University of California, Santa Barbara
Audit and Advisory Services

Local Report on Activities
Fiscal Year 2014-15

July 8, 2015

http://www.audit.ucsb.edu/
Prepared by:

Robert Tarsia, Audit Director
Stacy Nummerdor, Audit Analyst
Adam Harr, Administrative Assistant
University of California, Santa Barbara
Audit and Advisory Services
Local Report on Activities
Fiscal Year 2014-15

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http://www.audit.ucsb.edu/
I. Mission, Overview, and 2014-15 Highlights

Mission Statement

The mission of the University of California (UC) internal audit program is to provide the regents, president, and campus chancellors independent and objective assurance and consulting services designed to add value and to improve operations. It does this by assessing and monitoring the campus community in the discharge of their oversight, management, and operating responsibilities. Internal audit brings a systematic and disciplined approach to evaluating and improving the effectiveness of risk management, control, and governance processes.¹

Overview of UCSB Audit and Advisory Services

University of California, Santa Barbara (UCSB) Audit and Advisory Services (the department) provides independent, objective assurance and consulting services designed to add value and improve UCSB's operations. The department reports administratively through the Vice Chancellor for Administrative Services to the Chancellor, and functionally to the UC Senior Vice President and Chief Compliance and Audit Officer, with additional reporting responsibilities to the Board of Regents and the University President. Oversight is provided by the UCSB Audit Committee in accordance with a formal charter.²

During fiscal year 2014-15, the department received funding for an additional auditor position, which at June 30 was not yet filled.

At June 30, 2015, the department’s staffing consisted of 6.75 full-time equivalent (FTE) positions: the Audit Director, two Senior Auditors, a Senior Investigator, one Staff Auditor, one Audit Analyst, and a .75 FTE Administrative Assistant. During 2014-15, the department received funding for an additional auditor position, although this position was not yet filled at June 30.

To accomplish the department's mission, the auditors present analyses, evaluations, and recommendations based on in-depth assessments of departments, functions, and programs. The department’s auditors focus on:

- Reviewing and appraising the soundness, adequacy, and application of financial, accounting, and operating and administrative controls, to assess whether campus internal control processes are adequate and functioning according to University policies and procedures, external compliance regulations, and “best practices.”
- Determining the adequacy of existing policies and procedures as tools to help achieve the organization's objectives.
- Ascertaining the extent of compliance with established plans, policies, procedures, and external requirements, including compliance with sponsored project regulations, terms, and conditions.
- Determining whether University assets are accounted for and safeguarded from loss.
- Ascertaining the reliability of management data developed by the organization.
- Evaluating the economy and efficiency with which available resources are utilized.
- Consulting with management and reviewing operations to determine whether results are consistent with objectives, and whether operations are being carried out as planned.

¹ University of California Internal Audit Mission and Charter
² The composition of the UCSB Audit Committee is detailed in Appendix A.
Internal auditors do not have direct responsibility for, or authority over, any of the activities they review. Therefore, the department’s audits and advisory services do not relieve management and other individuals of the responsibilities assigned to them.

Audit and Advisory Services, in consultation with campus management, develops an annual audit services plan based on a risk assessment and ranking methodology utilized across the UC system and augmented to address local needs and risks. The plan, which encompasses activities of the administrative and academic units of the UCSB campus, is reviewed and approved by the Vice Chancellor for Administrative Services and the UCSB Audit Committee prior to submission to the Senior Vice President and Chief Compliance and Audit Officer (and ultimately The Regents). The plan is subject to approval by the UCSB Chancellor.

The department also performs investigations, is responsible for coordinating campus UC Whistleblower Program efforts, and coordinates the activities of visiting external auditors.

**2014-15 Highlights**

As detailed in this report, during fiscal year 2014-15, Audit and Advisory Services:

- Focused our efforts on audits and advisory service projects that address high risk areas and assist management initiatives to increase campus efficiency and effectiveness. These efforts included an emphasis on work in support of the implementation of new enterprise systems, as well as responding to immediate risks in information security.

- Completed 17 of the 19 projects, or 90%, of our amended audit services plan, and finalized and issued five projects from the prior year's plan. We met this level of completion despite a significant number of investigations, the effort required to respond to audits by external agencies, and other challenges.

- Provided investigative services through the UC Whistleblower Program.

