

**Fixed Assets**  
**California Polytechnic State University, Solano**  
**Audit Report 26-01**  
**February 26, 2026**

**EXECUTIVE SUMMARY**

**OBJECTIVE**

The objectives of this audit are to ascertain the effectiveness of campus operational, administrative, and financial controls related to *Fixed Assets* to ensure compliance with relevant CSU and Cal Poly procedures for the period 7/1/2024 – 6/30/2025 (FY 2025).

**SCOPE**

The scope of this audit includes the fixed asset listing of Cal Poly Solano. It does not include its related auxiliaries: Associated Students of the California State University Maritime Academy (ASCMA), Cal Maritime Corporation, or Cal Maritime Foundation.

Testing was completed over a subset of the entire fixed asset/capitalized equipment population. Audit and Consulting Services (ACS) focused its procedures for assets that are defined as tangible, moveable articles of non-expendable personal property with the following characteristics:

- A normal useful life of at least one year
- A unit of acquisition cost or value of at least \$5,000 (inclusive of sales/use tax and freight)
- Used to conduct University business
- Not furniture

ACS completed the following procedures as part of the audit:

*Physical Test*

Haphazardly selected 30 samples from the fixed asset listing to verify the physical existence of the assets on campus. Sample selections for physical testing excluded computers (including laptops subjected to previous audits (InfoSec Audit with the CSU Chancellor’s Office Audit and Advisory Services team). Selections were considered to be located if ACS could either verify the state fixed asset ID tag and/or the serial number associated with the item to the data within the fixed asset listing.

*Completeness Test*

Haphazardly selected 30 items on campus to validate inclusion of the asset/equipment within the fixed asset listing.

It should be noted that ACS did not review the receiving/tagging, disposal, or depreciating processes as those will be changing during integration with Cal Poly.

**CONCLUSION**

Based upon the results of the work performed within the scope of the audit, the operational, administrative, and financial controls for fixed assets, taken as a whole, do not provide reasonable assurance that risks and objectives are being met.

Overall, the campus is responsible for ensuring stewardship of university property in accordance with CSU policies (i.e., ICSUAM 01401.00). While certain asset management activities are occurring, ACS noted that the campus does not currently maintain a centralized, standardized property administration framework. As a result, the fixed asset administration remains decentralized and is inconsistently executed.

We determined that improvements are needed in governance, documentation, data integrity, and monitoring controls to ensure stronger compliance with CSU requirements and to support accurate financial reporting. Resource constraints and turnover have impacted the campus's ability to fully execute key fixed asset functions, including timely recording of additions, reconciliation of physical inventory results, tracking of non-capitalized and sensitive assets, and establishment of a Property Survey Committee. In addition, data inaccuracies within the fixed asset listing and discrepancies identified during physical testing indicate weaknesses in asset identification, tagging, and record maintenance processes.

ACS further noted that IT asset tracking requires significant improvement. The absence of a centralized IT inventory and standardized identification methodology limits the campus's ability to properly track devices and increases the risk of loss, misstatement, or noncompliance.

Complete, accurate, and reliable asset information is critical to safeguarding University property and ensuring the integrity of financial reporting. Without strengthened governance, standardized procedures, and periodic reconciliation processes, the campus remains exposed to increased risk of asset loss, inaccurate records, and overall noncompliance.

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

## **OBSERVATIONS, RECOMMENDATIONS, AND RESPONSES**

### **1. FIXED ASSET POLICIES AND PROCEDURES**

#### **OBSERVATION**

The campus does not have centralized, documented fixed asset policies and procedures governing asset lifecycle activities such as tagging, inventory cycles, disposals, surplus processing, asset reconciliations, and reporting of lost, stolen, or damaged assets. In addition, the campus does not centrally track specialized asset categories such as firearms, fleet, IT assets, and art collections. As a result, asset management practices are decentralized and applied inconsistently, increasing the risk of noncompliance with CSU requirements, asset loss, and inaccurate asset records and financial reporting.

#### **RECOMMENDATION**

ACS recommends that management should develop and implement a centralized, standardized property administration framework aligned with CSU requirements. Documented policies and procedures should govern the full asset lifecycle, including tagging, recording, inventory, reconciliation, and disposals across all capitalized and trackable non-capitalized asset categories. The framework should be posted and available as a resource for the campus user.

#### **MANAGEMENT RESPONSE**

We concur. The campus will develop and implement a centralized, standardized property administration framework aligned with CSU requirements. This framework will include formal, documented policies and procedures governing the full asset lifecycle, including tagging, recording, inventory, reconciliation, and disposal of both capitalized and trackable non-capitalized assets. The policies will also address specialized asset categories such as IT assets, fleet, firearms, and art collections.

