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Date: August 26, 2009 **Code: FS 09-08-A**

To: Vice Presidents, Finance/Administration

From: George V. Ashkar
Interim Assistant Vice Chancellor and Controller
Financial Services

Subject: Sponsored Program Administration Audit Monitoring

In a recent audit of Grants and Contracts by the Office of the University Auditor, the system office was cited for issues related to compliance monitoring of federal, state, institutional, and other sponsor regulations and policies. The auditors recommended greater centralized oversight in order to minimize the risk to the contract and grant programs at the campuses.

The enclosed ICSUAM policy has been developed with campus representatives to ensure there is sufficient audit monitoring and resolution for contracts and grants. In the near future the policy will be integrated into the ICSUAM web page and could be found there electronically.

Questions regarding this policy may be directed to Sue DeRosa, Director of Sponsored Program Administration, at sderosa@calstate.edu or 562-951-4213.

GVA;LJE;td

Attachment

c: Auxiliary Organizations Association
Council of Chief Research Officers
Benjamin F. Quillian, Executive Vice Chancellor/CFO
Vice Presidents/Provosts, Academic Affairs

CSU Campuses
Bakersfield
Channel Islands
Chico
Dominguez Hills
East Bay

Fresno
Fullerton
Humboldt
Long Beach
Los Angeles
Maritime Academy

Monterey Bay
Northridge
Pomona
Sacramento
San Bernardino
San Diego

San Francisco
San José
San Luis Obispo
San Marcos
Sonoma
Stanislaus

CSU POLICY

Section:	11000 Sponsored Programs Administration
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Policy Number: 11000.008.000

Policy Title: **Audit Monitoring & Resolution**

Last Revision Date: August 2009

Policy Objective

It is the policy of the California State University (CSU) to have a system for compliance assessment and audit that demonstrates that the institution complies with federal, state, institutional, and other sponsor regulations and policies.
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Policy Statements

The campus President or designee must ensure that the campus:

- Has a procedure for ongoing review of its finances, compliance with its administrative directives, and conformance with governmental laws and regulations.
- Complies with government auditing requirements with respect to its federal programs or other sponsor requirements.
- Develops and implements corrective action plans in response to audit findings or recommendations.
- Alerts the Chancellor's Office of potential findings that challenge the adequacy of a system-wide policy or indicates a risk or concern that may have systemic implications.
- Submits to the Chancellor's Office findings or recommendations meeting the following criteria:
 - Challenges the adequacy of a system-wide policy.
 - Indicates a risk or concern that may have systemic implications.
- Submits the A-133 Single Audit Report to the Chancellor's Office on an annual basis and evidence of implementation of corrective action plans, if applicable.

Chancellor's Office Sponsored Programs Administration will maintain an adequate process to:

- Monitor findings and recommendations submitted for review by campuses
 - Review the implementation status of corrective action plans developed by campus management.
 - In consultation with campus sponsored programs administration, coordinate the development and revision of sponsored programs policies and the development of tools and training materials to improve internal controls of systemwide sponsored programs.

RESOURCES AND REFERENCE MATERIALS

Guidelines:

N/A

Principles:

Council on Governmental Relations (COGR) - Management Practices Document – www.cogr.org

Committee of Sponsoring Organizations, Internal Control Framework (COSO) – www.coso.org

National Association of College and University Business Officers (NACUBO) – www.nacubo.org

National Science Foundation (NSF) – www.nsf.gov

US Department of Health and Human Services (DHHS) – www.dhhs.gov

National Institutes of Health (NIH) – www.nih.gov

Practices:

http://www.nacubo.org/Business_Officer_Magazine/Magazine_Archives/April_2007/SAS_112_New_Requirements_for_Control_Deficiencies.html

AOA – RAC Subcommittee – www.csuaoa.org

Laws, State Codes, Regulations and Mandates:

Federal guidelines related to Audits of States, Local Governments, and Non-Profit Organizations, OMB Circular A-133 – <http://www.whitehouse.gov/omb/circulars/a133/a133.html>

SAS 112 New Requirements from Control Deficiencies -

http://www.nacubo.org/Business_Officer_Magazine/Magazine_Archives/April_2007/SAS_112_New_Requirements_for_Control_Deficiencies.html

GC13402 - <http://www.leginfo.ca.gov/cgi-bin/displaycode?section=gov&group=13001-14000&file=13400-13407>

POLICY OWNERSHIP

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Affinity Group:	RAC, CCRO, FOA, CABO			

Related SAM References: