



PERFORMANCE AUDIT

EDINBORO UNIVERSITY OF PENNSYLVANIA

COMMONWEALTH OF PENNSYLVANIA

**PENNSYLVANIA STATE SYSTEM OF
HIGHER EDUCATION**

JUNE 2013

COMMONWEALTH OF PENNSYLVANIA

EUGENE A. DEPASQUALE - AUDITOR GENERAL

DEPARTMENT OF THE AUDITOR GENERAL





**Commonwealth of Pennsylvania
Department of the Auditor General
Harrisburg, PA 17120-0018
Facebook: Pennsylvania Auditor General
Twitter: @PAAuditorGen**

**EUGENE A. DePASQUALE
AUDITOR GENERAL**

June 12, 2013

Honorable Tom Corbett
Governor
Commonwealth of Pennsylvania
Harrisburg, Pennsylvania 17120

Dear Governor Corbett:

This report contains the results of a performance audit of Edinboro University of Pennsylvania of the Pennsylvania State System of Higher Education for the period July 1, 2008, to December 21, 2012, unless indicated otherwise. The audit was conducted under authority provided in Act 188 of 1982 (24 P.S. § 20-2015-A), which states, "Activities of the system under this article shall be subject to the audit of the Department of the Auditor General." The audit was also conducted under the authority provided in Section 402 of The Fiscal Code and in accordance with generally accepted government auditing standards.

The report details the audit objectives, scope, methodology, findings, and recommendations. The report indicates that the university failed to ensure that all university employees affiliated with youth camps had obtained appropriate background checks during 2011 and 2012. The report also notes that Edinboro's contract with outside youth camps did not adequately ensure that camp employees had obtained the required background checks. The report also discusses the institution's rates for student fees. In addition, the report notes that Edinboro used collected fee revenues for intended purposes; however, the university overcharged students for certain class fees. Finally, the report notes that the university implemented our prior audit recommendations.

We discussed the contents of the report with the management of the university, and all appropriate comments are reflected in the report.

Sincerely,

EUGENE A. DePASQUALE
Auditor General

**Edinboro University of Pennsylvania
Pennsylvania State System of Higher Education**

**Table of
Contents**

Background Information 1

Audit Objectives..... 5

Audit Results..... 7

Finding 1 – Edinboro University failed to ensure that all university employees affiliated with camps had obtained appropriate background checks during the 2011 youth camp season. Edinboro improved its efforts in 2012, but some employees still did not have all required background checks. 11

Finding 2 – Edinboro University’s contract with outside youth camps did not adequately ensure that camp employees had obtained the required background checks, which could place the children attending these camps at risk. 14

Finding 3 – Edinboro University did not obtain Act 114 federal criminal background checks for university employees affiliated with youth summer camps in 2011 or 2012. 19

Finding 4 – Edinboro University approved student fee rates as required and established mandatory fee rates that were comparable to those rates charged at other State System universities. 23

Finding 5 – Edinboro University used collected fee revenues for intended purposes. However, the university failed to issue refunds to students when it charged those students a class fee that exceeded the cost of the trip that the fee was intended to cover. 24

Status of Prior Audit 29

Audit Report Distribution List 32

**Edinboro University of Pennsylvania
Pennsylvania State System of Higher Education**

**Background
Information**

*History, mission,
and operating
statistics*

Pennsylvania State System of Higher Education

Pennsylvania's 14 state-owned universities are part of the Pennsylvania State System of Higher Education, generally referred to in this report as the State System or PASSHE. Prior to the enactment of Act 188 of 1982¹ that created the State System, the Pennsylvania Department of Education had administrative control of the 14 institutions, 13 of which were then known as state colleges.²

The purpose of the State System is to provide students with the highest quality education at the lowest price. The 14 member universities include the following:

Bloomsburg	Kutztown
California	Lock Haven
Cheyney	Mansfield
Clarion	Millersville
East Stroudsburg	Shippensburg
Edinboro	Slippery Rock
Indiana	West Chester

The State System also includes four branch campuses, the McKeever Environmental Learning Center, and the Dixon University Center.

State System Board of Governors

A centrally established 20-member board of governors has overall responsibility for planning and coordinating the operations and development of the State System. As a result, the State System board of governors dictates many of the universities' operational and administrative procedures. Examples of the board's statutory powers include the following:

- Establishing broad fiscal, personnel, and educational policies under which the state system universities operate
- Appointing university presidents
- Coordinating, reviewing, amending, and approving university operating and capital budgets

¹ 24 P.S. § 20-2001.