- Issued audit and advisory service reports that resulted in management commitments to a total of 26 corrective actions designed to address risk areas and add value through improved operations. The department continued to emphasize collaborating with management on developing comprehensive, “higher level” management action plans that address underlying risks.

- Closely monitored the progress of completing agreed-upon management corrective actions.

- Devoted approximately 70 hours to tracking and responding to audits by external agencies.

- As part of University of California’s overall internal audit quality assessment and improvement program, completed an Internal Assessment Process to determine whether Audit and Advisory Services continues to operate in accordance with Institute of Internal Auditors (IIA) *International Standards for the Professional Practice of Internal Auditing and the UC Audit Manual.*
The department also:

- Continued outreach efforts through a series of presentations to staff in the Controller’s Financial Management Certificate Program, the Office of Research’s Sponsored Projects Training for Administrators in Research (STAR), PPS (Personnel and Payroll System) Basics, and other groups. We presented Accountability, Ethics, and Fraud to PPS Basics classes on several occasions, and an Ethics and Fraud in the Workplace training in January and April as part of the Financial Management Certificate Program. Similar training was conducted for the STAR program. In March, the Audit Director provided a mid-year update to the Academic Business Officers Group (ABOG). We have prepared a new presentation on the Whistleblower Program, which we plan to offer to departments for their use or for in-person presentation by Audit and Advisory Services.

- Continued to emphasize training, coaching, and mentoring of staff, resulting in continued improvement in the quality of our audit and advisory service work and reports. All team members have training and development plans each year. Training activities during 2014-15 included UC systemwide new auditor orientation, sponsored by UC Office of the President; Beginning Auditor Tools and Techniques, offered by the Institute of Internal Auditors; an intermediate ACL (Audit Command Language, a data analytics software) class; and participation in the Controller’s Financial Management Certificate Program, the Office of Research’s STAR program, UC Compliance Symposium, and other training and development activities.

- Made progress on our objective to use data mining and analytical software for audits, external audit support, and support for new enterprise systems development. We used ACL for analysis work on two of our projects in support of the campus implementation of a new financial system, and have started working with procurement data provided by Business and Financial Services to identify potential value-added analytics work as a trial in-house project. Two team members are participating in a systemwide workgroup in data analytics, and (as noted above) one of our auditors attended an intermediate ACL class.

**Results of Internal Assessment Process**

As noted above, during 2014-15 we completed an Internal Assessment Process, which included management and audit staff interviews, work paper quality reviews, and client feedback. This process is considered an update to the full quality assessment review completed during 2012-13, and is part of UC’s overall internal audit quality assessment and improvement program. This program is structured in accordance with IIA *International Standards for the Professional Practice of Internal Auditing* and related practice advisories. The review concluded that Audit and Advisory Services *Generally Conforms* (the top rating possible) to the IIA Standards.
2015-16 Local Program Initiatives

The fiscal year 2015-16 audit services plan reflects a continued emphasis on supporting management initiatives to increase campus efficiency and effectiveness, including audits and advisory projects designed to support the implementation of new enterprise systems. As part of our commitment to help the campus comply with the requirements of its federal and other research sponsors, the plan also includes sufficient coverage of research-related areas, as well as coverage of areas of immediate concern by senior leadership and other stakeholders. We have also included hours for outreach and presentations, including our ongoing Ethics and Fraud training, and for further development of our data mining and analytics program.

Other goals and initiatives for fiscal year 2015-16 include:

- **Audit Plan Completion** - Complete 80-90% or more of the 2015-16 audit services plan by the end of the fiscal year.

- **Organizational Development** – Continue to devote the necessary time and resources for staff training and development, with a special emphasis on training that helps qualify team members for potential advancement in other parts of the UCSB organization.

- **Outreach and Training** - Promote awareness of ethics as an essential element of the organization’s internal control structure. Along with our existing *Ethics and Fraud in the Workplace* and other training presentations, we plan to develop and present new materials that more directly address the role of ethics in ensuring effective and compliant operations.

- **Data Mining and Analytics** - Continue progress towards more technology-driven audit approaches by successfully using data mining and analytical software for 2015-16 audits and advisory projects.
II. State of Control Environment

Based on Audit and Advisory Service projects completed during fiscal year 2014-15, along with representations made by management, the internal control structure over the financial and operating activities of UCSB provides reasonable assurance that:

- Significant financial and operational information is reliable and accurate.
- Operations are effective and efficient.
- Assets are adequately safeguarded.
- There is compliance with applicable laws, regulations, contracts, policies, procedures, and standards.
- Operating and program goals and objectives have been established and conform to those of the University.
- The results of operations and programs are consistent with established goals and objectives, and operations and programs are implemented and performed as intended.

