperative Forestry Assistance	10.664		124,326	—
Total U.S. Department of Agriculture			<u>208,312</u>	<u>25,269</u>
U.S. Department of Commerce:				
Passed through Monterey Bay Aquarium Research Institute:				
Integrated Ocean Observing System (IOOS)		1411377 1611290		
	11.012	NA11NOS0120032	114,192	—
Passed through The Regents of the University of California:				
Sea Grant Support	11.417	71780057	154,582	—
Direct program:				
Coastal Zone Management Estuarine Research Reserves	11.420		711,047	—
Passed through Merkel & Associates Incorporated:				
Coastal Zone Management Estuarine Research Reserves	11.420	GS-10F-0060T/ AB-133F-14NC-1535	49,323	—
Subtotal CFDA 11.420			<u>760,370</u>	<u>—</u>
Direct program:				
Marine Sanctuary Program	11.429		43,497	—
Direct program:				
Habitat Conservation	11.463		54,420	—
Total U.S. Department of Commerce			<u>1,127,061</u>	<u>—</u>
U.S. Department of Defense:				
Passed through George Mason University:				
Department of Defense (not classified elsewhere)	12.UNK	E203705-1	7,765	—
Direct programs:				
Flood Control Projects	12.106		13,010	—
Basic and Applied Scientific Research	12.300		15,501	—
Passed through National Marine Mammal Foundation:				
Basic and Applied Scientific Research	12.300	SSU-2773	39,610	—
Subtotal CFDA 12.300			<u>55,111</u>	<u>—</u>
Direct program:				
Basic, Applied, and Advanced Research in Science and Engineering	12.630		623,350	—
Direct program:				
Air Force Defense Research Sciences Program	12.800		68,528	—
Total U.S. Department of Defense			<u>767,764</u>	<u>—</u>

CALIFORNIA STATE UNIVERSITY
Schedule of Expenditures of Federal Awards
Year ended June 30, 2017

Federal grantor/pass-through agency/program title	Catalog of federal domestic assistance (CFDA) number	Pass-through entity identifying number	Federal disbursements/ expenditures	Amounts provided to subrecipients
U.S. Department of the Interior:				
Direct programs:				
Fish, Wildlife and Plant Conservation Resource Management	15.231		\$ 118,729	—
Challenge Cost Share	15.238		2,414	—
Fish and Wildlife Management Assistance	15.608		14,013	—
Cooperative Endangered Species Conservation Fund	15.615		30,894	7,032
Passed through Fish and Wildlife, California Department of (CDFW):				
Cooperative Endangered Species Conservation Fund	15.615	P1680007 P1680032	60,828	—
Subtotal CFDA 15.615			91,722	7,032
Passed through Fish and Wildlife, California Department of (CDFW):				
State Wildlife Grants	15.634	P1640010	486	—
Direct programs:				
Central Valley Improvement (CVI) Anadromous Fish Restoration Program (AFR)	15.648		74,255	40,337
Research Grants (Generic)	15.650		84,261	—
Earthquake Hazards Reduction Program	15.807		47,162	—
U.S. Geological Survey-Research and Data Collection	15.808		86,842	—
Passed through California Office of Historic Preservation:				
Historic Preservation Fund Grants-In-Aid	15.904	C1410019, C8957510	4,232	—
Direct program:				
Native American Graves Protection and Repatriation Act	15.922		3,839	—
Cooperative Research and Training Programs – Resources of the National Park System	15.945		20,772	—
Direct program:				
National Park Service Conservation, Protection, Outreach, and Education	15.954		25,687	—
Total U.S. Department of the Interior			574,414	47,369
National Aeronautics and Space Administration:				
Direct program:				
Science	43.001		311,455	29,800
Passed through Los Gatos Research:				
Science	43.001	SFSU-1	6,173	—
Passed through Oregon State University:				
Science	43.001	NS251A-A	65,510	—
Passed through Arizona State University, Tempe:				
Science	43.001	15-718	14,303	—
Passed through Space Telescope Science Institute:				
Science	43.001	HST-GO-12950.03-A HST-GO-13297.07-A	16,928	—
Passed through Search for Extraterrestrial Intelligence Institute:				
Science	43.001	SC3202	31,495	—
Subtotal CFDA 43.001			445,864	29,800
Passed through San Jose State University Research Foundation:				
Aeronautics	43.002	21-1614-4877-SFSU 21-1614-4877-SFSU2015	25,737	—
Total National Aeronautics and Space Administration			471,601	29,800
National Science Foundation:				
Direct programs:				
Engineering Grants	47.041		352,141	—
Mathematical and Physical Sciences	47.049		514,079	75,908
Passed through American Physical Society:				
Mathematical and Physical Sciences	47.049	APS090114	7,529	—
Passed through Brigham Young University:				
Mathematical and Physical Sciences	47.049	16-0468	6,227	—
Subtotal CFDA 47.049			527,835	75,908
Direct program:				
Geosciences	47.050		435,815	8,517
Passed through Consortium for Ocean Leadership:				
Geosciences	47.050	BA-120	18,404	—
Passed through Sonoma State University:				
Geosciences	47.050	1061530	1,584	—
Subtotal CFDA 47.050			455,803	8,517

