December 19, 2024

Stephen C. Sutton
Vice Chancellor
Student Affairs

Vice Chancellor Sutton:

We have completed our audit of the Office of the Registrar as per our annual service plan in accordance with the Institute of Internal Auditors' *Standards for the Professional Practice of Internal Auditing* and the University of California Internal Audit Charter.

Our observations with management action plans are expounded upon in the accompanying report. Please destroy all copies of draft reports and related documents. Thank you to the staff of the Office of the Registrar for their cooperative efforts throughout the audit process. Please do not hesitate to call on Audit and Advisory Services if we can be of further assistance in this or other matters.

Respectfully reported,

Jaime Jue

Jaime Jue
Assistant Vice Chancellor and Campus Internal Audit Director

cc: University Registrar Sarah Reed
        Associate Vice Chancellor Olufemi Ogundele
        Senior Vice President and Chief Compliance and Audit Officer Alexander Bustamante
        Associate Chancellor Khira Griscavage
        Associate Vice Chancellor and Controller Michael Riley
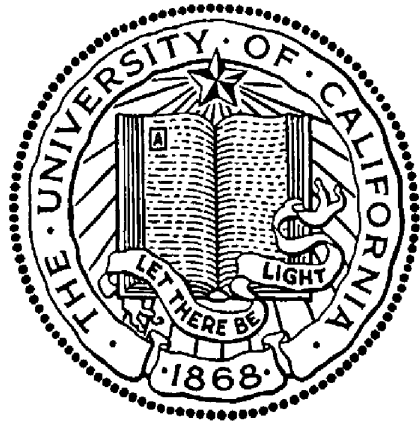
AUDIT AND ADVISORY SERVICES

Office of the Registrar
Audit
Project No. 24-788

December 19, 2024

Prepared by:

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University of California, Berkeley
Audit and Advisory Services
Office of the Registrar

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OVERVIEW

Executive Summary

The purpose of the audit was to assess the design and, on a limited basis, the effectiveness of procedures and internal controls pertaining to selected processes managed by the campus Office of the Registrar.

Processes in scope of our review included fee management and residency (for tuition purposes) determination. Although other offices are involved in selected aspects of these processes, our audit covered only those procedures and internal controls directly within Office of the Registrar purview. In addition, for fee management, our scope did not include an assessment of fee setting governance (i.e., the initial determination and approval of fees) nor the accurate posting of fees to student accounts, but instead was focused on those procedures and internal controls directly managed by the Office of the Registrar to ensure the timely and accurate entry of fees to the campus student information system (SIS). Our audit procedures included interviews and walkthroughs with Office of the Registrar staff, as well as limited detailed testing. Fieldwork was performed during March to June 2024.

Based on our work performed, we note the expertise, professionalism, and dedication of the Office of the Registrar staff overseeing the fees and residency functions and activities. While we did not identify any testing exceptions in our limited sampling of transactions, we did note areas of risk in the design of both the fees and the residency processes that management should take action to further mitigate.

- *Fee Management – Continuity Planning:* For fee management, we note a heightened business continuity risk due to the campus' reliance on a single individual within the Office of the Registrar to coordinate many key activities pertaining to the establishment of fees in SIS. This is particularly true with regard to more highly complex and non-routine matters.

- *Fee Management – Process Documentation:* We note a need for management to formalize and document processes pertaining to the compilation and entry of fees to SIS to ensure that procedures and internal controls are clearly delineated, and are sufficient to meet objectives and requirements. As currently implemented, there is a high dependency on real-time collaboration and communication versus a common set of established procedures.

- *Residency – Decision Review and Monitoring:* For residency, we note a need for management to codify and document quality assurance review procedures for residency decisions. We understand that decisions are reviewed by management throughout the process; however, the nature/extent of management quality review occurs on a judgmental basis, and clear criteria for procedures have not been formally established to ensure their alignment with leadership's risk tolerance or their consistent application as a departmental process.

Our observations and other process improvement opportunities are detailed in the Summary of Observations and Process Improvement Opportunities sections which follow. Management agrees with our observations and has provided management responses that, if implemented, should address the risks noted in our audit.

