

Commonwealth of Pennsylvania
State System of Higher Education
Clarion University of Pennsylvania
July 1, 2004, to July 13, 2007
Performance Audit



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March 10, 2008

The Honorable Edward G. Rendell
Governor
Commonwealth of Pennsylvania
Harrisburg, Pennsylvania 17120

Dear Governor Rendell:

This report contains the results of a performance audit of Clarion University of Pennsylvania of the State System of Higher Education from July 1, 2004, to July 13, 2007. The audit is authorized under the provisions found in Act 188 of 1982 (24 P.S. §20-2001 et seq). Those provisions state: "Activities of the system under this article shall be subject to the audit of the Department of the Auditor General." We conducted audit in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States.

The report details our audit objectives, scope, methodology, findings, and recommendations. The auditors report on control weaknesses for miscellaneous revenue collected, and that Clarion does not follow provisions of the Abandoned and Unclaimed Property Act. The contents of the report were discussed with officials of Clarion University of Pennsylvania, and all appropriate comments are reflected in the report.

We appreciate the cooperation extended to us by the management and staff of the Clarion University of Pennsylvania and by others who provided assistance during the audit.

Sincerely,

JACK WAGNER
Auditor General

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Background Information

State System of Higher Education

The Commonwealth of Pennsylvania's state-owned colleges and university were under the administrative control of the Pennsylvania Department of Education prior to July 1, 1983. The legislative enactment of Act 188 of 1982 on December 17, 1982, transferred administrative and operational responsibility to the newly created State System of Higher Education, and the institutional designations of the state colleges were changed to universities effective July 1, 1983.¹ Today, the State System comprises 14 universities, four branch campuses, the McKeever Environmental Learning Center, and the Dixon University Center. The 14 state-owned universities include Bloomsburg, California, Cheyney, Clarion, East Stroudsburg, Edinboro, Indiana, Kutztown, Lock Haven, Mansfield, Millersville, Shippensburg, Slippery Rock, and West Chester.

A centrally established Board of Governors, which functions as the primary policy setting and control authority, administers the State System. The Board consists of 20 members and has the overall responsibility for planning and coordinating the State System's development and operations. Its statutory powers include establishing operating policies, appointing university presidents, reviewing and approving university operating and capital budgets, setting tuition and fee levels, creating new programs, and promoting cooperation among institutions. Members of the Board include legislators, State System university students and trustees, and members of the public. The Governor and Secretary of Education, or their designees, also serve on the Board. Additionally, a chancellor is appointed by the Board to serve as the chief executive officer of the State System.

At the individual university level, Act 188 of 1982 granted certain statutory responsibilities to each university president and locally established Council of Trustees.

The State System was created to enhance the higher educational service system of the Commonwealth by providing the highest quality education at the lowest possible cost to the students. The primary mission of the State System is to provide instruction for undergraduate and graduate students to and beyond the master's degree level in the liberal arts and sciences and in applied fields, including the teaching profession. Each university is to provide appropriate educational, student living, and other facilities as deemed necessary by the State System's Board.

¹ Public School Code of 1949, 24 P. S. § 20-2001 et seq.

Background Information

Clarion University of Pennsylvania

Clarion University of Pennsylvania is located in the borough of Clarion, Clarion County, approximately 2 miles north of Interstate 80 at Exits 64, and 61, and is approximately two and one half hours from Pittsburgh, Erie, and Youngstown. Clarion's origin dates back to 1867 and its original name was the Carrier Seminary.

The main campus consists of 46 buildings situated on 99 acres of land. Clarion is a multi-purpose institution offering associate degrees in six areas, more than 78 baccalaureate programs leading to degrees in the arts, fine arts, nursing, sciences, and 11 graduate programs leading to master's degrees in the arts, business administration, education, library science, nursing, and sciences.

In addition to its main campus, Clarion operates the Venango Campus. This campus, established in 1961, was the first branch campus in the Pennsylvania State System, of Higher Education. The Venango Campus, located in Oil City, is situated on 62 acres. The Venango Campus offers programs for both full-time and part-time students. Students may study toward one of nine associate degrees in arts and sciences or complete the first two years of study toward a bachelor's degree in business, education, psychology, and rehabilitative sciences. In addition, the Venango Campus offers bachelor's degree programs in nursing and radiologic sciences and master's degree programs in nursing and special education/rehabilitative science.