Audit and Advisory Services work during 2014-15 did not identify any significant deficiencies that we would consider to represent material control weaknesses. In addition, the scope of our work was not limited in any way by management or others, nor were there any instances in which we considered our independence or objectivity to have been impaired.

Although we did not identify material control weaknesses, our work highlighted opportunities for UCSB to implement better practices and more effective controls for some campus-wide activities. Our 2014-15 projects helped highlight the following campus-wide issues:

**Information Security and Privacy** – Our work in this area addressed the need for operational enhancements to improve information security, as well as opportunities to promote better information security awareness. Our work also highlighted the need to publish and promote additional campus guidance on information security best practices.

**System Implementation and Change Management Challenges** - We completed several projects in support of the implementation of new enterprise systems, and our work highlighted the need for continued emphasis on effective change management and training. We also highlighted the need for updated policies and procedures that reflect the more modern information technology infrastructure the campus is putting into place.

**Intercollegiate Athletics** - Our audit of camps and clinics identified significant opportunities for improvement in written procedures to adequately manage risks associated with the operation of camps and clinics. Intercollegiate Athletics is in the process of addressing the issues we highlighted, and Audit and Advisory Services has provided assistance in these efforts by collaborating with the department on the development of relevant compliance checklists.
III. Audit Program Results

During fiscal year 2014-15, Audit and Advisory Services completed 17 of the 19 projects, or 90%, of our amended audit services plan, and also finalized and issued five projects from the prior year's plan. We were able to reach this level of completion despite a significant number of investigations, the effort required to respond to audits by external agencies, and other challenges.

Table 1 summarizes UCSB's 2014-15 audit services plan and the department's performance in completing the plan; a listing of projects completed during 2014-15 is included as Appendix B.

<table>
<thead>
<tr>
<th>Audit Services Plan Composition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audits and Advisory Services Included in 2014-15 Plan</td>
</tr>
<tr>
<td>Projects Added During the Year</td>
</tr>
<tr>
<td>Projects Removed from Plan During the Year</td>
</tr>
<tr>
<td>Total Audits and Advisory Services in Plan, as Amended</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Plan Completion</th>
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</thead>
<tbody>
<tr>
<td>2014-15 Audits and Advisory Services Completed During the Year (Final or Draft Report Status at June 30)</td>
</tr>
<tr>
<td>Percentage of 2014-15 Plan Completed</td>
</tr>
</tbody>
</table>

Note: The figures in this table account for only new fiscal year 2014-15 plan projects; they do not include prior year audit plan projects completed in fiscal year 2014-15. Investigations are also not included.
Program Highlights

Projects completed during 2014-15 included audits and other assurance projects, advisory services, and investigations. Audit and advisory topics were selected primarily through our annual, risk-based assessment and planning process, although some were selected to ensure periodic coverage of core or basic business processes or to accommodate management requests.

Resources devoted to investigative services included efforts by the Audit Director, Senior Investigator, and audit staff, including direct work on investigation projects and work performed in support of the UC Whistleblower Program. Although Audit and Advisory Services completes several investigations each year, and is responsible for the operations of the UC Whistleblower Program on the UCSB campus, these activities are not addressed in detail in this report.

The following discussion addresses the more noteworthy projects completed during the year.

Information Technology

Enterprise Systems Projects

- **Enterprise and Campus-wide IT Project Costs** – This audit reviewed practices for estimating, tracking, charging, and reporting IT project costs to determine whether they were appropriate and consistent with best practices and UC and UCSB policies, procedures, and guidance. The scope of the audit was limited to the Kronos Electronic Timekeeping and Connect (e-mail and calendaring) projects; however, this audit was the first in a series of planned annual audits of costs charged to major campus IT projects, and future audits will cover other projects. We found that cost figures reported to management for the Kronos and Connect projects have been accurate, and that costs charged to the projects were appropriate and properly documented and approved. The report does recommend a more formal project plan and budget for Connect, and written procedures that address consistent treatment of expenses, required approvals, and supporting documentation for costs.

