

## 2018-127 AUDIT SCOPE AND OBJECTIVES

### California State University—Parking Program and Outside Accounts

The audit by the California State Auditor will provide independently developed and verified information related to the parking program at the California State University (CSU), as well as accounts the CSU holds that are outside of the State's Centralized Treasury System (outside accounts). The audit's scope will include, but not be limited to, the following activities:

1. Review and evaluate the laws, rules, and regulations significant to the audit objectives.
2. Review and evaluate the Chancellor's Office's role in overseeing the management and operations of the parking program at the following CSU campuses: Channel Islands, Fullerton, Sacramento, and San Diego. Specifically evaluate the aspects of the program related to setting and enforcing systemwide policies and procedures to ensure compliance with parking program statutes.
3. For the four campuses identified in objective 2, perform the following:
  - (a) Review and evaluate the policies, procedures, and practices for determining parking rates and fees and for allocating parking permits.
  - (b) For the most recent 10 years, determine the annual number of permits issued and the reasons for any limits on the number of parking permits issued, annual parking program revenues and the sources of the revenues, and changes in parking fee rates and revenues, including the reasons for the changes.
  - (c) Assess the adequacy of parking available to students, administrators, and employees (faculty and support staff).
  - (d) Determine the cost per parking space for each existing parking facility.
  - (e) Determine whether any parking structures are fully paid for and, if so, whether parking rates decreased as a result.
4. Determine whether the parking program complies with Education Code provisions pertaining to the allocation of parking revenues for the construction of parking facilities. For the four campuses identified in objective 2, determine the following:
  - (a) Methods, criteria, and data used in determining alternate methods of transportation.
  - (b) Frequency and evidence of the campus alternative transportation committee meetings and the extent to which the committee consulted with students and local government officials.
5. Review and evaluate the parking fund expenditures for the four campuses identified in objective 2 and identify the following:
  - (a) The extent to which the campus used parking revenue for the study, development, enhancement, operation, and maintenance of alternate methods of transportation.
  - (b) The alternate methods of transportation funded by parking revenue, the year the programs originated, and the set-up and ongoing costs of the programs.

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- (c) The extent to which the campus used parking revenue for parking facility acquisition, construction, and improvement.
  - (d) Whether funds or money received as parking fines and forfeitures were used exclusively for activities and programs as prescribed by the Education Code.
  - (e) To the extent possible, whether campus officers who enforce parking are given quotas for parking violations.
6. Identify any outside accounts held by CSU and perform the following:
- (a) Identify the fund balances, funding sources, interest earned, and major category of expenditures for the most recent 10 years. Determine the reasons for any unusual trends.
  - (b) Determine whether interest or other earnings received from investments of parking revenues were properly deposited into the State University Parking Revenue Fund. In addition, assess the criteria or justification for the level of fund balance and the timing and amount of deposits and assess withdrawals for reasonableness and compliance with relevant laws and rules.
  - (c) Determine the sources and uses of funds included in the CSU operations category, and whether unused or excess support staff compensation revenue (salary savings) are held in this account.
7. Analyze and provide a comparison of laws, rules, policies, and practices related to oversight, controls, and accountability for CSU accounts held in the State Treasury to outside accounts. Determine whether CSU's outside accounts are more susceptible to abuse and, to the extent possible, whether the CSU bypassed or could bypass any state rules or its own policies by placing funds in outside accounts.
8. Review and assess any other issues that are significant to the audit.