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December 8, 2017

Dr. Karen S. Haynes, President
California State University San Marcos
333 S. Twin Oaks Valley Road
San Marcos, CA 92096-0001

Dear Dr. Haynes:

Subject: Audit Report 17-27, Service Learning and Internships, California State University San Marcos

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

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SERVICE LEARNING AND INTERNSHIPS

**California State University
San Marcos**

Audit Report 17-27
November 7, 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 (SL) 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 SL and internships as of October 6, 2017, taken as a whole, provided reasonable assurance that risks were being managed and objectives were met.

In general, we found that California State University San Marcos (CSUSM) had an appropriate framework for SL and internship opportunities. However, our review found that procedures addressing pre-placement risk assessments needed improvement, and the Office of Service Learning (OSL) policy was outdated. As such, documentation of pre-placement risk assessments of learning sites also needed improvement. In addition, the campus did not maintain documentation of the annual review of internships, and required student placement forms were not always obtained and stored in the civic engagement database.

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

Campus procedures addressing pre-placement risk assessments needed improvement, and the OSL policy was outdated.

We noted that the campus policy on *Community Service Learning Courses* was last revised in 2008. Since then, the Division of Community Engagement (CE) had made several organizational and process changes. Specifically, CE had realigned the OSL, created the Office of Internships (OI), and developed and implemented significant practices and procedures that aligned with the California State University Center for Community Engagement, *A Resource Guide for Managing Risk in Service Learning* (Guide).

The Guide includes various tools and information to identify and categorize risk during the pre-placement process for potential learning sites; risk is defined as either minimal concern (low risk), somewhat concerned (moderate risk), or acute concern (high risk). Additionally, the campus policy for student internships and the OSL and OI standard operating procedures support the performance of risk assessment of all program opportunities.

We reviewed 40 placements, including 20 from the OSL and 20 from the OI, to evaluate compliance with established procedures and guidelines related to risk assessment, and we noted that:

- Pre-placement risk assessment of potential learning sites did not fully incorporate steps to define and categorize identified risk to the appropriate level of concern or recommend appropriate remediation, particularly when the learning site was associated with a higher perceived or inherent risk. According to the Guide, the campus should define these risks as somewhat concerned (moderate risk) or acute concern (high risk).

For both SL and internships, the requisite form used in the assessment process inquired about risk at the learning site and included subsequent questions about the identified risk. However, if all responses to these questions were negative, the process did not require further examination of the information collected. As such, the pre-placement risk assessment process appeared to address sites with minimal concern (low risk), but not sites with risk levels categorized as somewhat concerned (moderate risk) or acute concern (high risk).

- Documentation of pre-placement risk assessments was not retained or did not consistently provide adequate justification, rationale, or information used in making key decisions. In general, such information would explain when exceptions occurred and how risk concerns were addressed; why follow-up visits or communication were not performed; and the established guidelines used for making decisions, particularly for sites categorized as somewhat concerned (moderate risk) or acute concern (high risk).

- CE did not have an established process to review risk at learning sites and community partners previously approved by campus procurement. Specifically, prior to the formal establishment of CE, campus agreements with community partners were processed and approved by campus procurement. This process did not involve a pre-placement risk assessment of the learning site and a direct communication or site visit when necessary. We found that CE chose to rely on procurement’s approval for any of these agreements that remained active. CE did not perform any subsequent site assessment, even when it appeared that a learning site might be associated with a higher perceived or inherent risk.
- We also noted that *Support Students and Services Sites (S4)*, the electronic database used to store and monitor profiles of approved service partners, which is integrated with student registration data, did not always contain the required site placement forms for SL participants.

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

RECOMMENDATION

We recommend that the campus:

- a. Update the *Community Service Learning Courses* campus policy and communicate it to all affected campus parties.
- b. Review and revise established SL and internship procedures to enhance the pre-placement risk-assessment process, and include steps that help define and categorize identified risks, along with guidance and recommendations for remediating each level of concern to address the issues noted above.
- c. Enhance current processes to ensure that risk assessment of sites is adequately performed and documented based on the revised campus guidelines, ensuring that adequate justification, rationale, or information over key decision-making is consistently obtained to address the issues noted above.
- d. Develop a process based on revised campus guidelines to address risk assessment of community partnership sites governed by an agreement approved by campus procurement.
- e. Develop a process to ensure that all required site placement forms are obtained and stored in the S4 database.