- **Financial System Implementation Project (FSIP): Preproduction Roles and Profiles** - This advisory service reviewed roles and profiles configurations for the pre-production phase of FSIP, the project to implement a new campus financial system. Our purpose was to determine whether FSIP roles and profiles were properly configured and implemented, and whether they comply with UCSB policies, guidance, procedures, and best practices. We communicated several modest observations as a result of our work.

- **Financial System Implementation Project (FSIP): Testing Assistance** - This advisory service included independent testing and evaluation of certain standard campus reports; we performed this work to assist in the project’s objective of meeting campus expectations for reporting after the implementation of the first phase of the new financial system.

- **Kronos Electronic Timekeeping: Limited Scope Assistance** - The original purpose of this project was the identification of best practices for Kronos that could be promoted as guidance to campus departments. However, based on input from the relevant steering committee, we limited fieldwork to drafting answers to certain campus timekeeping policy and other questions, as a way to facilitate Kronos implementation efforts. We provided several observations as a result of the research and review of policies, procedures, and regulations we performed to draft responses to the questions.
Information Security and Privacy

- Information Security: Business & Financial Services - This audit was added to our 2014-15 plan at the request of the Controller and Director, Business and Financial Services. We reviewed whether adequate security measures have been implemented for archival payroll data, and whether the department’s overall information security practices were appropriate and consistent with policies, procedures, and best practices. The audit found that Business and Financial Services should complete planned enhancements to improve information security, and should take additional steps to ensure its practices comply with University policies, regulations, and best practices. We also highlighted immediate opportunities to promote better information security awareness.

- Information Security: Desktop Practices - We reviewed campus desktop information security practices to determine whether they were consistent with UC and UCSB policies, procedures, guidance, and best practices. Our work identified opportunities to improve campus information security practices in several ways. In some of these areas, such as user awareness and training, the responsible campus IT departments had already initiated programs and taken steps to address the issues we identified. However, the audit highlighted the need to publish and promote additional campus guidance on best practices, as well as specific additional steps that should be taken to improve information security.

- HIPAA Training Review - The purpose of this project was to determine whether there are adequate processes in place to ensure that personnel who come into contact with Protected Health Information (PHI) are properly identified as requiring HIPAA or other appropriate training. Our review identified the need for updated campus PHI resources and guidance, as well as clarification of requirements in several areas, to ensure that training and related requirements are understood and complied with. Key improvements in campus practices are now being implemented.

Other Information Technology Coverage

- Third Party IT Services - This audit reviewed the adequacy of controls over decentralized department and “casual” use of third party IT services without the supervision of UCSB IT departments. We found that existing policies, procedures, and guidelines in this area are not sufficient to help ensure the protection of University data and compliance with laws, regulations, and UC policies. We also highlighted immediate opportunities to promote campus best practices and to mitigate risks, including web-based guidance and educational efforts to help the campus community understand the risks of these services.

Intercollegiate Athletics

- Intercollegiate Athletics: Camps and Clinics - This audit focused on whether camps and clinics are operating consistently with applicable regulations, policies, and procedures. Our work identified significant opportunities for improvement in written procedures to adequately manage risks associated with the operation of camps and clinics. Intercollegiate Athletics is in the process of addressing all of the issues highlighted by the audit.

- Intercollegiate Athletics: Camps and Clinics Compliance Assistance - We added this advisory service to our 2014-15 plan to collaborate with Intercollegiate Athletics in its efforts to improve policies, procedures, and associated materials for camps and clinics. This collaboration resulted in the development of compliance checklists for camps and clinics.
Core/ Other Business Processes

- **Assessment of Campus Policies and Procedures** - This audit assessed existing campus policies and procedures and identified and recommended best practices. The results of our work identified potential best practices in each of the functional areas we reviewed in detail: Business and Financial Services, Office of Budget and Planning, and Office of Research. However, we also found that the campus would benefit from the creation of additional and updated policies and procedures, more consistency of format and content, and web-based guidance that is clearer and more current.

- **Integration and Control of Auxiliaries** - We reviewed auxiliaries and other related campus entities with similar characteristics, such as those that accept fees for services rendered to the campus community. The purpose of this project was to assess the current state of these entities in regard to the use of campus accounting, payroll, and other systems; applicability of, and compliance with, UC and UCSB policies and procedures; and overall adequacy of select business processes and internal controls. The audit did not identify critical weaknesses in the areas reviewed, but did identify common opportunities for potential improvements in cash handling and other processes, including opportunities to improve separation of duties practices and other internal controls.