Source and Purpose of the Audit

Our audit was performed as part of our fiscal year 2024 internal audit plan. The purpose of the audit was to assess the design and, on a limited basis, the effectiveness of procedures and internal controls pertaining to selected processes managed by the campus Office of the Registrar.

Scope of the Audit

Processes in scope of our review included fee management and residency (for tuition purposes) determination. Although other offices are involved in selected aspects of these processes, our audit covered only those procedures and internal controls directly within Office of the Registrar purview. In addition, for fee management, our scope did not include an assessment of fee setting governance (i.e., the initial determination and approval of fees) nor the accurate posting of fees to student accounts, but instead was focused on those procedures and internal controls directly managed by the Office of the Registrar to ensure the timely and accurate entry of fees to the campus student information system (SIS). Our audit procedures included interviews and walkthroughs with Office of the Registrar staff, as well as limited detailed testing. Fieldwork was performed during March to June 2024.

Background Information

The Office of the Registrar is a unit reporting into the Office of Enrollment Management within the Student Affairs division. In fall 2022, a new University Registrar was appointed following the decade long tenure of the prior Registrar. Business processes within Office of the Registrar include, but are not limited to: student registration, enrollment, and records; transcripts and diplomas; curriculum management; transfer credit assessment; classroom scheduling and management; veteran's benefits administration; fees; and residency (for tuition purposes). However, each of these activities are highly dependent on the engagement of other campus units, including both central administrative offices and schools/colleges.

Processes and systems affecting Office of the Registrar functions have undergone significant change in recent years, including the implementation of a new campus student information system and the launch of the Cal Student Central department to centralize certain student-facing support services. In addition, for the two areas in scope of our audit, fees and residency, significant recent changes affecting campus processes include the systemwide introduction of cohort based undergraduate tuition, and the roll-out of a systemwide residency determination process had been partially implemented and was still in progress at the time of our audit.

Policies affecting Office of the Registrar activities are both academic and administrative in nature, and are generally set by the Academic Senate or the Office of the President, respectively. Relevant to our audit, the systemwide *UC Residence Policy and Guidelines* (RPG) is the primary relevant policy pertaining to residency. For fees, various policies are established by the Office of the President pertaining to fee setting and assessment; however, these policies generally pertain to fee programs themselves and not to administrative processes pertaining to fees, which were the focus of our audit.

Summary Conclusion

Based on our work performed, we note the expertise, professionalism, and dedication of the Office

of the Registrar staff overseeing the fees and residency functions and activities. While we did not identify any testing exceptions in our limited sampling of transactions, we did note areas of risk in the design of both the fees and the residency processes that management should take action to further mitigate.

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- *Residency – Decision Review and Monitoring:* For residency, we note a need for management to codify and document quality assurance review procedures for residency decisions. We understand that decisions are reviewed by management throughout the process; however, the nature/extent of management quality review occurs on a judgmental basis, and clear criteria for procedures have not been formally established to ensure their alignment with leadership's risk tolerance or their consistent application as a departmental process.

Our observations and other process improvement opportunities are detailed in the Summary of Observations and Process Improvement Opportunities sections which follow. Management agrees with our observations and has provided management responses that, if implemented, should address the risks noted in our audit.

SUMMARY OF OBSERVATIONS & MANAGEMENT RESPONSE AND ACTION PLAN

Fee Management – Continuity Planning

Observation

The Office of the Registrar plays an important and multi-faceted role with respect to the coordination and oversight of student tuition and fee processes. We note, however, that comprehensive knowledge regarding fee processes and related requirements resides with a single individual in the office, creating a heightened business continuity risk. This is particularly true in that the function entails complex and non-routine matters that are not readily performed without specialized knowledge.

We recommend that management develop a continuity plan for the fee management function that includes cross-training and backup staffing. (We separately recommend documentation of current processes in the following audit observation.) Given the complexity of certain job functions, however, and the fact that the job itself has evolved over time to align with skills and knowledge that are at least in part unique to the individual as a long tenured employee, we note that it may be challenging to fully codify and transfer all requisite knowledge to others. In this case, changes to a particular process or job responsibilities may be warranted and should be considered.