MANAGEMENT RESPONSE

The campus concurs.

- a. The campus will update the *Community Service Learning Courses* campus policy and communicate it to all affected campus parties.

- b. The campus will review and revise established SL and internship procedures to enhance the pre-placement risk-assessment process and include steps that help define and categorize identified risks, along with guidance and recommendations for remediating each level of concern to address the issues noted above.
- c. The campus will enhance current processes to ensure that risk assessment of sites is adequately performed and documented based on the revised campus guidelines, ensuring that adequate justification, rationale, or information over key decision-making is consistently obtained to address the issues noted above.
- d. The campus will develop a process based on revised campus guidelines to address risk assessment of community partnership sites governed by an agreement approved by campus procurement.
- e. The campus will develop a process to ensure that all required site placement forms are obtained and stored in the S4 database.

Estimated completion date: May 8, 2018

2. ANNUAL REVIEW OF INTERNSHIPS

OBSERVATION

The campus could not provide records showing that the annual review of internship placements was performed.

To comply with Executive Order (EO) 1064, *Student Internships*, campus policy requires the OI to perform an annual review of internships, both for educational purposes and for the safety of the students. Such review should take into account information gathered from on-site supervisors, faculty, university staff, and student experience.

The OI could not provide adequate documentation showing that these required reviews were performed. In addition, we noted that the OI and OSL generally shared similar practices and procedures. However, because the OSL policy was outdated and did not include the requirement for an annual review, it was unclear whether CE requires reviews for SL placements.

Retaining records to document the annual review of internships helps to provide assurance that the academic, risk management, and administrative components of internships were evaluated and ensures compliance with EO 1064 and campus policy.

RECOMMENDATION

We recommend that the campus:

- a. Retain records showing that the annual review of internships sites was performed in accordance with EO 1064 and campus policy.

- b. Determine whether SL placements should also undergo an annual review, and if so, update the SL policy accordingly.

MANAGEMENT RESPONSE

We concur.

- a. The campus will retain records showing that the annual review of internship sites was performed in accordance with EO 1064 and campus policy.
- b. The campus will determine whether SL placements should also undergo an annual review, and if so, update policy accordingly.

Estimated completion date: May 8, 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 Center for Community Engagement Office was established at the Office of the Chancellor (CO), and since the 2000/01 fiscal year, the CSU has received more than \$20 million to help develop new service-learning courses or expand service-learning offices on all CSU campuses. In 2002, the Center for Community Engagement 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 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 the service-learning offices. However, at CSUSM, OSL and OI have dedicated resources within CE for the respective administration of service learning and internships. Student internship placement is required to be administered in accordance with EO 1064, *Student Internships*.

At CSUSM, the OSL and OI are responsible for providing support to faculty intending to develop service-learning and internship opportunities and to students wishing to participate. The OSL and OI assist faculty with incorporating service learning and academic internships 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. Each office also offers students support in completing the necessary documentation in the S4 database and understanding the requirements for

participation. In the 2016/17 academic year, the OSL supported the placement of approximately 3,821 students in service-learning opportunities attached to 127 academic courses offered on the campus. During the same period, approximately 12,467 hours of service learning were provided by CSUSM students.

SCOPE

We visited the CSUSM campus from September 5, 2017, through October 6, 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 San Marcos campus. The audit focused on procedures in effect from July 1, 2015, through October 6, 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 that they establish the expectations and responsibilities of participants receiving credit for service learning and academic internship 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 BOT policies; CO 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 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*
- California State University Center for Community Engagement, *A Resource Guide for Managing Risk in Service Learning*
- Center for Community Engagement, *Allocation Process*
- CSUSM *Community Service Learning Courses Policy (APC 245-02)*
- CSUSM *Student Internships Policy (SAC 714-15)*

AUDIT TEAM

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