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February 23, 2018

Dr. Tomás D. Morales, President
California State University, San Bernardino
5500 University Parkway
San Bernardino, CA 92407-2393

Dear Dr. Morales:

Subject: Audit Report 17-61, Police Services, California State University, San Bernardino

We have completed an audit of *Police Services* as part of our 2017 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

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POLICE SERVICES

**California State University,
San Bernardino**

Audit Report 17-61
January 24, 2018

EXECUTIVE SUMMARY

OBJECTIVE

The objectives of the audit were to ascertain the effectiveness of financial, operational, and administrative controls for police services and to evaluate adherence to relevant governmental regulations; Trustee policy; Office of the Chancellor directives; collective bargaining agreements; campus procedures; and where appropriate, industry-accepted standards.

CONCLUSION

We found the control environment for some of the areas reviewed to be in need of improvement.

Based upon the results of the work performed within the scope of the audit, except for the weaknesses described below, the operational, administrative, and financial controls for police services as of December 1, 2017, taken as a whole, provided reasonable assurance that risks were being managed and objectives were met.

In general, we found that California State University, San Bernardino (CSUSB) had an appropriate framework for the University Police Department (UPD). However, we noted that the campus did not have written policies and procedures for the administration of fee-for-service agreements; periodic review of access to the UPD building and the listing of campus master keys issued to UPD was not performed; and the administration of property and evidence (PE), including adequate segregation of duties, disposal documentation, and the review of the PE system listing, needed improvement.

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

OBSERVATIONS, RECOMMENDATIONS, AND RESPONSES

1. FEE FOR SERVICE AGREEMENTS

OBSERVATION

Administration of fee-for-service agreements needed improvement.

Specifically, we found that the campus did not have written policies and procedures for the administration of fee-for-service agreements to ensure that all associated costs were properly recovered. We found that UPD had executed dispatch service agreements with two California community colleges, but there was no documentation showing that a cost analysis had been performed before the execution of these agreements to ensure that all costs associated with providing these services would be properly recovered. A recent cost analysis performed by UPD indicated that these two agreements, which would continue until the term dates in 2020 and 2021, were not fully recovering all costs. We noted that the total estimated costs not recovered for both agreements for fiscal year (FY) 2017/18 was \$281,183.

Proper administration of fee-for-service agreements, including defined policies and procedures, helps ensure that fees charged are appropriate and all associated costs are considered and fully recovered.

RECOMMENDATION

We recommend that the campus:

- a. Develop written policies and procedures for the administration of fee-for-service agreements, including a requirement that a cost analysis be performed prior to the execution of any agreement to ensure that all costs and benefits are considered and will be fully recovered and reconciled.
- b. Evaluate the two dispatch service agreements and the associated cost analysis noted above and have an appropriate campus administrator either accept or amend the current terms of the agreements and document the final decision.

MANAGEMENT RESPONSE

We concur. Management's action plan will be to:

- a. Develop written policies and procedures for the administration of fee-for-service agreements, including a requirement that a cost analysis be performed prior to the execution of any agreement to ensure that all costs and benefits are considered and will be fully recovered and reconciled.
- b. Evaluate the two dispatch service agreements and the associated cost analysis noted above and have an appropriate campus administrator either accept or amend the current terms of the agreements and document the final decision.

Our anticipated date for full implementation of these recommendations is July 31, 2018.

2. PHYSICAL ACCESS

OBSERVATION

The campus did not perform periodic reviews of physical access to the UPD building and the list of master keys issued to UPD.

We found that:

- The campus did not perform a periodic review of key and key card access to the UPD building. Specifically, we found several instances in which physical keys were not recovered from separated and transferred employees, and, in one instance, from a former volunteer. In addition, we found several instances in which electronic key card access to UPD was not deactivated when access was no longer required or when an electronic key card was replaced. Further, we noted that several electronic key cards that had not been assigned to a specific individual needed to be deactivated, as they were no longer needed.
- The listing of campus master keys issued to UPD had not been reviewed since 2016 to ensure that all keys were accounted for and that the listing was complete. We reviewed seven keys on the master key listing and were unable to locate three. Additionally, two campus master keys located in the UPD key box were not accounted for on the master key listing.