CALIFORNIA STATE UNIVERSITY
Schedule of Expenditures of Federal Awards
Year ended June 30, 2017

Federal grantor/pass-through agency/program title	Catalog of federal domestic assistance (CFDA) number	Pass-through entity identifying number	Federal disbursements/ expenditures	Amounts provided to subrecipients
Direct programs:				
Computer and Information Science and Engineering	47.070		\$ 26,500	2,115
Passed through San Diego State University Research Foundation:				
		SA0000426 A3 SA0000522 SA0000524		
Computer and Information Science and Engineering	47.070	SA0000426 A4	6,798	—
Subtotal CFDA 47.070			<u>33,298</u>	<u>2,115</u>
Direct program:				
Biological Sciences	47.074		1,318,913	—
Passed through University of California, Berkeley:				
Biological Sciences	47.074	00007925	19,276	—
Passed through Fordham University:				
Biological Sciences	47.074	FORD0003	5,967	—
Passed through Regents of the University of California San Francisco:				
Biological Sciences	47.074	9807SC	181,388	—
Subtotal CFDA 47.074			<u>1,525,544</u>	<u>—</u>
Direct programs:				
Education and Human Resources	47.076		694,210	6,314
Passed through California State University Sacramento:				
Education and Human Resources	47.076	523911 AMENDMENT NO. 523914 523913	17,292	—
Passed through The University Foundation at Sacramento State:				
Education and Human Resources	47.076	MOU HRD-1302873	15,000	—
Passed through Missouri State University:				
Education and Human Resources	47.076	16043-007	48,960	—
Passed through University Enterprises, Incorporated				
California State University, Sacramento:				
Education and Human Resources	47.076	523751, 523951 A523953	24,824	—
Passed through Northeastern University:				
Education and Human Resources	47.076	502277-78050	73,511	—
Passed through The Regents of the University of California:				
Education and Human Resources	47.076	00009400 KK1627 A00-1696S004-P056579	135,393	—
Passed through WestEd:				
Education and Human Resources	47.076	S00028711.0	2,864	—
Passed through University of Texas at El Paso:				
Education and Human Resources	47.076	226100955B	92,799	—
Subtotal CFDA 47.076			<u>1,104,853</u>	<u>6,314</u>
Direct program:				
Polar Programs	47.078		155,788	145,823
Passed through University of Nevada, Las Vegas:				
Office of International Science and Engineering	47.079	11-707D-F	16,541	—
Total National Science Foundation			<u>4,171,803</u>	<u>238,677</u>
U.S. Department of Veterans Affairs VA Health Administration Center				
Direct program:				
Research and Development	64.054		15,501	—
Total U.S. Department of Veterans Affairs VA Health Administration Center			<u>15,501</u>	<u>—</u>
U.S. Environmental Protection Agency:				
Passed through California State Coastal Conservancy:				
Congressionally Mandated Projects	66.202	CONTRACT NO. 10-030	123,426	—
Passed through Association of Bay Area Governments:				
National Estuary Program	66.456	CE 00T47801-6	52,780	—
Direct program:				
TSCA Title IV State Lead Grants Certification of Lead-Based Paint Professionals	66.707		15,000	—
Total U.S. Environmental Protection Agency			<u>191,206</u>	<u>—</u>