² Indiana University of Pennsylvania was already known as a university prior to creation of the state system. Effective July 1, 1983, each of the other 13 state colleges became known as the (Name) University of Pennsylvania of the State System of Higher Education.

**Edinboro University of Pennsylvania
Pennsylvania State System of Higher Education**

- Setting tuition and fee levels
- Creating new undergraduate and graduate degree programs
- Promoting cooperation among institutions

Board members include legislators, university students, university trustees, and members of the public. Pennsylvania's governor and the state's secretary of education, or their designees, also serve on the board. Additionally, the board appoints a chancellor to serve as the chief executive officer of the State System.

At the university level, each university has a president and an 11-member council of trustees. While the State System appoints the university president, each university's council of trustees is appointed by the governor, with approval of the state senate.

University trustees make recommendations to the chancellor for the appointment and dismissal of the university president. Trustees also assist with setting the university budget and new academic programs. The university trustees also approve all fees, other than tuition. The State System chancellor serves as an ex-officio member for all the universities' council of trustees.

**Edinboro University's operating environment
as of fiscal year 2011-12**

While Edinboro University of Pennsylvania³ began in 1857 as Edinboro Academy, a private training school for teachers, it now offers a wide range of graduate and undergraduate majors. As of fiscal year 2011-12, the university offered 54 bachelor's degree programs and ten associate degree programs. In addition, it offered 18 master's degree programs. According to recent reports, the five most popular majors among the 2011 Edinboro graduates are as follows:

- Visual and Performing Arts
- Education
- Health Professions and Related Programs
- Business, Management, Marketing, and Related Support Services
- Communication, Journalism, and Related Programs

³ Officially known as the Edinboro University of Pennsylvania, we refer to the institution as Edinboro University, Edinboro, or the university in this report.

**Edinboro University of Pennsylvania
Pennsylvania State System of Higher Education**

According to recent statistics, Edinboro has an 18:1 student-faculty ratio, and approximately 26 percent of all classes have fewer than 20 students. The freshman retention rate, meaning those students who complete the first year and return for a second, is 73 percent.

Like all State System universities, admission is open to non-Pennsylvania residents; however, over 86 percent of Edinboro's student population is from Pennsylvania.

State funding to Edinboro University

As a member of the State System, Edinboro receives a portion of its funding from the State System's yearly allocation from the commonwealth budget. Act 188 of 1982 outlines the parameters for Edinboro's share of the State System appropriation as follows:

State funds appropriated to the [State] System shall be allocated to the individual institutions on a formula based on, but not limited to, such factors as enrollments, degrees granted, and programs.

According to the State System, the formula is updated annually to reflect changes in enrollment, physical plant inventory, and inflation, but the basic precepts on which the formula are built are not altered.

According to unaudited information from Edinboro, in academic year 2010-11, 45 percent of Edinboro's revenue came from tuition, while 26 percent of its revenue came from the state appropriation. The remaining portion of the university's revenue was derived from auxiliary sources, which included funds from the university's housing, dining, and student center operations.

**Edinboro University of Pennsylvania
Pennsylvania State System of Higher Education**

Edinboro University Selected Statistics	2008-09	2009-10	2010-11	2011-12
Operating Budget (<i>\$Millions</i>)				
Tuition/Fees	\$43.0	\$45.2	\$50.0	\$54.2
State Appropriation	30.2	28.2	28.5	24.6
Auxiliary Sources ^{a/}	<u>29.0</u>	<u>33.3</u>	<u>30.3</u>	<u>33.0</u>
Total	\$102.2	\$106.7	\$108.8	\$111.8
Tuition/Required Fees for Full-Time Resident Student (Academic Year)	\$7,042	\$7,316	\$7,730	\$8,360
Full-Time Equivalent Students				
Undergraduate	5,665	5,995	6,189	6,041
Graduate	<u>916</u>	<u>1,123</u>	<u>1,207</u>	<u>1,073</u>
Total	6,581	7,118	7,396	7,114
Degrees Conferred				
Undergraduate	1,073	1,034	966	982
Graduate	<u>413</u>	<u>547</u>	<u>551</u>	<u>595</u>
Total	1,486	1,581	1,517	1,577

^{a/}Includes the university's housing, dining, and student center operations.

Source: Developed by the Department of the Auditor General from information obtained from Edinboro University and the Joint State Government Commission.

Edinboro accreditation

The Middle States Commission of Higher Education academically accredits the university. The university was last evaluated in June 2008 and received full accreditation.

Edinboro is also accredited by the Pennsylvania Department of Education and the Pennsylvania State Board of Nursing.

