CSU The California State University
OFFICE OF THE CHANCELLOR

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March 24, 2016

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

Dear Dr. Nelsen:

Subject: Audit Report 15-61, *Student Activities*, California State University, Sacramento

We have completed an audit of *Student Activities* as part of our 2015 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

The California State University
Office of Audit and Advisory Services

STUDENT ACTIVITIES

California State University, Sacramento

Audit Report 15-61
February 26, 2016

EXECUTIVE SUMMARY

OBJECTIVE

The objectives of the audit were to ascertain the effectiveness of operational, financial, and administrative controls related to student organizations activities, and to 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, the operational, financial, and administrative controls in effect as of December 4, 2015, taken as a whole, were sufficient to meet the objectives of this audit.

In general, the audit did not reveal any significant internal control problems or weaknesses that would be considered pervasive in their effects on student organizations' operational, administrative, and financial controls. However, the review did identify an opportunity to improve compliance with a CO policy regarding required training on alcohol, tobacco, and other drug prevention programs (ATOD).

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

OBSERVATIONS, RECOMMENDATIONS, AND RESPONSES

1. ALCOHOL, TOBACCO AND OTHER DRUG PREVENTION PROGRAM

OBSERVATION

The campus did not include required ATOD information in orientation programs for student organization advisors.

Executive Order (EO) 1068, *Student Activities*, requires that campuses provide for student organization advisors and student officers orientation programs that outline policies, expectations, and information on alcohol use/abuse. We found that the training offered to student organization advisors did not include ATOD information.

ATOD training provides assurance that student organization advisors and student officers will be informed about resources and preferred actions regarding alcohol and/or drug abuse.

RECOMMENDATION

We recommend that the campus include required ATOD information in orientation programs for student organization advisors.

MANAGEMENT RESPONSE

We concur. We will update our orientation program to include student organization advisors and the required ATOD prevention programs. The documentation to support this update will be provided by April 22, 2016.

GENERAL INFORMATION

BACKGROUND

The California State University's (CSU) 23 campuses offer a variety of student organizations and activities to provide students with opportunities for personal growth and development of life skills. These organizations range from traditional fraternities, sororities, and service clubs to sports clubs and other special-interest and affinity groups focusing on issues such as sustainability and environmental awareness, social issues, military service, and performance arts.

Campuses are required to have a formal student-organization recognition process that records the purpose and objectives of each organization and confirms compliance with systemwide policies regarding open membership and training, as well as prohibitions on discrimination and hazing. In addition, student leaders are held to standards that provide assurance of appropriate leadership. Campuses are further directed to provide training to student leaders and to advisors on the CSU Alcohol Policies and Prevention Program, and advise student organizations about the CSU Student Conduct Code.

Student organizations and activities are subject to CSU policies regarding prohibitions on discrimination, harassment, and retaliation; sexual misconduct; dating and domestic violence and stalking in both the student and employee arenas; and policies regarding student conduct. In addition, campuses are required to implement alcohol- and substance-abuse prevention and awareness programs in accordance with the CSU Alcohol Policy and Prevention Program adopted by the Board of Trustees (BOT) in July 2001.

At California State University, Sacramento (CSUS), there are more than 300 recognized student organizations. General oversight over student organizations, including fraternities and sororities, is provided by Student Organizations and Leadership (SOAL). SOAL handles student organization recognition and management and establishes policies and procedures for student organizations, while Associated Students, Inc. handles student organization banking.

SCOPE

We visited the CSUS campus from October 19, 2015, through December 4, 2015. Our audit and evaluation included the audit tests we considered necessary in determining whether operational, financial, and administrative controls are in place and operative at CSUS. In order to capture the entirety of the two academic years, the audit focused on procedures in effect from July 1, 2013, through December 4, 2015.

Specifically, we reviewed and tested:

- Organizational roles and responsibilities for oversight of student organizations and activities, including required program evaluations.
- Processes to formally charter and/or recognize student organizations.
- Processes to ensure that advisors and student leadership meet minimum qualifications and receive appropriate orientation and training.

- Processes to ensure compliance with requirements regarding alcohol usage and substance-abuse prevention and awareness programs.
- Administration and oversight of student activities and events occurring both on- and off-campus.
- Processes to ensure compliance with student travel policies.
- Measures to ensure the security of systems utilized to administer student organizations and activities, when applicable.
- Measures to ensure that student organizations receive training and comply with cash-handling policies.

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, financial, and administrative controls, which included detailed testing on a limited number of student organizations to ensure that each met the campus recognition standards and that the organizations' activities were conducted and managed in accordance with campus and systemwide policies.

CRITERIA

Our audit was based upon standards as set forth in federal and state regulations; 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:

- BOT Resolution, Educational Policy 07-01-03, *Alcohol Policies and Prevention Programs*
- EO 1041, *Student Travel*
- EO 1068, *Student Activities*
- EO 1097, *Systemwide Policy Prohibiting Discrimination, Harassment and Retaliation, Sexual Misconduct, Dating and Domestic Violence, and Stalking against Students and Systemwide Procedure for Addressing Such Complaints by Students*
- Coded Memorandum Academic Affairs (AA) 2012-05*, Minimum Qualifications for Student Office Holders*
- AA 2014-11, *Establishment of University Sponsored Organizations as a Category for Student Organizations Affiliated with Scholastic Honor Societies*
- Integrated California State University Administrative Manual §8000, *Information Security*
- *Compilation of Policies and Procedures for CSU Auxiliary Organizations*
- Government Code §13402 and §13403

- California Code of Regulations (CCR) Title 5, §41500, *Nondiscrimination in Student Organizations – Withholding of Recognition*
- CCR Title 5, §41503, *Filing Requisites*
- CSUS *Student Organization Handbook*

AUDIT TEAM

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