October 30, 2017

Dr. Ellen N. Junn, President
California State University, Stanislaus
One University Circle
Turlock, CA 95382

Dear Dr. Junn:

Subject: Audit Report 17-05, Service Learning and Internships, California State University, Stanislaus

We have completed an audit of Service Learning and Internships as part of our 2017 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 has been posted to the Office of 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,

Larry Mandel
Vice Chancellor and Chief Audit Officer

c: Timothy P. White, Chancellor
SERVICE LEARNING AND INTERNSHIPS

California State University, Stanislaus

Audit Report 17-05
October 2, 2017
EXECUTIVE SUMMARY

OBJECTIVE

The objectives of the audit were to ascertain the effectiveness of campus operational, administrative, and financial controls over the administration of service-learning and internship opportunities offered to students; and to ensure compliance with relevant Trustee policy, Office of the Chancellor directives, and campus procedures.

CONCLUSION

We found the control environment for some of the areas reviewed to be in need of improvement.

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 service learning and internships as of August 18, 2017, taken as a whole, provided reasonable assurance that risks were being managed and objectives were met.

Our review indicated that the policies and procedures for service-learning and internship opportunities needed improvement in the areas of risk measurement and program review and evaluation. We also noted that on-campus service-learning opportunities and internships were not held to the same level of scrutiny or risk assessment as off-campus opportunities. Additionally, we found that the campus did not always maintain required documents to show that internships were administered appropriately. Further, we noted that the Office of Service Learning (OSL) strategic plan was outdated.

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

1. RISK ASSESSMENT POLICIES AND PROCEDURES

OBSERVATION

Policies and procedures for service-learning and internship opportunities needed improvement.

Although the campus had developed the Policy for Service Learning Student Placements and the Policy for Student Internships to drive the risk assessment of program opportunities, we found that:

- On-campus service-learning opportunities and internships were not held to the same level of scrutiny or risk assessment as off-campus opportunities. These programs and learning sites were not subjected to risk assessment and implementation controls to ensure that specific risks would be identified and adequately addressed and that participants were appropriately oriented and made aware of the risk and liability associated with the placement.

- Risk-assessment practices for the pre-review of proposed learning sites did not incorporate steps to measure or rate identified risks and to recommend remediation when risks indicated a certain level of concern. The requisite forms asked about risks but did not require further assessment of the information collected.

- The campus was not complying with campus policies to conduct post-placement evaluations and annual reviews of service-learning and internship sites.

Establishment and implementation of comprehensive risk assessment policies and procedures provides greater assurance that service-learning and internship opportunities will be both safe and educational.

RECOMMENDATION

We recommend that the campus:

a. Review and revise established service-learning and internship policies and procedures to incorporate the on-campus opportunities in the risk-assessment process.

b. Enhance risk-assessment procedures to incorporate steps for measuring or rating identified risks and to require recommendations for remediation when risks indicate a certain level of concern.

c. Implement post-placement evaluations and annual reviews of service-learning and internship sites in accordance with campus policies.
MANAGEMENT RESPONSE

The campus concurs.

a. OSL will review and revise established service-learning and internship policies and procedures to incorporate the on-campus opportunities in the risk-assessment process.

b. OSL will enhance risk-assessment procedures to incorporate steps for measuring or rating identified risks and to require recommendations for remediation when risks indicate a certain level of concern.

c. OSL will implement post-placement evaluations and annual reviews of service-learning and internship sites in accordance with campus policies and procedures.

Expected completion date: March 15, 2018

2. INTERNSHIPS

OBSERVATION

Administration of internships needed improvement.

We reviewed 12 off-campus internships, and we found that in three instances, the campus could not provide evidence that the campus had conducted a placement and site assessment or obtained a position description or written memorandum of understanding (MOU) from the learning site.

In addition, we reviewed the files for 24 participants in off-campus internships, and we found that in seven instances, the participant had not signed the Learning Agreement, a document that details the logistics of the assignment; provides participation guidelines; requires a release of liability signed by the participant; and provides evidence that the learning site, campus administration, and participant have been reviewed and approved.

Establishment and implementation of comprehensive risk assessment policies and procedures provides greater assurance that internship opportunities will be both safe and educational.

RECOMMENDATION

We recommend that the campus:

a. Reinforce procedures for the establishment and administration of internships, including requirements for site visits and procurement of written MOUs, and for establishment of learning agreements with participants.

b. Provide training regarding the requirements to individuals responsible for implementation.
MANAGEMENT RESPONSE

The campus concurs.

a. OSL will reinforce procedures for the establishment and administration of internships, including requirements for site visits and procurement of written MOUs, and for establishment of learning agreements with participants.

b. OSL will provide training regarding the requirements to individuals responsible for implementation.