Adequate administration of physical access to UPD and campus master keys issued to UPD reduces the risk of unauthorized access to UPD and campus buildings.

RECOMMENDATION

We recommend that the campus:

- a. Develop and document procedures to perform a periodic review of physical access to UPD, including key and electronic key card access, and the listing of campus master keys issued to UPD to ensure that only appropriate personnel have access and all campus master keys are accounted for.
- b. Perform a review of the listing of campus master keys issued to UPD and document the results of this review.
- c. Perform a review of key and electronic key card access to the UPD building and determine whether access is appropriate; document the results of this review and deactivate access as necessary.

MANAGEMENT RESPONSE

We concur. Management's action plan will be to:

- a. Develop and document procedures to perform a periodic review of physical access to UPD, including key and electronic key card access, and the listing of campus master keys

issued to UPD to ensure that only appropriate personnel have access and all campus master keys are accounted for.

- b. Perform a review of the listing of campus master keys issued to UPD and document the results of this review.
- c. Perform a review of key and electronic key card access to the UPD building and determine whether access is appropriate, document the results of this review, and deactivate access as necessary.

Our anticipated date for full implementation of these recommendations is June 30, 2018.

3. PROPERTY AND EVIDENCE

OBSERVATION

Administration of PE, including adequate segregation of duties, disposal documentation, and the review of the PE system listing, needed improvement.

We found that UPD personnel responsible for the administration of PE had incompatible responsibilities, such as physical access to PE storage areas, the ability to update the PE record management system, and custody of PE when removing and disposing of PE, that did not allow for adequate segregation of duties. We also found that there were no mitigating controls, such as secondary reviews or verifications, to reduce the risks associated with these incompatible responsibilities. Additionally, we found that UPD did not retain sufficient documentation to substantiate and verify the removal or disposal of PE from the PE record management system.

In addition, we found that the annual inspection of the PE storage room performed by UPD did not include a review of the PE record management system listing to identify old PE that could be disposed of. Specifically, the PE listing had items dating back to April 2001. In at least five instances, we found that PE should have been disposed of per UPD policy, but UPD had not performed a review of the items in question, which were dated from 2003 to 2011.

Appropriate administration of PE, including adequate segregation of duties, documentation of disposals, and reviews, ensures that PE are adequately safeguarded, accounted for, and timely disposed of as required.

RECOMMENDATION

We recommend that the campus:

- a. Implement adequate segregation of duties and responsibilities related to the custody and recordkeeping of PE, or institute mitigating controls.
- b. Retain documentation for disposed PE, including verification of the disposal by at least two individuals.

- c. Include a review of the PE record management system listing in the annual inspection of the PE storage room to identify items that can be disposed of and dispose of PE as necessary.
- d. Review the PE items noted above and dispose of accordingly; document the final disposition of these items.

MANAGEMENT RESPONSE

We concur. Management's action plan will be to:

- a. Implement adequate segregation of duties and responsibilities related to the custody and recordkeeping of PE, or institute mitigating controls.
- b. Retain documentation for disposed PE, including verification of the disposal by at least two individuals.
- c. Include a review of the PE record management system listing in the annual inspection of the PE storage room to identify items that can be disposed of and dispose of PE as necessary.
- d. Review the PE items noted above and dispose of accordingly; document the final disposition of these items.

Our anticipated date for full implementation of these recommendations is July 31, 2018.

GENERAL INFORMATION

BACKGROUND

The statutory authority for California State University (CSU) police departments and police officers is contained in the California Education and Penal codes. Campus law enforcement officers have the primary law enforcement authority on campus and share the one-mile radius around the campus as concurrent jurisdiction with local law enforcement. Jurisdiction for each campus is further defined by written agreements, required by the Kristen Smart Campus Safety Act of 1998, with local law enforcement agencies.