- **University Center Internal Control Review** – This audit assessed University Center (UCen) internal controls and compliance with UC and UCSB policies and procedures. The audit focused on UCen’s major lines of business: Dining Services, the Bookstore, and Conference Services. Our work identified several opportunities for improvement, including needed enhancements to business processes to ensure compliance with UC and UCSB procurement, hiring, IT security, and cash handling requirements. We also recommended evaluating the capabilities of the UCen Bookstore’s point-of-sale system to ensure that revenue accounting and recording procedures reflect actual results.

- **Graduate Financial Aid and Graduate Student Fee Remission** - The purpose of this audit was to ensure that the Office of Financial Aid and Scholarships (OFAS) and the Graduate Division have implemented appropriate processes and internal controls related to graduate financial aid and fee remissions to ensure compliance with University and U.S. Department of Education regulations and requirements. We found that both OFAS and the Graduate Division had established effective internal controls over the calculation and disbursement of graduate financial aid awards.

### Executive Compensation

- **Chancellor’s Expenses and Travel & Entertainment** – We reviewed the 2013-14 *Annual Report of Fiscal Year Expenses of the Chancellor* and the *Annual Report of Taxable Expenses of the Chancellor*, two required annual reports, and found that they were prepared in compliance with applicable policies. We also reviewed travel and entertainment expenses submitted by the Chancellor, and found that they fully comply with UC policies and procedures.

### Coverage of Research Areas

Our efforts in 2014-15 and the previous year generally placed less emphasis on research-related areas, due to robust research coverage in recent years and the need to address other risks. As part of our commitment to ensuring sufficient coverage of research areas, the 2015-16 audit services plan includes several research-related projects.
Investigations

Investigations are coordinated and managed by a campus-wide Investigations Workgroup that reviews and tracks allegations of improper governmental activities in accordance with the University of California Whistleblower Policy. During fiscal year 2014-15, the department devoted 2870 hours to investigations, including support and assistance to the Whistleblower Program (see Figure 1). As noted above, although Audit and Advisory Services completes several investigations each year and is responsible for the operations of the UC Whistleblower Program on the UCSB campus, these operations are not addressed in detail in this report.

Use of Audit Resources

The 2014-15 plan was developed based on an estimate of 6.75 FTEs, and actual resources for the year were consistent with that estimate. Direct hours devoted to audits, advisory services, investigations, and audit support activities totaled 10,415 of 12,329 (84%) of net available hours. Figure 1 provides a summary of actual hours devoted to department activities during the year.
IV. Management Actions to Improve UCSB Operations

Management corrective actions (referred to as ‘MCAs’ throughout the UC system) are the improvements and other actions that campus management agrees to take in response to the recommendations included in the department’s audit and advisory service reports. During fiscal year 2014-15, the department continued to emphasize collaborating with management on developing comprehensive, “higher level” management action plans that address underlying risks. Previous practices tended to result in a larger number of “lower level” recommendations that were difficult to coordinate and track.

During the year, the reports issued by the department resulted in management commitments to a total of 26 corrective actions. Highlights of audit issues that resulted in commitments to corrective actions in fiscal year 2014-15 are included in the discussion under Program Highlights in Section III of this report.

Management Action Tracking and Follow-up

Audit standards and UC policies require the audit organization to have a follow-up process in place to ensure that management corrective actions have been effectively implemented, or that senior management has accepted the risk of not taking action. Management corrective actions are reported as “open” until one of these actions has taken place. This follow-up process helps ensure that the campus realizes value from the audits and advisory services performed by the department.

While reports issued by the department during fiscal year 2014-15 resulted in management commitments to 26 new corrective actions, 19 corrective actions were implemented or otherwise considered closed.

Consistent with UC systemwide practices, Audit and Advisory Services rates management corrective actions as high, medium, or low risk, depending on the department’s assessment of the level of underlying risk to the campus. The second chart in Figure 2 shows the breakdown by risk rating for all management corrective actions that were open as of June 30.

