ASSOCIATED STUDENTS
California State University, Los Angeles

CSU Chancellor's Office Audit Report 21-22

Response to Audit Findings and Action Items - FINAL

1. POLICIES AND PROCEDURES

RECOMMENDATION
We recommend that the campus, in conjunction with ASI:

a. Review the list of policies and procedures posted to the ASI website to determine whether they are appropriate, and establish a process to remove, consolidate, and/or update the policies and procedures to ensure they are complete, relevant, and address the issues noted above.

b. Communicate and distribute updated policies and procedures to appropriate ASI and campus administrators and staff.

MANAGEMENT RESPONSE

ASI, in conjunction with the University, will begin a comprehensive review of ASI's policies and identify any that need to be removed, consolidated, and/or updated to ensure they are complete, relevant, and compliant with current CSU requirements. The review will result in a list of policies that will be prioritized and scheduled for removal, consolidation, or revision as needed. Updated policies and procedures shall be, upon final approval, communicated to the University and posted to the ASI website to be accessible to the Cal State LA student body.

Estimated completion date: December 16, 2022

Action Steps – December 2022
- ASI completed an evaluation of the organization's 68 policies (Attachment A). Only 9 policies were found to have been revised or reviewed within the last 3 years, a standard review period for organizational policies. Fifteen of the policies had not been reviewed since they were created and 44 had not been reviewed within the past 3 years. The 59 dated policies were reviewed and marked for review (12), revision (27), consolidation (18), or to be retired (5).
- The policies were also assigned a priority to identify which are of critical importance and need to be addressed first. High priority policies include those that have not been reviewed for several years, policies with legal implications, and policies that require revisions to improve current operations.
- In addition to the policies themselves, ASI completed a written procedure to outline the process for the review and tracking of policy approvals (Attachment B)- the Administrative Procedure for ASI Policy Management. A Policy on Policies will be drafted in spring 2023 to accompany the procedures and outline the requirements for the creation and revision of ASI's policies, which includes stipulations for communicating future policy changes with the University.

-    ASI's website serves as the repository for all the organization's policies and is available to the public. The website will be updated to include the effective date for each policy.
-    ASI has a draft procedure for the proposal, approval, planning, and execution of ASI events (Attachment H). ASI is required to follow University policy for event planning and does not have a separate policy for events.

2. PAYROLL

RECOMMENDATION

We recommend that the campus, in conjunction with ASI:

a. Establish and implement written procedures to improve payroll administration that address the timely and proper processing of ETRs, maintenance of a master list of all ETRs that is periodically reconciled to payroll records, and proper approval of payroll disbursements.

b. Communicate and distribute the procedures above to appropriate ASI and campus administrators and staff.

MANAGEMENT RESPONSE

ASI, in conjunction with the University-Student Union and the University, will create written procedures for the completion and tracking of employment paperwork which will include a routine reconciliation process with ADP Payroll records.

Estimated completion date: December 16, 2022

Action Steps – December 2022
-    ASI has created written administrative procedures for the completion, review, and tracking of ASI employee paperwork (Attachment C).
-    ASI created an Employee Master Roster that documents the current employment status and regular reconciliation of payroll records for all ASI employees.
-    The approval for ASI payroll is documented in Policy 225 - ASI Signature Authorization, which is in the process of being reviewed. The policy will be submitted to the Finance Committee during their first meeting of the Spring semester after which it will move to the Board of Directors for approval. The finalized and updated policy will be shared with the University upon completion and posted to the ASI website.
-    ASI Policy 225-Signature Authorization states the Dean of Student's signature is required for ASI payroll approval. During the pandemic, payroll processing procedures changed due to the remote work environment. Last Fall, when ASI started collecting signatures for payroll using DocuSign, the Dean of Students was accidentally left off the routing, which was immediately corrected. Last Spring, ASI established a process for the timely processing of payroll using a pre-paid account. The account is funded quarterly, which is signed by the Dean of Students in accordance with ASI's policy. The most recent payroll approval is attached (RPP – USU-05195 12.12.22).

3. CONFLICT OF INTEREST AND ELIGIBILITY

RECOMMENDATION

We recommend that the campus, in conjunction with ASI:

a. Update COI policies and procedures to address timely COI statement completion and retention of COI statements.

b. Develop and implement written procedures to ensure that academic eligibility is verified for all student leaders and that records of this verification are maintained.

c. Communicate and distribute the procedures above to appropriate ASI and campus administrators and staff.

MANAGEMENT RESPONSE

ASI, in conjunction with the University, shall update the procedures for obtaining and retaining the Conflict of Interest statements in accordance with ASI Policy 006 – Conflict of Interest. In addition, Policy 006 will be reviewed for compliance and accuracy with recommendations from legal counsel.

The University, in conjunction with ASI, shall develop and implement procedures to verify and document student leaders' eligibility prior to the student taking office, in accordance with the requirements stated in Executive Order 1068- Student Activities for the minimum qualifications for student office holders.

Estimated completion date: December 16, 2022

Action Steps – December 2022
- ASI established a written procedure to gather Conflict of Interest Agreements from all student leaders, appointed and elected, in the first few days of their term in office (Attachment D).
- ASI's Conflict of Interest Policy – 006 has been submitted to ASI's legal council for review and recommendations. Any revisions will be addressed and an updated policy will be moved through approval in the Spring semester.
- A detailed Student Leader Roster has been created to track the verification of eligibility, onboarding, required documents, and the dates when items are completed for each student leader. The Roster is maintained and updated throughout the academic year and tracks student leaders as they join and leave the organization.
- In accordance with the CSU Executive Order 1068- Student Activities, ASI in conjunction with the University, established a written procedure for the verification of eligibility of all ASI student leaders (Attachment E).

4. **PROCUREMENT AND CONTRACT APPROVAL**

   RECOMMENDATION

   We recommend that the campus, in conjunction with ASI:

   a. Develop and implement a documented process to ensure that preapprovals are documented in compliance with purchase card policies and procedures, proper signatures are obtained on RPP forms, and records are maintained.

   b. Update contracting processes to ensure that contracts are executed timely.

c. Communicate and distribute the processes above to appropriate ASI and campus administrators and provide training as needed.

MANAGEMENT RESPONSE

ASI, in conjunction with the University, shall articulate a process for preapprovals of purchase card purchases in accordance with ASI policy. An annual training will be implemented for all ASI signatories so they know how to appropriately use DocuSign.   ASI and the University will review and revise the procedure for signing agreements to ensure contract approvals align with the effective date of the agreement.

Estimated completion date: December 16, 2022

Action Steps – December 2022
-   ASI has reviewed Policy 216- Contracts and Procurement, which addresses the preapproval of purchases and processing contracts, and drafted changes to the policy to strengthen the procedures for purchasing approvals and the timeliness of executing contracts. The policy will be submitted to the Finance Committee during their first meeting of the Spring semester after which it will move to the Board of Directors for approval. The finalized and updated policy will be shared with the University upon completion and posted to the ASI website.
-   ASI Policy 216, section 4.1 states that written pre-approval is required for certain P-card purchases. The email communication to ASI staff (Attachment G) suggests one way to receive written pre-approval via email.
-   ASI has committed to a practice of reviewing all multi-year agreements annually and will initiate the review and revision of agreements nearing termination, in collaboration with the University. This practice will be solidified in the forthcoming revision of Policy 216- Contracts and Procurement, which will be submitted to the Board for approval in Spring 2023.