Each campus has a UPD that provides a full range of law enforcement and policing services. UPD is responsible for providing a safe and secure environment where students can achieve their educational objectives, staff and faculty can work efficiently and effectively to accomplish the university's mission, and visitors can enjoy the campus environment. Campus police departments emphasize a community policing approach to law enforcement services, which includes the development of crime prevention programs and training and outreach efforts.

In addition to federal and state regulations, the CSU adheres to the California Commission on Peace Officer Standards and Training (POST) for the employment and training of police officers. Some CSU campuses have also earned accreditation from the Commission on Accreditation for Law Enforcement Agencies or the International Association of Campus Law Enforcement Agencies. CSU systemwide policies and procedures are primarily incorporated in Executive Order (EO) 1046, *Police and Public Safety Guidelines*, and EO 787, *Public Safety Policy Manual*, as well as the State University Police Association (SUPA) collective bargaining agreement.

At CSUSB, the chief of UPD and director of public safety reports to the vice president of administration and finance. UPD employs 18 sworn police officers and an active support staff to provide 24-hour protection to the campus community. It is responsible for the 471-acre north San Bernardino campus, with 20,000 students, faculty and staff, and the surrounding area. The department believes in campus-oriented problem-solving and offers a variety of services to the public, including campus escort services and the police chaplain program.

SCOPE

We visited the CSUSB campus from October 23, 2017, through December 1, 2017. Our audit and evaluation included the audit tests we considered necessary in determining whether administrative, financial, and operational controls are in place and operative. The audit focused on procedures in effect from July 1, 2015, through December 1, 2017.

Specifically, we reviewed and tested:

- Police services administration and organization, including clear lines of organizational authority and responsibility, defined mission and goals, and current and comprehensive policies and procedures.

- Access to the police services office and automated systems to determine that it is adequately controlled and limited to authorized persons, that data backup procedures are in place, and that physical security over system hardware is adequate.
- Security and retention of departmental records.
- Administration of services to the public to determine whether they ensure participant safety and minimize campus liability.
- Compliance with CSU policy and state regulations with regard to relationships with outside agencies.
- Compliance with POST standards, state regulations, and CSU policy in the training of police services employees.
- Processes to ensure that costs are appropriately and timely recovered for services provided to campus self-support funds, auxiliary organizations, and external third parties.
- Proper handling of, accounting for, and safeguarding of weapons, equipment, and ammunition.
- Adequate safeguarding and accounting for property and evidence.

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, which was designed to provide a review of key administrative and operational controls, included interviews, walkthroughs, and detailed testing on certain aspects of the campus police services program. Our review was limited to gaining reasonable assurance that essential elements of the campus police services program were in place and did not examine all aspects of the program.

CRITERIA

Our audit was based upon standards as set forth in federal and state regulations and guidance; CSU Board of Trustee policies; Office of the Chancellor 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:

- EO 787, *Public Safety Policy Manual*
- EO 1000, *Delegation of Fiscal Authority and Responsibility*
- EO 1031, *Records Retention*
- EO 1046, *Police and Public Safety Guidelines*
- Integrated California State University Administrative Manual (ICSUAM) §3250.01, *Disposition of Lost, Unclaimed or Abandoned Property*

- ICSUAM §3552.01, *Cost Allocation/Reimbursement Plans for the CSU Operating Fund*
- ICSUAM §8000, *Information Security*
- SUPA Collective Bargaining Agreement
- POST Administrative Manual
- Education Code §67381, *Kristen Smart Campus Safety Act of 1998*
- Penal Code §13500 to §13553, *Commission on Peace Officer Standards and Training*
- California Department of Justice, *California Law Enforcement Telecommunications System Policies, Practices, and Procedures*
- Government Code §15150 to §15167, *California Law Enforcement Telecommunications System*
- Government Code §13402 and §13403
- CSUSB UPD *Property and Evidence Policy*

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