

CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS

Audit Report

STUDENT FEE REVENUES

July 1, 2007, through September 30, 2008



JOHN CHIANG
California State Controller

August 2009



JOHN CHIANG
California State Controller

August 21, 2009

Dr. Richard R. Rush, President
California State University, Channel Islands
One University Drive
Camarillo, CA 93012

Dear Dr. Rush:

The State Controller's Office (SCO) audited the California State University, Channel Islands' expenditure of student fee revenues for the period of July 1, 2007, through September 30, 2008.

The SCO is in the process of evaluating the expenditures of selected campuses within the California State University (CSU) system. Each campus will be audited separately because, while most of the campuses and the Chancellor's Office use the same accounting system and abide by some of the same system-wide policies, each campus is operated autonomously and has its own system of internal controls. When we have concluded the audits of the selected campuses, we will combine the individual reports into one final report.

Our audit did not disclose any internal control deficiencies or weaknesses that we consider significant in determining whether the campus has adequately accounted for and expended student fee revenues in accordance with applicable campus, CSU system-wide, and state policies and procedures.

If you have any questions, please contact Andrew Finlayson Chief, State Agency Audits Bureau, at (916) 324-6310.

Sincerely,

A handwritten signature in black ink, which appears to read "Jeffrey V. Brownfield". The signature is written in a cursive, flowing style.

JEFFREY V. BROWNFIELD
Chief, Division of Audits

JVB/vb

cc: Joanne M. Coville

Vice President for Finance and Administration
California State University, Channel Islands

Emily Deakin, Controller

California State University, Channel Islands

Larry Mandel, University Auditor

California State University

George Ashkar

Interim Assistant Vice Chancellor, Financial Services

California State University

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Audit Report

Summary

The State Controller's Office (SCO) has audited the California State University, Channel Islands' expenditures of the student fee revenues for the period of July 1, 2007, through September 30, 2008.

The SCO is in the process of evaluating the expenditures of selected campuses within the California State University (CSU) system. Each campus will be audited separately because, while most of the campuses and the Chancellor's Office use the same accounting system and abide by some of the same system-wide policies, each campus is operated autonomously and has its own system of internal controls. When we have concluded the audits of the selected campuses, we will combine the individual reports into one final report.

The purpose of our audit was to determine whether the campus has an accounting system and internal controls in place to ensure the expenditures of student fee revenues are adequately accounted for and are properly expended in accordance with applicable campus, CSU system-wide, and state policies and procedures.

Our audit did not disclose any internal control deficiencies or weaknesses that we consider significant in determining whether the campus has adequately accounted for and expended student fee revenues in accordance with applicable campus, CSU system-wide, and state policies and procedures.

Background

On July 19, 2006, Education Code section 89721 (AB 1802) was approved, permitting individual CSU campuses to deposit into and maintain local trust accounts and deposit into the accounts money collected as income from students from any CSU campus and from other persons pursuant to Education Code section 89700. Pursuant to Education Code section 89721, the SCO shall have the authority to audit the expenditure of moneys collected as higher education fees and income from students of any campus of the California State University and from other persons pursuant to Education Code section 89700.

By authority of the California Constitution, Government Code section 12410 states, "The Controller shall superintend the fiscal concerns of the state. The Controller shall audit all claims against the state, and may audit the disbursement of any state money, for correctness, legality, and for sufficient provision of law for payment." In addition, Government Code section 12411 stipulates that "... the Controller shall suggest plans for the improvement and management of revenues."

This audit was performed as part of an interagency agreement between the SCO and the CSU Chancellor's Office.

Objectives, Scope, and Methodology

The objective of this performance audit was to determine whether the university has an accounting system and internal controls in place to ensure the expenditures of student fee revenues are adequately accounted for and are properly expended in accordance with applicable campus, CSU system-wide, and state policies and procedures.

We conducted this audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

In conducting our audit, we:

- Gained an understanding of the campus's policies and procedures related to the expenditure of student fees and evaluated whether the campus's policies and procedures comply with CSU system-wide policies, applicable state policies and procedures, and sound business practices.
- Evaluated the campus's accounting and internal controls related to the expenditure of student fees by conducting on-site visits, observations, and interviews with appropriate campus personnel.
- Judgmentally selected expenditures of student fee revenues to determine whether the sampled transactions were properly approved, adequately supported, and in accordance with the campus's policies and procedures. Additionally, we reviewed each sampled transaction to determine whether the expenditures were an appropriate use of student fee revenues.

Conclusion

Our audit did not disclose any significant internal control deficiencies or weaknesses that we consider significant in determining whether the California State University, Channel Islands has adequately accounted for and expended student fee revenues in accordance with applicable campus, CSU system-wide, and state policies and procedures.

Views of Responsible Officials

We discussed our audit results with the campus's representatives during a telephone conversation on June 22, 2009. Jennifer Schweisinger, Financial Reporting Analyst, and Maribeth Bradberry, Accounting Manager, agreed with the audit results. Ms. Bradberry declined a draft audit report and agreed that we could issue the audit report as final.

Restricted Use

This report is solely for the information and use of the California State University, Channel Islands; California State University, Office of the Chancellor; and the SCO. It is not intended to be and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this report, which is a matter of public record.

A handwritten signature in black ink, reading "Jeffrey V. Brownfield". The signature is written in a cursive style with a large, prominent "J" and "B".

JEFFREY V. BROWNFIELD
Chief, Division of Audits

August 21, 2009

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