CALIFORNIA STATE UNIVERSITY
Schedule of Expenditures of Federal Awards
Year ended June 30, 2017

Federal grantor/pass-through agency/program title	Catalog of federal domestic assistance (CFDA) number	Pass-through entity identifying number	Federal disbursements/ expenditures	Amounts provided to subrecipients
U.S. Department of Energy:				
Direct programs:				
U.S. Department of Energy (not classified elsewhere)	81.UNK		\$ 19,115	—
Office of Science Financial Assistance Program	81.049		163,540	—
Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance	81.117		117,617	—
Passed through Lawrence Livermore National Security, LLC:				
National Nuclear Security Administration Minority Serving Institutions Program	81.123	B620703	10,267	—
Total U.S. Department of Energy			<u>310,539</u>	<u>—</u>
U.S. Department of Education:				
Passed through San Mateo County Community College District:				
Minority Science and Engineering Improvement	84.120	P120A150014	54,291	—
Direct programs:				
Research in Special Education	84.324		792,012	446,417
Investing in Innovation (I3) Fund	84.411		586,521	—
Total U.S. Department of Education			<u>1,432,824</u>	<u>446,417</u>
U.S. Morris K. Udall Foundation:				
Direct program:				
Morris K. Udall Scholarship Program	85.400		149,921	—
Total U.S. Morris K. Udall Foundation			<u>149,921</u>	<u>—</u>
U.S. Department of Health and Human Services:				
Direct programs:				
Environmental Public Health and Emergency Response	93.070		33,750	—
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074		11,250	—
Passed through Urban Institute				
Affordable Care Act (ACA) Personal Responsibility Education Program	93.092	09349-00-00 #36200	25,086	—
Direct programs:				
Injury Prevention and Control Research and State and Community Based Programs	93.136		7,500	—
Research Related to Deafness and Communication Disorders	93.173		40,290	—
Mental Health Research Grants	93.242		353,474	56,271
Passed through Santa Clara University:				
Mental Health Research Grants	93.242	NIH008-01	32,149	—
Passed through Boston University:				
Mental Health Research Grants	93.242	4500002320	19,007	—
Subtotal CFDA 93.242			<u>404,630</u>	<u>56,271</u>
Direct programs:				
Immunization Cooperative Agreements	93.268		22,500	—
Centers for Disease Control and Prevention-Investigations and Technical Assistance	93.283		160,876	—
Passed through Stanford University:				
Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286	60917381-114033	98,959	—
Direct programs:				
Trans-NIH Research Support	93.310		3,657,039	765,466
Behavioral Risk Factor Surveillance System	93.336		414,922	—
PPHF: Health Care Surveillance / Health Statistics – Surveillance Program Announcement: Behavioral Risk Factor Surveillance System Financed in Part by Prevention and Public Health Fund	93.745		242,941	—
State and Local Public Health Actions to Prevent Obesity, Diabetes, Heart Disease and Stroke (PPHF)	93.757		35,846	—
Cardiovascular Diseases Research	93.837		161,802	—
Passed through University of California, San Francisco:				
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	8109SC	95,842	—
Direct program:				
Allergy and Infectious Diseases Research	93.855		345,363	32,073

CALIFORNIA STATE UNIVERSITY
Schedule of Expenditures of Federal Awards
Year ended June 30, 2017

Federal grantor/pass-through agency/program title	Catalog of federal domestic assistance (CFDA) number	Pass-through entity identifying number	Federal disbursements/ expenditures	Amounts provided to subrecipients
Direct program:				
Biomedical Research and Research Training	93.859		\$ 883,561	—
Passed through University of California, San Francisco:				
Biomedical Research and Research Training	93.859	A120112, 1R15GM116043-01	126,205	—
Subtotal CFDA 93.859			<u>1,009,766</u>	<u>—</u>
Direct program:				
Child Health and Human Development Extramural Research	93.865		294,764	28,344
Passed through Research Foundation for Mental Hygiene, Incorporated:				
Child Health and Human Development Extramural Research	93.865	25999	121,906	—
Subtotal CFDA 93.865			<u>416,670</u>	<u>28,344</u>
Passed through University of Southern California:				
Aging Research	93.866	57764387	133,563	—
Passed through University of California, San Francisco:				
Aging Research	93.866	9913C, 9660SC	23,822	—
Passed through Stanford University:				
Aging Research	93.866	61406136-45510	42,338	—
Subtotal CFDA 93.866			199,723	—
Passed through Stanford University:				
Medical Library Assistance	93.879	61100260-12656-A	39,587	—
Direct program:				
Assistance Programs for Chronic Disease Prevention and Control	93.945		15,000	—
Total U.S. Department of Health and Human Services			<u>7,439,342</u>	<u>882,154</u>
Total Research and Development Cluster			<u>16,860,288</u>	<u>1,669,686</u>
Total expenditures of federal awards			<u>\$ 2,612,173,881</u>	<u>2,705,035</u>

See accompanying notes to schedule of expenditures of federal awards and independent auditors' report on compliance for each major federal program; report on internal control over compliance; and report on schedule of expenditures of federal awards required by the Uniform Guidance.

CALIFORNIA STATE UNIVERSITY

Notes to Schedule of Expenditures of Federal Awards

Year ended June 30, 2017

(1) General

The accompanying schedule of expenditures of federal awards (Schedule) presents the activity of all federal award programs of the California State University (the University). The University does not consider itself a subrecipient of federal funds when those funds are received as payments for services rendered from individual campus foundations, which are discretely presented component units in the basic financial statements of the University. Accordingly, these amounts are not reflected in the accompanying Schedule.

For purposes of the Schedule, federal awards include all grants and contracts entered into directly between the University and agencies and departments of the federal government and pass-through agencies. The awards are classified into program categories in accordance with the provisions of the Uniform Guidance.

(2) Basis of Accounting

The information in the accompanying Schedule is prepared on the accrual basis of accounting and is also presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

(3) Loan Programs

Total loans outstanding under the Federal Perkins Loan Program and the Nursing Student Loan Program are \$77,528,396 and \$2,248,709, respectively, at June 30, 2017. The amounts included in the accompanying Schedule consist of the beginning balances of the loans, loans advanced to students during the year and the administrative cost allowance for the year ended June 30, 2017.

(4) Administrative Cost Allowances

Administrative cost allowances included in the accompanying Schedule are summarized as follows:

Federal Perkins Loan Program	\$	886,012
Federal Pell Grant Program		851,395
Federal Work-Study Program		467,421
Federal Supplemental Educational Opportunity Grant Program		<u>149,548</u>
Total administrative cost allowances	\$	<u>2,354,376</u>

(5) Indirect Cost Rate

The University did not elect to use the 10% de minimis indirect cost rate as discussed in the Uniform Guidance Section 200.414. For all sponsored programs where indirect costs are allowed to be claimed, the rates approved by the University's cognizant agency were used.

CALIFORNIA STATE UNIVERSITY
 Schedule of Findings and Questioned Costs
 Year ended June 30, 2017

(1) Summary of Auditors' Results

Financial Statements

Type of auditors' report issued on financial statements: Unmodified opinion

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ Yes X No

Noncompliance material to the financial statements noted? _____ Yes X None Reported

Federal Awards

Internal control over major programs:

- Material weakness identified? _____ Yes X No
- Significant deficiencies in internal control over major programs X Yes _____ None Reported

Type of auditors' report issued on compliance for major programs: Unmodified opinion

Any audit findings that are required to be reported in accordance with 2 CFR 200.516 of Uniform Guidance X Yes _____ No

Identification of Major Programs

<u>CFDA number(s)</u>	<u>Name of federal program or cluster</u>
84.007, 84.033, 84.038, 84.063, 84.268, 84.379, 84.408, and 93.364	Student Financial Assistance Cluster
93.658	Foster Care Title IV-E
84.325	Special Education Personnel Development to Improve Services and Results for Children with Disabilities

Dollar threshold used to distinguish between Type A and Type B programs: \$1,249,741

Auditee qualified as low-risk auditee? X Yes _____ No

CALIFORNIA STATE UNIVERSITY
Schedule of Findings and Questioned Costs
Year ended June 30, 2017