When necessary, the department makes arrangements with management for revised “due dates” for implementing corrective actions. However, corrective actions are tracked and reported as “past due” when the original, agreed implementation date has passed and the corrective action has not been implemented. Past due, high risk corrective actions receive a higher level of scrutiny and are highlighted in reporting to management and the Regents; an escalation process implemented during fiscal year 2012-13 also highlights issues that remain open 300 days or more past the issuance of the report that included the recommendations. There were three past due, high risk corrective actions at the end of fiscal year 2014-15. In all three cases, management action plans were in place and scheduled for completion in reasonable timeframes, given system and other constraints.
FIGURE 2
MANAGEMENT CORRECTIVE ACTION (MCA) METRICS
FISCAL YEAR 2014-15

A. MCA ACTIVITY

B. OPEN MANAGEMENT CORRECTIVE ACTIONS BY RISK RATING
JUNE 30, 2015
C. HIGH RISK AND PAST DUE MANAGEMENT CORRECTIVE ACTIONS
JUNE 30, 2015

- Past Due: 10 (2013-14), 34 (2014-15)
- Past Due - High Risk: 0 (2013-14), 3 (2014-15)

Legend:
- Light grey: 2013-14
- Dark red: 2014-15
V. External Audit Activity

Audit and Advisory Services has responsibility, or shared responsibility, for the oversight of external audits by federal, state, and local agencies and other entities. As part of this responsibility, the department tracks external audit activity and reports audit progress and results to the UCSB Audit Committee and senior management. The department also functions as external audit coordinator for some audits, primarily by providing logistical support and by facilitating responses to requests for information and data by the auditing agencies. External audits include both financial and non-financial audits performed or required by agencies that provide funding for sponsored projects and other campus activities.

Financial Audits

Financial audit and review activity for fiscal year 2014-15 is summarized in Table 2.

<table>
<thead>
<tr>
<th>Entity Audited</th>
<th>Period Covered</th>
<th>Audit Firm</th>
<th>Audit Status</th>
</tr>
</thead>
</table>

1 NCAA Compliance Review
Non-Financial Audits

Non-financial external audits during FY 2014-15 include:

- **California State Auditor** - The Joint Legislative Audit Committee approved an audit request on March 4, 2015, regarding UC and CSU payments for fire service and the presumed loss of property taxes as a result of expansion of UC and CSU campuses (and any related increases in funding for local fire departments that provide services to campuses to offset such tax revenue losses). The three UC campuses in the audit scope are Berkeley, Merced, and Santa Barbara. The audit was scheduled to begin July 1, 2015.

- **California State Auditor** – The UC Office of the President was notified in a March 13, 2015, letter that the California State Auditor has been directed by the Joint Legislative Audit Committee to audit University of California budget, enrollment, and executive compensation, including evaluating how the UC developed the weighted basis for distributing per-student funding, and evaluating UC’s methods for determining resident and nonresident enrollment targets at its campuses. As of June 30, 2015, the campus was expecting to hear of the start of audit fieldwork.

- **National Science Foundation** – NSF, under provisions of the Improper Payments Elimination and Recovery Act (IPERA) of 2010, contracted with Grant Thornton LLP to perform a review of FY 2012-13 payments. The scope involves two requests of grantees whose drawdowns are selected, including a transaction listing supporting the selected drawdown and a request for supporting documentation for a sub-sample of the listed transactions. UCSB responded on August 15, 2014.

- **Sandia National Laboratories** – On June 30, 2014, the Contract Audit Department at Sandia National Laboratories notified EMF Accounting that it will audit costs on one Materials Research Laboratory (MRL) contract for the period July 1, 2011, through June 30, 2013. Although there were some delays in starting the audit, by June 30, 2015, the audit was complete with no material findings to report.

- **California Department of Rehabilitation** – The California DoR has notified the campus that it will conduct a program review of the Koegel Center’s contract, starting in August 2015 with a 3-day visit by DoR staff.
Appendix A: Staffing and Resources

At June 30, 2015, the department’s staffing consisted of 6.75 full-time equivalent (FTE) positions: the Audit Director, two Senior Auditors, a Senior Investigator, one Staff Auditor, one Audit Analyst, and a .75 FTE Administrative Assistant. During 2014-15, Audit and Advisory Services received funding for an additional auditor position, although this position was not yet filled at June 30. As the fiscal year ended, the department was also considering adding an Associate Audit Director, a change that will enable the unit to expand its services to the campus, even as the Audit Director assumes new responsibilities as the Campus Ethics and Compliance Officer.3

Our current team includes members with substantial internal audit experience (including IT auditing experience) and professional certifications, including Certified Internal Auditor (CIA) and Certified Information System Auditor (CISA) designations, along with significant experience in investigative work.