Background Information

The Joint State Government Commission compiled the following select unaudited operating statistics for the 2003-04, 2004-05, 2005-06, academic years for Clarion and the State System:

Data/Location	2003-04	2004-05	2005-06
Full-Time Equivalent Students (FTE's):			
Clarion University			
Undergraduate	5,661	5,585	5,451
Graduate	<u>337</u>	<u>380</u>	<u>409</u>
Total FTE's	<u>5,998</u>	<u>5,965</u>	<u>5,860</u>
State System of Higher Education			
Undergraduate	88,399	89,650	91,766
Graduate	<u>9,235</u>	<u>9,677</u>	<u>10,446</u>
Total FTE's	<u>97,634</u>	<u>99,327</u>	<u>102,212</u>
Full-Time Equivalent Instructional Faculty:			
Clarion University	321	318	296
State System of Higher Education	5,101	5,155	5,258
Degrees Conferred			
Clarion University	1,252	1,225	1,226
State System of Higher Education	19,936	20,010	21,038
State Instruction Appropriations (rounded in thousands)			
Clarion University	\$28,055	\$28,136	\$26,846
State System of Higher Education	\$413,369	\$428,866	\$443,295

Objectives, Scope, and Methodology

We selected the audit objectives for the current audit from the following general areas: Maintenance Expenses, Contract Management, Travel Expenses, Revenue Management, and Unclaimed Property. The specific objectives for this audit were:

- To determine the economy and efficiency of maintenance operations and the accuracy of maintenance expenditures. (Finding 1)
- To determine if Clarion effectively monitored its contracts. (Finding 2)
- To determine if Clarion maintained adequate management control over travel expenses. (Finding 3)
- To determine if Clarion established adequate management controls over miscellaneous revenue. (Findings 4 and 5)
- To determine if Clarion has complied with the Abandoned and Unclaimed Property Act. (Finding 6)
- To determine the status of management's corrective actions for prior audit findings that addressed the procurement process and controls over its purchasing card program.

The scope of the audit was from July 1, 2004, to July 13, 2007, unless indicated otherwise in the individual sections.

To accomplish these objectives auditors reviewed Clarion's policies for facility maintenance,² State System³ and Clarion⁴ policies and procedures for contracts, travel expenses,⁵ and miscellaneous revenue.⁶ Auditors also reviewed the laws⁷ and regulations⁸ regarding unclaimed property.

² Clarion University of Pennsylvania, Human Resources, Facilities Users Guide; Clarion University of Pennsylvania, Facilities Management.

³ Pennsylvania State System of Higher Education, Board of Governors, Policy 1998-04-A: Procurement of Goods, Services, Supplies and Construction.

⁴ Clarion University of Pennsylvania, Purchasing Policy.

⁵ State System of Higher Education Policy Number 1986-07-A - Travel Expense Regulations; State System of Higher Education Policy Number 1983-16 – Reimbursement of Travel Expenses for Faculty and Administrative Candidates; State System of Higher Education Policy Number 1984-02-A – Expenses for Presidential Searches; Clarion University of Pennsylvania Purchasing Policy.

⁶ Clarion University of Pennsylvania, Miscellaneous Revenue Deposit Procedure; Pennsylvania Crimes Code and Vehicle Law Handbook, 18 Pa.C.S. §7501.1, 42 Pa.C.S. § 5552; Pennsylvania Bulletin, Vol. 30 No. 39,

Objectives, Scope, and Methodology

Auditors interviewed appropriate university personnel including the Directors of Purchasing, Accounting Business Services, and Public Safety. They also interviewed the Vice president for Student and University Relations, as well as the Facility Maintenance Manager, Purchasing Specialist, and fiscal technician supervisor.

To determine the economy and efficiency of maintenance operations and the accuracy of maintenance expenditures, auditors randomly selected and tested 52 of 8,786 completed work orders issued from July 1, 2005, to April 25, 2007. They also selected and tested 11 of 825 incomplete work orders from July 1, 2005, to April 25, 2007, and 48 Maintenance Visa purchasing card transactions from July 1, 2006, to March 31, 2007.

To determine if Clarion effectively monitored its contracts, auditors reviewed the contracts, bids, purchase order documentation, and payment information for the five highest monetary value contracts out of the 223 contracts in use from July 1, 2004, through March 31, 2007.

To determine if Clarion maintained adequate management control over travel expenses, auditors randomly selected and tested 42 travel expense transactions from July 1, 2004, to June 12, 2007.