The campus will publish the procedures and provide training and guidance to ensure consistent application across departments.

*Anticipated implementation date: September 30, 2026*

## 2. FIXED ASSET ADMINISTRATION

### OBSERVATION

Per ICSUAM 01401.00 (Administration of University Property) it is the responsibility of each campus to ensure that appropriate resources are allocated, and responsibility is assigned for proper receiving, tagging, recording, securing, maintaining, tracking, inventorying, and disposal of property. Currently, the campus is working on assigning the majority of these roles, however, given the resource constraints and recent turnover within the campus, the operational needs to carry out all these requirements are not being met. This includes, but is not limited to the following:

- Campus does not have a streamlined process to financially record and track received and tagged items. Per inspection of the fixed asset listing, the most recent addition to the fixed asset listing was dated in May 2024
- Conducting physical inventory checks. The campus relies on a third party to conduct physical inventory checks every three years to meet CSU tracking requirements, however, the results and recommendations for retirements or disposals were not updated within the fixed asset listing
- Tracking of non-capitalized equipment such as university police firearms, vehicles, art collections, and IT assets (i.e., laptops, computers, or other assets that can store sensitive data). Non-capitalized equipment must be recorded either in the asset management system or in local campus defined records as indicated in this policy. However, there is currently no consistent method of tracking these assets
- The campus does not have a Property Survey Committee (PSC) to approve the disposition of capitalized and non-capitalized equipment deemed trackable or taggable as required per the ICSUAM

### RECOMMENDATION

ACS recommends that management ensure all roles and responsibilities within the fixed asset process are assigned to ensure overall compliance with CSU and campus requirements. This includes, but is not limited to following:

- Ensuring that tagged items are timely recorded within the fixed asset listing
- Implementing an interim monitoring process between the required inventory cycles. This may include reconciling data from receiving, financial records, and the asset listing to ensure that the asset listing is complete and accurate
- Implement a consistent tracking method for sensitive and high-risk non-capitalized assets
- Establish a PSC to review and approve disposals

**MANAGEMENT RESPONSE**

We concur. The campus will formalize roles and responsibilities related to fixed asset administration and implement processes to ensure compliance with CSU requirements. This includes establishing procedures to ensure timely recording of assets, developing interim monitoring and reconciliation processes between inventory cycles, and implementing consistent tracking mechanisms for sensitive and high-risk non-capitalized assets.

In addition, the campus will establish a Property Survey Committee (PSC) to review and approve disposals in accordance with ICSUAM requirements.

*Anticipated implementation date: September 30, 2026*

**3. FIXED ASSET DATA****OBSERVATION**

Inaccurate data within the fixed asset listing can have an impact on the dependability of information including the reliability, relevance, timeliness, and consistency of the accounting data (asset status, location, asset description, or an item's historical cost). ACS noted the following regarding the data reviewed:

- 191 out of 448 items within the fixed asset listing did not have a listed Tag Number or were indicated as "TBD" in the tag number field
- 113 out of 448 items within the fixed asset listing did not have a cost value listed in the data
- The location field for the assets included buildings or locations that no longer exist on campus (i.e., building was demolished or relocated under a different building number)
- Noted one instance where an item listed as "Ship Service Turbine Generator" was categorized as art with a \$1.5 million dollar cost. However, the item is functional and in use for training purposes

**RECOMMENDATION**

ACS recommends that the campus conduct a comprehensive fixed asset reconciliation between the physical inventory and the fixed asset listing. This should include, at a minimum, verification that all capitalized and high-risk assets (e.g., IT equipment, firearms, and other high-value items) are properly tagged, accurately recorded, and promptly updated to reflect any discrepancies, including changes in location, condition, or disposal status. The reconciliation should be performed in full and periodic, recurring checks should be completed to ensure ongoing asset accountability and data integrity.

## MANAGEMENT RESPONSE

We concur. The campus will conduct a comprehensive reconciliation of the fixed asset listing to the physical inventory. This effort will include validating tag numbers, asset descriptions, locations, and historical costs, and correcting any discrepancies identified. The campus will also implement ongoing periodic reconciliation procedures and data validation controls to ensure the accuracy, completeness, and timeliness of fixed asset records.