Expected completion date: January 31, 2018

3. STRATEGIC PLAN

OBSERVATION

The OSL had not updated its strategic plan since 2009.

The Center for Community Engagement (CCE) at the Office of the Chancellor provides annual funding for campus service-learning offices given that they meet certain requirements, including the creation and implementation of a strategic plan for service learning. We found that the CCE granted the campus a temporary exception regarding the strategic plan update; however, the expected time frame for that update had not been established, and the number of years since the last update was excessive.

A current departmental strategic plan provides the necessary framework to assist management in making daily decisions that follow a larger vision, creates direction, and ensures that goals, objectives, and priorities properly align with campus, CCE, and system goals for service learning and community engagement.

RECOMMENDATION

We recommend that the campus update the OSL strategic plan.

MANAGEMENT RESPONSE

The campus concurs. OSL will update its strategic plan.

Expected completion date: February 15, 2018
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. This was formalized in a letter to each of the leaders of the public systems of higher education on July 15, 1999, calling on them to work toward the development of a community service requirement for graduation. The governor stated that the primary purposes of his initiatives were to enable students to give back to their communities, to experience the satisfaction of contributing to those in need, and to strengthen an ethic of service among graduates of California universities. Governor Davis requested that faculty members from the California State University (CSU), the University of California, and the California Community Colleges work through the Intersegmental Committee of Academic Senates to address the issue.

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 the CSU Advisory Group on Community Service participated in months of intensive dialogue around ways to strengthen and build upon the service initiatives that have developed over the 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 CCE was established at the Office of the Chancellor (CO), and since the 2000/01 fiscal year, the CSU has received more than $19 million to help develop new service-learning courses or expand service-learning offices on all CSU campuses. The CCE worked in conjunction with Systemwide Risk Management to develop guidance, the Community Service Learning in the California State University – Best Practices for Managing Risk in Service Learning, in 2002.

Recognizing that student internship experiences dovetail with the objectives of the service-learning initiative, many campuses, including California State University, Stanislaus (Stanislaus State), integrated the administration of internship placements into the service-learning offices. Student internship placement is required to be administered in accordance with Executive Order (EO) 1064, Student Internships.

The OSL at Stanislaus State is responsible for providing support to faculty intending to develop service-learning and internship opportunities and to students wishing to participate. The OSL assists faculty with incorporating service learning into the curriculum by providing support for the development of partnerships in the community and facilitating the process to define and document the roles, responsibilities, and expectations of all parties. The OSL also offers students support in completing necessary paperwork and understanding the requirements for participation. In the 2016/17 academic year, the OSL supported the placement of approximately 3,160 students in service-learning opportunities attached to 72 academic courses offered on the campus. During the same period, approximately 47,430 hours of service were provided by Stanislaus State students. The OSL is under Academic Affairs, and the staff consists of a director of service learning and two additional employees.
SCOPE

We visited the Stanislaus State campus from July 17, 2017, through August 18, 2017. Our audit and evaluation included the audit tests we considered necessary in determining whether operational, administrative, and financial controls are in place and operative at the Stanislaus State campus. The audit focused on procedures in effect from July 1, 2015, through August 18, 2017.

Specifically, we reviewed and tested:

- Organizational roles and responsibilities for oversight of service learning and internship placements.
- Policies and procedures governing service learning and internship placements to ensure that all required provisions are included.
- Risk assessment planning, including initial site assessments and ongoing monitoring of programs.
- Agreements with service learning and internship sites to ensure all required information was captured and all parties signed the document.
- Learning plans developed by the academic areas to ensure they establish the expectations and responsibilities of participants receiving credit for service learning engagements.
- Proper implementation and oversight, including the provision of a participant orientation and tools for tracking service hours.
- Proper stewardship of special fund allocations designated for the expansion of the service-learning 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 was designed to provide a review of key operational, administrative, and financial controls and included testing of a limited number of service learning offerings and student placements. The audit did not include learning site visits or validation of the risk assessment information provided by staff in the course of the internal process.

CRITERIA

Our audit was based upon standards as set forth in Board of Trustees policies; CO policies, letters, and directives; campus procedures; and other sound administrative practices. This
The 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 *Community Service Learning in the California State University – A Resource Guide for Managing Risk in Service Learning*
- CCE *Allocation Process*
- Stanislaus State *Policy for Service Learning Student Placements*
- Stanislaus State *Policy for Student Internships*

**AUDIT TEAM**

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