To determine if Clarion established adequate management controls over miscellaneous revenue, the auditors randomly selected and tested 5 of 33 Miscellaneous Revenue items from July 1, 2005, to June 30, 2006, a listing of outstanding parking fines from August 31, 2005, to April 26, 2007, and 25 of 219 parking transaction deposits from June 27, 2006, to May 9, 2007. The auditors also reviewed the Print Shop computerized work order system information, and Print Shop budgets for the fiscal years ended June 30, 2006, and June 30 2007. They randomly selected and tested 9 of 61 Print Shop deposits from July 2006, to May 2007, all Print Shop Visa purchasing card transactions for the months of November 2006 and February 2007, and tested 10 of 102 Print Shop outside customer accounts.

To determine if Clarion has complied with the Abandoned and Unclaimed Property Act the auditors analyzed the listing of students with credit balances over five years old, the listing of uncashed payroll checks over two years old, and the a listing of uncashed vendor checks over five years old.

Finally, auditors performed tests, as necessary, in prior audit areas to substantiate their understanding of Clarion's progress in resolving the prior audit findings.

Title 22 Education, Part XVII. State System of Higher Education, Chapter 507 Finance and Administration; Pennsylvania State System of Higher Education, Board of Governors policy 1985-02-A, Operation of Motor Vehicles on State System of Higher Education Facilities.

⁷ Pennsylvania Statute Title 72. Taxation and Fiscal Affairs, Chapter 1. The Fiscal Code, Article XIII.1 Disposition of Abandoned and Unclaimed Property 72 P.S. §1301.

⁸ Commonwealth of Pennsylvania, Treasury Department, Unclaimed Property Reporting Booklet and Filing Instructions, 2006.

Audit Results

Maintenance Expenses

Clarion's Facilities Management Department is responsible for all day-to-day maintenance operations. The work includes emergency and preventative maintenance work, moving services, grounds maintenance and custodial services. Requests for services can be submitted electronically or by contacting Clarion's Work Order Center.

Finding 1 – Clarion's maintenance expenditures were accurate and timely.

We determined that all 48 maintenance Visa credit card purchases tested were completed in accordance with policies and procedures. The requests were properly approved; justifications were appropriate and all required documentation, such as, agency purchase requests, invoices and receiving reports were included. Auditors tested selected work orders and found that they were properly prioritized and completed in a timely manner. In addition, the work orders included all relevant information such as employee time spent and materials used. Therefore, we concluded that Clarion's maintenance expenditures were accurate and timely.

Contract Management

Clarion contracts with various vendors to provide a variety of goods and services. Clarion management is responsible to ensure that adequate services are provided and expenditures are incurred according to contract stipulations.

Finding 2 – Clarion incorporated effective practices in its oversight of contracts.

Our review of the welding instruction, telecommunications, custodial services, computer equipment, and software maintenance contracts revealed that Clarion complied with Department policies and procedures for monitoring of the contracts. The internal controls were sufficient to ensure that contracts were properly bid, approved, services billed were actually provided, invoices were accurate, and were approved before payment.

Travel Expenses

Clarion employees are entitled to receive reimbursement for expenses incurred in the performance of their duties within certain maximum limits. These limits are not flat allowances. Employees are only reimbursed for actual amounts expended for meals, transportation, mileage, and overnight accommodations. Reimbursement is paid for interview travel expenses of faculty and administrative candidates; reasonable expenses in searching for a president, including spousal travel when authorized by the chair of the Presidential Search Committee and travel expenses for consultants and speakers' honoraria.

Finding 3 – Clarion complied with the State System and University guidelines for travel expenses.

Our audit of the travel expenditures revealed that Clarion complied with applicable policies and procedures. Expenditures were accurate; reimbursements were properly approved and were completed in accordance with applicable policies. Supporting documentation was on file to support all reviewed transactions.

Miscellaneous Revenue Management

Miscellaneous revenues are generated from various activities and fees that are not related to the main student fees of tuition, housing, and food service. These revenues include parking permits and fines, library fines, print shop sales and photocopying fees.

Finding 4 – Parking meter revenue was not properly safeguarded and fine collection revenue was not collected.

Parking meters

A review of parking revenue revealed that only one person is responsible for collecting the weekly parking meter money. One officer empties the meters into an unlocked bag each week. The bag is held in the public safety office safe until Monday when it is taken to the bank. Clarion staff does not count the money. A bank employee counts the money and prepares the deposit.