(2) Findings Relating to the Financial Statements Reported in Accordance with *Government Auditing Standards*

None noted

(3) Findings and Questioned Costs Relating to Federal Awards

2017-001

Compliance requirement:	Disbursements To and On Behalf of Students
Campus:	Fullerton, Pomona, and Sacramento
Cluster name/program:	Student Financial Assistance Cluster
CFDA number:	84.268 Federal Direct Student Loans 84.038 Federal Perkins Loan Program
Federal agency:	U.S. Department of Education
Passed through entity:	None
Award year:	July 1, 2016 through June 30, 2017

Criteria or Specific Requirement

Per 34 CFR Section 668.165, with respect to each disbursement of Federal Direct Loans or Federal Perkins Loans, institutions must notify the student or parent in writing to communicate the date and amount of the disbursement and of the student's or parent's right to cancel all or a portion of the loan or loan disbursement and have the loan proceeds returned to the holder of the loan. This notification must be made no earlier than 30 days before and no later than 30 days after each loan disbursement if the campus has implemented an affirmative confirmation process and no later than seven days after disbursement if they have not implemented an affirmative confirmation process.

Condition Found and Context

During our testwork, we haphazardly selected 65 samples of notifications for federal loan disbursements made to students from five campuses and noted the following:

- We identified 6 student notifications that were not sent to the students.
- We identified 12 student notifications that were not performed in a timely manner. The notifications were sent up to 63 days after the date of loan disbursement.

Since student notifications were late or missing information at three of the five campuses sampled, we consider this to be a significant deficiency in internal control over the compliance requirement for disbursements to and on behalf of students.

CALIFORNIA STATE UNIVERSITY
Schedule of Findings and Questioned Costs
Year ended June 30, 2017

Cause and Effect

The notification noncompliance at the three campuses resulted from not having a control in place that was properly designed to ensure that notifications sent to students or parents have met all federal requirements. The effect of these loan notifications not being made eliminates the students' right to cancel and could lead to students borrowing funds and not realizing the long-term financial commitment.

Sampling

Not statistical

Isolated or Systemic

Systemic

Questioned Costs

None noted

Repeat Finding

Yes, however, different campus locations were sampled in the current year.

Recommendation

We recommend that the University put controls in place in its system that would automatically send a loan notification based on disbursements of loan proceeds made in the student financial aid system. In addition, we recommend that the University maintain these e-mail notifications as part of the student's electronic file to provide evidence that these notifications were performed.

Views of Responsible Officials

The University concurs with the recommendation. Campuses will review and revise procedures and processes to ensure timely and accurate student notifications related to Federal Direct and Perkins loan disbursements, including documentation that notification was sent.

2017-002

Compliance requirement:	Enrollment Reporting
Campus:	Fresno, Fullerton, Pomona, Sacramento, and San Diego
Cluster name/program:	Student Financial Assistance Cluster
CFDA number:	84.268 Federal Direct Student Loans 84.038 Federal Perkins Loan Program
Federal agency:	U.S. Department of Education
Passed through entity:	None
Award year:	July 1, 2016 through June 30, 2017

CALIFORNIA STATE UNIVERSITY
Schedule of Findings and Questioned Costs
Year ended June 30, 2017

Criteria or Specific Requirement

Per 34 CFR Section 685.309, institutions with direct loan programs must complete and return to the National Student Loan Data System for Students (NSLDS) within 30 days the enrollment reporting roster file provided by NSLDS, unless the school expects to complete the next roster within 60 days, then they must return it within 60 days. The institution must update changes in student status, report the date the enrollment status was effective, enter the new anticipated completion date, and then submit changes electronically to the NSLDS, for the purpose of providing complete and accurate data to lenders regarding enrollment status so they may properly determine when repayment of the loans should begin.

Condition Found and Context

During our testwork, we haphazardly selected 65 students from five campuses that withdrew or graduated during the year that have direct loans that we tested for reporting the change of status to NSLDS and noted the following:

- We identified six students where their change in status was not reported to the NSLDS within the 30/60-day reporting period. For these students, status was communicated between 5-96 days late.
- We identified nine students with status changes that were not accurately reported to NSLDS.
- We identified one student with status change that was not reported to NSLDS.

