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January 11, 2017

Dr. Gayle E. Hutchinson, President
California State University, Chico
400 West First Street
Chico, CA 95929

Dear Dr. Hutchinson:

Subject: Audit Report 16-59, *International Activities*, California State University, Chico

We have completed an audit of *International Activities* as part of our 2016 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 has been posted to the Office of 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,



Larry Mandel
Vice Chancellor and Chief Audit Officer

c: Timothy P. White, Chancellor



INTERNATIONAL ACTIVITIES

**California State University,
Chico**

Audit Report 16-59
December 15, 2016

EXECUTIVE SUMMARY

OBJECTIVE

The objectives of the audit were to ascertain the effectiveness of administrative and operational controls for international activities and to ensure compliance with relevant governmental 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, controls evaluated were adequate, appropriate, and effective to provide reasonable assurance that risks were being managed and objectives were met.

The audit did not reveal any significant internal control problems or weaknesses that would be considered pervasive in their effects on international activities' operational and administrative controls. Overall, we found that controls over the international activities were sound, policies and procedures were well documented, and staff were knowledgeable in carrying out their job duties. We did note an opportunity to improve procedures addressing when the campus should obtain proof of insurance for incoming international students; however, this was addressed with the campus during the review.

There were no reportable observations revealed during the review.

GENERAL INFORMATION

BACKGROUND

In May 2008, the Board of Trustees adopted *Access to Excellence* as the new strategic plan for the California State University (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 a series of new Executive Orders (EO) 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 must 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 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 California State University, Chico (CSUC), international activities involving study-abroad or other student-travel programs are overseen by the Office of International Education (OIE) in academic affairs. OIE is responsible for ensuring that all international activities are developed in accordance with system and campus requirements, including program vetting and approval, participant orientation, and faculty-leader training. Regional and continuing education (RCE) provides additional administration for all faculty-led programs on campus, including processing faculty-led program applications and providing faculty leaders with additional training. International students attend the university either as matriculated students in a degree program or as participants in non-degree educational opportunities, such as the American Language and Culture Institute, out of RCE. International students who wish to be

admitted into degree programs must apply through the same channels as domestic students, via CSU Mentor, and must meet certain federal visa requirements in addition to the university standards for admission.

SCOPE

We visited the CSUC campus from September 26, 2016, through November 10, 2016. Our audit and evaluation included the audit tests we considered necessary in determining whether administrative and operational controls are in place and operative. The audit focused on procedures in effect from July 1, 2014, through November 10, 2016.

Specifically, we reviewed and tested:

- Campus coverage, or inclusion in the campus strategic plan, of the systemwide mission to enhance opportunities for global awareness.
- International activities administration and organization, including clear lines of organizational authority and responsibility, and current and comprehensive policies and procedures.
- Processes for the development of study abroad or other student-centered international learning experiences, from conceptualization to planning and approval to implementation.
- Study-abroad program administration, including evidence that important safety requirements, such as student orientations and faculty training, have been implemented.
- Study-abroad student participation records to ensure that all participants have met risk management and program requirements.
- Processes to ensure that international agreements, including those with international student recruiters, are properly vetted by appropriate CO divisions and approved by the campus president.
- Campus compliance with requirements to properly select, assess, and approve the use of third-party providers for international student learning experiences, including a review to ensure that the campus does not engage in any prohibited practices.
- International student administration, including confirmation of visa authority requirements, accurate residency determinations, and proper application of admissions requirements.
- Systems and plans in place to provide assurance that the campus has adequate information on the itineraries, locations, and student emergency contacts in the event an emergency situation arises while students are traveling as part of a CSU-affiliated program.

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 administrative and operational controls, included interviews, walk-throughs, and detailed testing on certain aspects of the international activities conducted on the campus under review. Our review focused specifically on campus-created international programs and did not specifically include partnerships or consortium programs, nor did it include review of every category of international activities available to students.

CRITERIA

Our audit was based upon standards as set forth in federal and state regulations and guidance; CSU Board of Trustee policies; Office of the Chancellor policies, letters, and directives; campus procedures; and other sound administrative practices. 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 1062, *Field Trip Policies and Procedures*
- EO 1080, *International Agreements*
- EO 1081, *Study Abroad and Exchange Programs*
- EO 1082, *International Students*
- Coded memorandum Academic Affairs (AA) 2007-25, *Third-Party Program Provider Study Abroad and Administrative Safeguards*
- AA 2015-17, *Non-Resident Tuition Waivers*
- Coded memorandum Risk Management (RM) 2014-01, *High Hazard International Travel*
- RM 2011-02, *Independent International Travel – Students*
- Code of Federal Regulations Title 22, Part 62, *Exchange Visitor Program*
- Code of Federal Regulations, Title 8, Part 214, *Non-Immigrant Classes*
- CSU Admissions Handbook 2015-2016
- Government Code §13402 and §13403
- CSUC *Executive Memorandum 09-011: Study Abroad Advisory Committee*
- CSUC *Guidelines and Procedures in Establishing Programs and Activities Between CSU, Chico and Overseas Institutions of Higher Learning*
- CSUC *Study Abroad & International Exchange Emergency Response Procedures*
- CSUC *Emergency Procedures for Faculty-Led International Programs*
- CSUC *Study Abroad Student, Faculty, or Staff Fatality Procedures*

AUDIT TEAM

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