Security over the unlocked bag, even with the bag stored in the safe, is weak in three ways. First, by not counting the cash at the end of collection, nobody knows how much money should be in the bag. Second, anyone with access to the safe could remove money from the unlocked bag without detection. Finally, trusting a bank employee to count the cash without providing that same employee with a posted deposit slip could also allow cash to be removed from the unlocked bag without detection.

Audit Results

Parking Fines

Clarion management is responsible for implementing controls to ensure that all revenue is collected. Management did not monitor fines assessed in order to ensure collection of all outstanding fines. A review of parking fines revealed that the University's collection efforts need to be strengthened. The University had outstanding parking fines that totaled approximately \$42,672 from August 25, 2005, through April 26, 2007. Currently, the Public Safety Office only sends out notices to fine holders three or four times a year. In addition, they may place a boot on cars with three or more outstanding parking tickets. Testing showed that 2,299 of 3,752 or 62 percent of outstanding tickets were from offenders with two or more outstanding tickets. In one case, the offender had as many as 15 outstanding tickets. However, Clarion removes parking fines from the offender's record when they have become outstanding for over two years, and as a result, the fines are never collected.

Recommendation:

Clarion management should rotate meter collection personnel regularly. Management should also consider purchasing a locked collection bag to safeguard meter revenue further. At the end of each collection round, the parking meter revenue should be counted, the balance recorded on a bank deposit slip, and the bag containing the money and a copy of the deposit slip should be closed and locked. The bag should be placed in the bank's night deposit box for safekeeping.

In addition, management should explore other outstanding fine collection options such as placing fines on student accounts, withholding grades, transcripts and/or graduation privileges, submitting fines to the courts, or possibly contracting with a collection agency.

Management Comments:

Management has reviewed the findings relative to parking meter collections and is in the process of developing a modified process for collection that would involve the following:

- 1. Collection of meter money by different officers within the department on a rotating basis during they daylight shift. Note, due to control and staffing issues in the evening and night shifts it does not seem logical to allow officers on those shifts to collect meter money.*
- 2. Return of meter money to the clerk typist 3 in the Department for counting and receipting within the department prior to submitting the funds to the bank for deposit.*
- 3. Storage of the funds between the counting and the deposit to the bank will be done via a locked bag within the safe.*

Management has reviewed the findings relative to parking ticket fine collection and provides the following in response:

- 1. Over the past 12-month period the office of public safety has experienced a change in staffing, which has resulted in the elimination of one clerical position; that position was primarily responsible for various computer operations including the ticket processing and collection automation. This possibly has led to lessened collection efforts as the transition to a single clerical position was made with that person learning the process.*
- 2. Management has initiated a review of ticket records to determine the level of tickets that remain unpaid and the number that are processed to an outside collection procedure such as citations being turned over to a magistrate.*
- 3. The Office of Public Safety is in the process of installing a credit card payment machine in the Office of Public Safety. It is believed that this will aid in the collection of fines. Numerous students (and parents calling on behalf of students) have indicated a willingness to pay tickets via credit card rather than by cash or check. It is believed the availability of credit card payments will increase the amount of collection that is provided.*
- 4. Since parking tickets are also issued to employees, visitors, and the general public, it would not be practical to place unpaid fines on student accounts. The tickets do not distinguish between students and others.*
- 5. Vehicles with multiple unpaid citations are booted and the boot is not removed until all of the citations are paid.*
- 6. The Office of Public Safety will continue to investigate methods for better collection of parking fines without adversely impacting enrollment and will investigate as well the accuracy of the findings to ensure current data is maintained and attempts at improved collection methods initiated when and as appropriate.*

Finding 5 – Clarion failed to monitor and administer cash collection procedures in the print shop operations.

Management failed to properly monitor and administer cash collection procedures, which resulted in inaccuracies of revenue collection. A review of the print shop operations disclosed that management control weaknesses exist within the computerized work order system and payment collection process. Auditors traced 9 of 61 deposits to transmittal forms. Auditors then traced 3 of the 9 deposits to copier login sheets and found inconsistencies between the deposits and the cash collection login sheets. Four of 25 checks listed on the deposits were not listed on the login sheets. Further, cash sales were \$13 more than the deposit. Management could not explain the variances.

In addition, the print shop retained cash collections for more than one week. Three reviewed revenue transmittal sheets contained collection amounts from the prior month. University Miscellaneous Revenue procedures state that:

Audit Results

No office may retain funds for more than one week, regardless of the amount, and no office may retain more than \$100.00.⁹

Auditors also conducted testing on the work order system and related operations, and found weaknesses with the computer system billing and collection process. The testing of 10 of 102 outside customer accounts revealed 17 outstanding invoices. However, 9 of the 17 invoices had been paid but not recorded. In addition, the remaining eight invoices, totaling \$1,096, had been outstanding from 46 to 321 days, with no indication of follow-up. Therefore, management's lack of invoice tracking and incoming payments has caused weaknesses, which could lead to lost revenue.

Recommendation:

Clarion management should enforce controls over print shop billing and revenue collection. In addition, Print shop staff should be trained in the use of computer system software. Management should establish a system of pre-numbered receipts, the cash box should be reconciled at least weekly, and cash collections deposited at least weekly.

Management Comments:

Clarion acknowledges that there were control weaknesses within its print shop operations at the time the audit was conducted, which have since been addressed. New billing procedures have been established for non-university customers. Print shop invoices are now sent to the Accounts Receivable Office for billing and collection. The invoice payments are made directly to the Accounts Receivable Office, not the print shop. The Accounts Receivable Office tracks the outstanding invoices and conducts the necessary follow-up activities.

New procedures have also been established for the handling of cash sales at the print shop. Pre-numbered receipts are now issued for all cash sales. Checks and cash are maintained in a locked cash box and are transmitted weekly to the Cashier's Office using a Revenue Transmittal Form. The cashier counts the checks and cash, issues a receipt for the amount transmitted, and prepares the bank deposit. The print shop reconciles all cash receipts to the Revenue Transmittal Form and retains copies for audit purposes.

The University is in the process of hiring a new manager for the print shop operations and that manager will be responsible for ensuring compliance with these new procedures.

⁹ Clarion University of Pennsylvania, Miscellaneous Revenue Deposit Procedure.

Unclaimed Property

The Commonwealth of Pennsylvania Treasury Department is responsible for collecting and administering abandoned and unclaimed property. However, due to the Commonwealth's limited resources, the Treasury Department relies heavily on organizations' voluntary compliance with the Disposition of Abandoned and Unclaimed Property Act.

Finding 6 – Clarion did not comply with the Abandoned and Unclaimed Property Act.

Clarion University management did not comply with Pennsylvania's Unclaimed Property Act for its escheat payroll checks and students with credit balances. There are instances where payroll checks are not claimed for a variety of reasons. In addition, there are many instances when a student has overpaid their account and are due a refund. The University attempts to contact these students to inform them they are eligible for a cash refund. If the University does not receive a response after a prescribed waiting period, the money is removed from the student's account and placed into the miscellaneous revenue account. Clarion did not regularly review accounts in order to determine what should be remitted to Treasury. As a result, recovery of funds may be limited or they may never be recovered.

The Act states:

All abandoned and unclaimed property and property without a rightful owner as hereafter set forth is subject to the custody and control of the Commonwealth.¹⁰

Additionally, the Act states:

The following property, held or owing to any owner, is presumed abandoned and unclaimed:

All property, not otherwise covered by this article, that is admitted in writing by the holder and adjudicated to be due, that is held or owing in the ordinary course of the holder's business, and that has remained unclaimed by the owner for more than five (5) years after it became payable or distributable is presumed abandoned and unclaimed except for clause 2.

Wages or other compensation for personal services that have remained unclaimed by the owner for more than two (2) years after the wages or other compensation for personal services become payable are distributed are presumed abandoned and unclaimed.¹¹

¹⁰ Pennsylvania Statute Title 72. Taxation and Fiscal Affairs, Chapter 1. The Fiscal Code, Article XIII.1 Disposition of Abandoned and Unclaimed Property 72 P.S. §1301.2.

¹¹ Pennsylvania Statute Title 72. Taxation and Fiscal Affairs, Chapter 1. The Fiscal Code, Article XIII.1 Disposition of Abandoned and Unclaimed Property 72 P.S. §1301.10.

Audit Results

Our audit found 41 students with approximately \$2,175 in outstanding credit balances older than the required five-year period. In addition, auditors found 167 uncashed payroll checks totaling approximately \$12,060 that were over two years old. The review of vendor checks found no items that should be remitted to Treasury.

Recommendation:

Clarion management should establish a procedure to monitor accounts effectively, to ensure compliance with Pennsylvania's Unclaimed Property Act. In addition, Clarion should submit the required documents and monies to the Commonwealth of Pennsylvania Treasury Department as stated in the Act.

Management Comments:

Clarion acknowledges that it has not been diligent in reporting unclaimed property to the Commonwealth within the prescribed time periods and that additional compliance monitoring is necessary. The last unclaimed property report filed by Clarion was in February 2002. Since that time, there have been escheated payroll checks and credit balances on student accounts that have not been timely reported.

Subsequent to this audit, the University attempted to contact all of the individuals with uncashed paychecks and successfully remitted approximately \$2,400 to those individuals. The remaining unclaimed amount was reported and remitted to the Commonwealth in October 2007. New procedures have been developed by the Pennsylvania State System of Higher Education whereby the System Payroll Office now handles all uncashed payroll checks so the universities no longer have that responsibility. Therefore, there should be no future uncashed payroll checks for Clarion to report.

The University is also in the process of refunding the \$2,175 in outstanding credit balances on student accounts and any uncashed refund checks will be reported and remitted to the Commonwealth within one year. In the future, the University will monitor student account balances more closely and will refund credit balances in a more timely manner. Any uncashed refund checks will be reported and remitted to the Commonwealth within the prescribed time period.

Status of Prior Audit Findings and Recommendations

Objectives and Methodology

The following is a summary of the conclusions and recommendations presented in our audit report from July 1, 2001, to May 4, 2004, along with a description of Clarion's disposition of the recommendations.

SAP Procurement System

Prior Finding I-1 – SAP Procurement process requires improvement.

Our prior audit reported that the university did not pay for goods and services in a timely manner. A review of 33 SAP purchase orders disclosed that Clarion paid 20 of the invoices more than 30 days after the receipt of the goods or services. Additionally, Clarion had not developed procedures to follow-up on open purchase orders.

We recommended that Clarion management establish procedures to follow up on open SAP purchase orders to ensure that vendors are paid timely.

Status:

Our current audit found that vendors were paid within 30 days of the receipt of the goods or services. In addition, auditors found that open SAP purchase orders are periodically reviewed to ensure that vendors were paid in a timely manner.

Purchasing Card Program

Prior Finding II-1 – Clarion did not establish adequate controls over its purchasing card program.

Unauthorized Purchases

Our prior audit found that a review of 33 purchasing card transactions revealed three unapproved consecutive purchases seemingly designed to circumvent the card transaction limits.

Audit Results

Inadequate Supporting Documentation For Purchases

The prior audit found that the university employees did not retain receipts for 19 of 290 transactions with an approximate value of \$3,400. In addition, 20 cardholders did not submit 34 purchase transaction logs that totaled approximately \$10,000.

Sales Tax

The prior audit disclosed that Pennsylvania sales tax was charged on four transactions. Clarion overpaid three vendors by approximately \$35.

Financial Exposure

The prior audit found that the number of cardholders and their monthly credit limits of the purchasing cards exceeded Clarion's operational requirements.

We recommended that Clarion management enforce purchasing card policies and procedures regarding consecutive purchases, contract approvals, supporting documentation, and Pennsylvania sales tax. We recommended that enforcement measures include employee liability for unauthorized purchases and the revocation of cardholder privileges when appropriate. In addition, we recommended that Clarion management evaluate the number of issued Visa purchasing cards and monthly credit limits and make any necessary reductions.

Status:

Auditors tested 30 purchasing card transactions during the current audit and found that none of the transactions circumvented the \$1,000 daily card limit. All supporting documentation and purchasing transaction logs were readily available. All tested transactions were exempt from sales taxes. The number of cardholders has remained the same. Clarion management believes that all employees that have been issued a card have a legitimate need for it. We will continue to monitor this issue in future audits.

Audit Report Distribution List

This report was initially distributed to the following:

Commonwealth of Pennsylvania

The Honorable Edward G. Rendell Governor	The Honorable Dwight Evans Chair House Appropriations Committee Pennsylvania House of Representatives
The Honorable James J. Rhoades Chair Senate Education Committee Senate of Pennsylvania	The Honorable Mario J. Civera, Jr. Republican Chair House Appropriations Committee Pennsylvania House of Representatives
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This report is a matter of public record. Copies of this report may be obtained from the Pennsylvania Department of the Auditor General, Office of Communications, 318 Finance Building, Harrisburg, Pennsylvania 17120. If you have any questions regarding this report or any other matter, you may contact the Department of the Auditor General by accessing our Web site at www.auditorgen.state.pa.us.