

2012-113 AUDIT SCOPE AND OBJECTIVES—California State University—Extended Education Programs

The audit by the California State Auditor will provide independently developed and verified information related to the California State University's (CSU) Extended Education programs and will include, but not be limited to, the following:

1. Review and evaluate the laws, rules, and regulations significant to the audit objectives.
2. Determine the role of the CSU Board of Trustees in overseeing the Extended Education programs and, in particular, in setting or enforcing systemwide policies and procedures.
3. Review CSU Extended Education systemwide policies and procedures with regard to student fees, student enrollment, course curriculum, and faculty credentials and salaries and determine whether these policies and procedures are consistent with applicable laws.
4. With regard to student fees, determine whether there is a limit on the amount that can be charged per-unit and per-course for Extended Education classes. If there is no limit, determine the reasons. In addition, assess the following:
 - a. The average Extended Education fee for each campus and determine whether such fee structures are consistent and reasonable.
 - b. The impact a systemwide cap would have—if one does not exist—on Extended Education fees.
5. Compare laws, rules, policies, and practices for CSU state-supported programs to those for the Extended Education programs in areas such as student fee structure, student enrollment, course curriculum, and faculty salaries and credentials. Determine whether campuses consistently follow applicable guidelines for the Extended Education programs.
6. For the most recent five-year period, review the revenue generated by the Extended Education programs at a selection of campuses and determine how these revenues were used and whether such expenditures were allowable and reasonable.
7. Determine whether the Extended Education programs at a selection of campuses maintain a reserve balance in either of its Continuing Education Revenue Fund or local trust accounts and, for the past five years, identify any such reserve balances. For any high balances identified, determine the reasons for the balance.
8. To the extent possible, for a maximum period of five years, determine the following for Extended Education courses offered systemwide and for a selection of campuses:
 - a. The number and type of graduate and undergraduate state-supported courses offered.

- b. The number and type of Extended Education courses offered at each campus and the associated fees for those courses.
 - c. The total number of CSU state-supported courses that have a corresponding or equivalent course in the Extended Education programs, including the number of courses offered in each program and the number of students enrolled.
9. To the extent possible, compare the students enrolled in Extended Education programs with those enrolled in CSU state-supported programs and assess the potential financial and demographic impact of Extended Education courses replacing regular courses. If feasible, determine:
- a. The total number of students enrolled in Extended Education and CSU state-supported programs, including those who are concurrently enrolled in both CSU state-supported programs and Extended Education programs.
 - b. The number of Extended Education students who receive student loans and financial aid.
 - c. The demographic makeup of the students enrolled in Extended Education programs, including, but not limited to race, ethnicity, gender, age, income, Dream Act eligibility, etc.
10. To the extent possible, determine whether Extended Education courses are replacing regular state-supported courses.
11. Determine whether fees from Extended Education programs are used for the executive compensation of campus presidents and assess the potential for conflicts of interest in their setting or managing Extended Education fees.
12. Review and assess any other issues that are significant to the objectives.