Management Response and Action Plan

Office of the Registrar leadership has identified a need for additional staffing to support Registrar fee management processes and is in progress of hiring a Tuition and Fee Analyst. The Tuition and Fee Analyst will be cross-trained on the fee management function and will also serve as a backup resource. Management anticipates, however, that the extensive knowledge base acquired over time by the staff member currently responsible for fee-management activities will be challenging, if not unlikely, to fully recapture with a new hire. Accordingly, management will also assess and document which fee management related functions currently being performed by Registrar staff may be difficult to provide effective cross-training and back-up for, so that alternate plans can be developed. The Tuition and Fee Analyst is anticipated to be hired and cross-trained by March 1, 2025, and the documentation of knowledge/responsibilities that cannot effectively be transferred is targeted for completion by August 1, 2025.

Fee Management – Process Documentation

Observation

Tuition and fees are compiled and entered into SIS data tables for posting to student accounts on a term-by-term basis. The process involves multiple inputs, dependency on and the engagement of different units (with the Office of the Registrar playing a central coordinating role), and critical and compressed deadlines. We note, however, that processes are not documented, and there is currently a high dependency on real-time collaboration and communication versus a common set of established and documented procedures. Although we did not identify any exceptions in the limited testing we performed, we note that the process is manual and dependent on the diligence and communication of the individuals involved to ensure that objectives and deadlines are met.

To help minimize the risk of delays, errors, or omissions in the process, we recommend that management document the end-to-end process, including timelines, data sources and exchanges, roles/responsibilities, key internal control points such as data integrity checks and sign-offs, supporting documentation retention requirements, and contingency plans for the handling of instances when there is a risk that deadlines may not be met.

Management Response and Action Plan

Management has already started engaging with partner units to enhance and formalize cross-function coordination protocols. Management will continue this effort and will document the end-to-end process, including roles and responsibilities by September 15, 2025.

Residency – Decision Review and Monitoring

Observation

Residency decisions are generally made by a single individual, without second-level review unless the primary reviewer requests consultation, creating a risk that errors may occur or go undetected, or that decisions may not be appropriately supported and in line with systemwide guidelines. In particular, there is a risk that residency status may be granted to individuals who do not merit that determination. Guidelines and training materials have been developed to support the consistency and appropriateness of decisions; however, because of the critical importance and potential complexity of these decisions, formal review and monitoring is warranted.

We acknowledge that second-level reviews for all decisions may not be operationally feasible given the volume of applicants and students; however, we recommend that management implement review and monitoring protocols to provide quality assurance and identify potential training needs. We understand from discussions with management that second-level quality assurance reviews are already performed on a judgmental sample basis; however, these reviews have not been formalized in documented procedures and clear criteria for selecting decisions for second-level review have not been defined to ensure their alignment with leadership's risk tolerance or their consistent application as a departmental process. As such, we recommend that review protocols be evaluated, formalized, and documented. As part of this effort, management should also consider opportunities to leverage SIS data and reporting to enable holistic monitoring and potentially allow for a more risk-based approach to identifying which decisions merit further review.

Management Response and Action Plan

Management will assess and document second-level review and monitoring procedures for residency decisions. As part of this, management will define review criteria and will consider how best to align procedures and timing (i.e., during or subsequent to review cycles) with assessed risk levels. Management will also explore the potential of leveraging data in review procedures to facilitate the identification of residency decisions that meet the criteria for second-level review. Decision review/monitoring procedures will be developed by the Residence Affairs Manager, approved by the University Registrar, and documented by March 31, 2025.

PROCESS IMPROVEMENT OPPORTUNITIES

As part of our audit, we also identified the following process improvement opportunities:

- *Fees – Data Compilation Process:* Tuition/fee data is currently compiled in a shared Google Sheet; access to the document is limited only to those directly involved in the process, however we note an opportunity to enhance spreadsheet controls to protect against unintentional changes to data and for maintaining data integrity.

- *Residency – Job Aids/Surge Staffing:* We note an opportunity to expand and simplify job aids (such as workflow mapping and/or decision trees) to further facilitate employee onboarding/training and potentially better enable the use of surge staffing models during peak operational times.