Since late or inaccurate enrollment status reporting in conjunction with inadequate documentation of controls was identified at five of the five campuses sampled, we consider this to be a significant deficiency in internal control over the compliance requirement for enrollment status reporting.

Cause and Effect

All campuses utilize the services of the National Student Clearinghouse (NSC) to assist in the reporting of enrollment status changes to NSLDS. NSC generally requires approximately 45 days to submit information provided to them by institutions to NSLDS. The cause of the late or inaccurate submissions was caused by each of the five campuses relying on the NSC, and as such, were not performing their own independent checks of data received by NSLDS, or properly accounting for the time lag incurred by NSLDS in the processing of changes. The effect of these status changes not being reported timely is that the repayment of outstanding loan balances to the lenders is not started and payment to them is delayed.

Sampling

Not statistical

Isolated or Systemic

Systemic

Questioned Costs

None noted

Repeat Finding

Yes, however, different campus locations were sampled in the current year.

CALIFORNIA STATE UNIVERSITY
Schedule of Findings and Questioned Costs
Year ended June 30, 2017

Recommendation

We recommend the University select a sample of students from each transmission sent to the NSC and compare the information received by NSLDS against what was sent to the NSC to ensure the information was transmitted by NSC accurately and timely. In addition, we recommend that the University conduct this sample prior to the 60-day deadline to ensure that disbursement information is reported timely.

Views of Responsible Officials

The University concurs with the recommendation. Campuses will review their policies and procedures and devise appropriate internal controls to ensure the timely and accurate reporting of student status changes, including data provided on behalf of the campus by the NSC.

2017-003

Compliance requirement:	Verification
Campus:	Pomona
Cluster name/program:	Student Financial Assistance Cluster
CFDA number:	84.007, 84.033, 84.038, 84.063, 84.268, 84.379, 84.408, and 93.364
Federal agency:	U.S. Department of Education
Passed through entity:	None
Award year:	July 1, 2016 through June 30, 2017

Criteria or Specific Requirement

Title 34 Education. Chapter VI – Office of Postsecondary Education, Department of Education. Part 668 Student Assistance General Provisions. Subpart E Verification of Student Aid Application Information. Sec. 668.56 Items to be verified. (a) Except as provided in paragraphs (b), (c), (d), and (e) of this section, an institution shall require an applicant selected for verification under Sec. 668.54(a)(2) or (3) to submit acceptable documentation described in Sec. 668.57 that will verify or update the following information used to determine the applicant's Expected Family Contributions (EFC): (2) U.S. income tax paid for the base year data was used in determining eligibility.

Condition Found and Context

During our testwork, we haphazardly selected 65 students from five campuses that received Federal Financial Aid awards during the year that were also selected for verification under Sec. 668.54(a)(2) or (3) and noted the following:

- We identified one student where the student's AGI was incorrectly verified, resulting in a miscalculation of the student's EFC and an over-award of Pell grant by \$800. We verified that the campus returned the over-award amount to the Department of Education within the same academic year.

CALIFORNIA STATE UNIVERSITY
Schedule of Findings and Questioned Costs
Year ended June 30, 2017

The questioned cost is likely over \$25,000, if extrapolated over the entire Pell Grant awards disbursed population. We consider this to be a significant deficiency in internal control over the compliance requirement for verification.

Cause and Effect

Information reported on the campus verification worksheets did not match the information reported on the Institutional Student Information Record (ISIR), which could result in the use of inaccurate amounts in the determination of financial aid awards. The exception impacted the value of awards granted to the student in our selected sample.

Sampling

Not statistical

Isolated or Systemic

Isolated

Questioned Costs

Over-award of Pell Grant known amounts of \$800.

Repeat Finding

No

Recommendation

We recommend that the University put controls in place to ensure that applicant data is properly verified. In addition, any discrepancies in student data reported in the ISIR should be properly resolved and reported to the Department of Education.

Views of Responsible Officials

The University concurs with the recommendation. Campuses have taken steps to further strengthen internal controls to ensure application data is properly verified and any discrepancies in ISIR are properly resolved and reported to the Department of Education.