*Anticipated implementation date: December 31, 2026*

## 4. FIXED ASSET PHYSICAL AND COMPLETENESS TESTING

### OBSERVATION

The following items detail the findings related to observations noted during the fixed asset physical testing:

- ACS selected 30 items from the fixed asset listing and noted the following:
  - Items were not located during the physical inspection on campus (8)
  - Item located matches the asset description within the fixed asset listing, but ACS could not confirm the sample due to inconsistent or insufficient identifiers (e.g., brand, asset ID, serial number, model) between the asset and the data (20)
  - Campus identified the asset as the sample selection, however, upon further review, ACS determined that the make, model, or function of the asset did not match the sample selection (2)
  - The asset lacked an affixed asset ID tag or other unique identifying marker (5)
  - The asset lacked an affixed asset ID tag, however, asset was marked with a number consistent with the description listed in the asset listing (2)
  - ACS noted that the sampled item is a component asset comprised of servers, computer programs, projectors, etc. The individual components were tagged, however, ACS could not verify the master tag number in the fixed asset records. Further, the individual tag numbers of the different components were not included within the fixed asset listing (7)
  - Asset ID tag number affixed to asset does not agree with the asset ID within the fixed asset listing (2)
  - Location of asset does not agree to the location of the asset within the fixed asset listing (3)
  - Item was destroyed in a fire; however, the asset was not removed from the fixed asset listing (1)

The following items detail the findings related to observations noted with the fixed asset completeness testing:

- ACS selected 30 assets from campus and noted the following:
  - Item did not match an asset number, tag, or description in fixed asset data (16)
  - ACS could not confirm the asset in the fixed asset listing due to multiple items with similar descriptions and the absence of unique identifiers in the data (2)
  - ACS identified asset within the fixed asset listing by description, but was unable to agree the tag number (5)

### **RECOMMENDATION**

ACS recommends that the campus conduct a comprehensive fixed asset reconciliation between the physical inventory and the fixed asset listing. This should include, at a minimum, verification that all capitalized and high-risk assets (e.g., IT equipment, firearms, and other high-value items) are properly tagged, accurately recorded, and promptly updated to reflect any discrepancies, including changes in location, condition, or disposal status. The reconciliation should be performed in full and periodic, recurring checks should be completed to ensure ongoing asset accountability and data integrity.

ACS recommends the campus establish a standardized approach for component assets by assigning a master asset record and linking all individually tagged components within the fixed asset system.

### **MANAGEMENT RESPONSE**

We concur. The campus will perform a comprehensive reconciliation between the physical inventory and the fixed asset listing to address discrepancies identified during audit testing. This will include ensuring that all assets are properly tagged, uniquely identifiable, and accurately recorded with correct location, description, and status.

Additionally, the campus will implement a standardized approach for component assets by establishing master asset records and linking associated component-level assets within the asset management system.

The campus will also establish periodic inventory verification procedures to maintain ongoing asset accountability.

*Anticipated implementation date: December 31, 2026*

## 5. IT ASSET TRACKING

### OBSERVATION

As mentioned above, physical testing of computer equipment was not included as part of the scope of the audit. However, based on process walkthroughs, we noted that the campus does not maintain a standardized comprehensive IT asset inventory. In addition, ACS identified the following:

- 60 laptops/workstations have been marked as "offline" since 2024. After additional inquiry, IT was unable to easily reconcile the disposed items to the offline listing as the fixed asset tags retained of disposed computer equipment did not agree to the unique identifier within the IT databases. Based on IT's estimates, approximately 19 were likely disposed, 5 were potentially disposed through refresh activity, and 36 remained undetermined at the time of audit
- The campus participated in the CSUCCESS (California State University Connectivity Contributing to Equity and Student Success) pilot program in 2021 that lent students iPads and related accessories for the duration of their time enrolled with the university. Since then, the program has been discontinued, however, a portion of the iPads were not returned by the students. As part of the agreements signed by the students, if the iPad was not returned, they would be required to payback the campus \$830. The campus has not disposed of the outdated iPads and has not pursued the collection of funds from students who have not returned the iPads

### RECOMMENDATION

Management should implement a centralized IT asset inventory that consolidates the data from all tracking systems into a complete and reliable record. A standardized identification methodology should align system identifiers with physical asset tags and fixed asset records. Regular reconciliations should be performed to ensure timely removal of disposed or e-wasted devices and accurate tracking of offline equipment.

In addition, management should decide if the campus should pursue the collections of the IT assets or the related funds from students who have not returned their iPads. Further, for the assets collected, the campus should properly surplus or e-waste the items.

## **MANAGEMENT RESPONSE**

We concur. The campus will implement a centralized IT asset inventory that integrates data across systems to provide a complete and accurate record of IT assets. A standardized identification methodology will be developed to align fixed asset tags with IT system identifiers.

The campus will also establish procedures for regular reconciliation of IT assets, including timely removal of disposed equipment and investigation of offline or unaccounted devices.

Regarding the CSUCCESS iPads, management will evaluate whether to pursue collection efforts or formally dispose of the remaining assets in accordance with CSU policy.

*Anticipated implementation date: March 31, 2027*