

2021-611 AUDIT SCOPE AND OBJECTIVES

State High Risk – Federal COVID-19 Funding – Higher Education Emergency Relief Fund University of California and California State University

The audit by the California State Auditor will provide independently developed and verified information related to Higher Education Emergency Relief Fund (HEERF) I and II student aid and institutional support funds awarded to the California State University (CSU) and University of California (UC). It will identify any oversight or guidance provided by the CSU Chancellor's Office (Chancellor's Office) and the University of California Office of the President (UCOP), 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) Evaluate the role of the Chancellor's Office and UCOP in overseeing HEERF in the CSU and UC systems and providing guidance to their respective campuses on the use of the funding.
- 3) Determine based on available systemwide data the financial impact of the COVID-19 pandemic on the CSU and UC systems, such as reduced tuition and fee revenue from declining enrollment or increased costs.
- 4) Examine the amount and timing of financial aid HEERF spending at all CSU and UC campuses.
- 5) For a selection of CSU and UC campuses, evaluate the campuses' administration of HEERF student aid funding and conduct the following:
 - a. Review the campuses' policies, procedures, and practices for determining student aid eligibility and amounts, and assess the reasonableness of those allocation approaches.
 - b. Evaluate the campuses' outreach efforts to students about funding availability and application requirements.
 - c. Determine whether the campuses have processes to provide timely disbursements to students.
- 6) For the same selection of CSU and UC campuses, evaluate the campuses' actual or planned expenditures of non-aid institutional HEERF funding and conduct the following:
 - a. Review the campuses' policies, procedures, and practices to determine how each campus spent, or plans to spend, the HEERF institutional funding.
 - b. Determine if any of the campuses spent or plans to spend HEERF institutional funding on unallowable uses or long-term costs unrelated to the pandemic response.
 - c. Assess any long-term risks posed by the campuses' use of HEERF institutional funding, including unmet safety needs or creation of ongoing funding requirements.
- 7) Review and assess any other issues that are significant to the audit.