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3 This change was effective July 1, 2015.
<table>
<thead>
<tr>
<th>Project No.</th>
<th>Title</th>
<th>Type</th>
<th>Report Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>08-14-0007</td>
<td>Student Information Systems (SIS) Modernization Project: Limited Scope Review</td>
<td>Audit</td>
<td>July 1, 2014</td>
</tr>
<tr>
<td>08-14-0009</td>
<td>Integration and Control of Auxiliaries- Phase 1</td>
<td>Audit</td>
<td>July 18, 2014</td>
</tr>
<tr>
<td>08-14-0014</td>
<td>IT: Third Party Services</td>
<td>Audit</td>
<td>August 1, 2014</td>
</tr>
<tr>
<td>08-14-0010</td>
<td>Assessment of Campus Policies and Procedures</td>
<td>Audit</td>
<td>October 6, 2014</td>
</tr>
<tr>
<td>08-14-0017</td>
<td>Financial System Implementation Project (FSIP) – Roles and Profiles - Advisory Memorandum</td>
<td>Advisory</td>
<td>January 15, 2015</td>
</tr>
<tr>
<td>08-15-0004</td>
<td>Integration and Control of Auxiliaries Phase 2 Final Report</td>
<td>Audit</td>
<td>September 24, 2014</td>
</tr>
<tr>
<td>08-15-0027</td>
<td>HIPAA Training Review - Interim Memorandum</td>
<td>Advisory</td>
<td>October 8, 2014</td>
</tr>
<tr>
<td>08-15-0003</td>
<td>Intercollegiate Athletics - Camps and Clinics</td>
<td>Audit</td>
<td>December 16, 2014</td>
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<tr>
<td>08-15-0027</td>
<td>HIPAA Training Review - Advisory Memorandum</td>
<td>Advisory</td>
<td>February 17, 2015</td>
</tr>
<tr>
<td>08-15-0007</td>
<td>University Center (UCen) Internal Control Review</td>
<td>Audit</td>
<td>March 17, 2015</td>
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</table>
## Appendix B: Audits and Projects Completed During FY 2014-15

<table>
<thead>
<tr>
<th>Project No.</th>
<th>Title</th>
<th>Type</th>
<th>Report Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>14. 08-15-0008</td>
<td>Graduate Financial Aid and Graduate Student Fee Remission</td>
<td>Audit</td>
<td>April 21, 2015</td>
</tr>
<tr>
<td>15. 08-15-0002</td>
<td>Enterprise and Campus-wide IT Project Costs</td>
<td>Audit</td>
<td>April 23, 2015</td>
</tr>
<tr>
<td>17. 08-15-0014</td>
<td>University Inventories Audit Follow-Up Review</td>
<td>Audit</td>
<td>May 28, 2015</td>
</tr>
</tbody>
</table>

### Projects With Reports Pending Issuance at June 30, 2015

<table>
<thead>
<tr>
<th>Project No.</th>
<th>Title</th>
<th>Type</th>
<th>Report Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>20. 08-15-0022</td>
<td>Financial System Implementation Project (FSIP) – Testing Assistance</td>
<td>Advisory</td>
<td>June 30, 2015 (Draft)</td>
</tr>
</tbody>
</table>

### FY 2014-15 Completed Projects Without Reports Issued

<table>
<thead>
<tr>
<th>Project No.</th>
<th>Title</th>
<th>Type</th>
<th>Report Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>21. 08-15-0026</td>
<td>Outreach, Training, and Presentations</td>
<td>Advisory</td>
<td>N/A</td>
</tr>
<tr>
<td>22. 08-15-0028</td>
<td>Educational Opportunity Program (EOP) - Assistance</td>
<td>Advisory</td>
<td>N/A</td>
</tr>
</tbody>
</table>

### FY 2014-15 Projects Not Finished at June 30, 2015

<table>
<thead>
<tr>
<th>Project No.</th>
<th>Title</th>
<th>Type</th>
<th>Report Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>23. 08-15-0018</td>
<td>Delegated Procurement</td>
<td>Audit</td>
<td>In Progress</td>
</tr>
<tr>
<td>24. 08-15-0030</td>
<td>Transportation and Parking Services - Internal Control Review</td>
<td>Advisory</td>
<td>In Progress</td>
</tr>
</tbody>
</table>

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1. These projects were not included in Table 1 of this report.
2. All 2014-15 milestones were met for the Outreach, Training, and Presentations; and EOP Investigation Assistance projects; these projects were counted as completed in Table 1.
3. These projects are being completed during fiscal year 2015-16.