**Edinboro University of Pennsylvania
Pennsylvania State System of Higher Education**

**Objectives,
Scope, and
Methodology**

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Our performance audit of Edinboro University had two objectives. We selected the audit objectives from the following areas: summer camps and student fees. The specific audit objectives were as follows:

One: To evaluate what measures Edinboro has implemented to ensure the safety and welfare of minors attending camps held on university property.

Two: To review the various fees charged to students and to determine whether Edinboro used the collected fees for their intended purposes.

The scope of our audit was the period of July 1, 2008, through December 21, 2012, unless indicated otherwise.

To accomplish our objectives, we obtained, reviewed, and analyzed university records as well as policies, agreements, and guidelines of the Commonwealth and the State System of Higher Education. In the course of our audit work, we interviewed various Edinboro management and staff as well as State System management. The audit results section of this report contains specific inquiries, observations, tests, and analyses conducted for each audit objective.

We also conducted inquiries and tests as part of, or in conjunction with, our current audit to determine the status of the implementation of the recommendations made during our prior audit. Those recommendations addressed student social security numbers and maintenance work orders.

Edinboro management is responsible for establishing and maintaining effective internal controls to provide reasonable assurance that the university is in compliance with applicable laws, regulations, contracts, grant agreements, and administrative policies and procedures. In conducting our audit, we obtained an understanding of Edinboro's internal controls, including any information systems controls, as they relate to those requirements and that we considered to be significant within the context of our audit objectives. We assessed whether those controls were

**Edinboro University of Pennsylvania
Pennsylvania State System of Higher Education**

properly designed and implemented. Any deficiencies in internal control that were identified during the conduct of our audit and determined to be significant within the context of our audit objectives are included in this report.

**Edinboro University of Pennsylvania
Pennsylvania State System of Higher Education**

Audit Results

The audit results are organized into two sections, one for each objective. Each of the two sections is organized as follows:

- Statement of the objective
- Relevant laws, policies, and agreements
- Audit scope in terms of period covered, types of transactions reviewed, and other parameters that define the limits of our audit
- Methodologies used to gather sufficient and appropriate evidence to meet the objective
- Finding(s)
- Recommendation(s), where applicable
- Response by Edinboro University management, where applicable
- Our evaluation of Edinboro University management's response, where applicable

**Edinboro University of Pennsylvania
Pennsylvania State System of Higher Education**

**Audit Results
for
Objective
One**

The objective

Objective one for our performance audit was to evaluate what measures Edinboro University has implemented to ensure the safety and welfare of minors⁴ attending camps held on university property.

*Summer
Camps*

Relevant laws, policies, and agreements

The Pennsylvania General Assembly has enacted various laws that are intended to protect minors by requiring individuals working, or seeking to work, directly with children to secure certain criminal background checks and child abuse clearances (collectively, background checks) prior to employment. For example:

Public School Code of 1949⁵ includes the following:

- Act 34 of 1985⁶ - This act requires a Pennsylvania State Police Criminal Background Check that is dated no more than one year earlier than the date of the employment application. In this report, we refer to this requirement as “Act 34 criminal background check.”
- Act 114 of 2006⁷ - This act requires a request for a federal criminal history record and fingerprints sent to the FBI that are dated no more than one year earlier than the date of the employment application. In this report we refer to this requirement as “Act 114 federal criminal background check.”
- Act 114⁸ also specifies that all applicants for employment including independent contractors and their employees who have direct contact with minors must undergo background checks dated no more than one year earlier than the date of the employment application.⁹

⁴ The definitions of a “Minor” and “Adult” are as follows, respectively: “An individual who is not an adult” and “An individual who is 18 years of age or older.” 23 Pa.C.S. § 6102.

⁵ 24 P.S. § 1-101 *et seq.*

⁶ 24 P.S. § 1-111, as amended; see in particular 24 P.S. § 1-111(b).

⁷ 24 P.S. § 1-111(c.1).

⁸ 24 P.S. § 1-111(a.1).

⁹ 24 P.S. § 1-111 does not currently require background checks for volunteers. However, it has become a common practice among schools, both public and private, to adopt related policies requiring background checks for such individuals.

**Edinboro University of Pennsylvania
Pennsylvania State System of Higher Education**

Child Protective Services Law¹⁰ includes the following:

- Act 151 of 1994¹¹ - This act requires a Pennsylvania child abuse clearance to be obtained prior to the school employee beginning work with minors. In this report, we refer to this requirement as “Act 151 child abuse clearance.”

In addition to the legal requirements discussed above, the PASSHE board of governors and Edinboro have developed policies related to criminal background investigations. These policies include:

- PASSHE Policy 2009-01, “Criminal Background Investigations.” This policy requires criminal background investigations¹² to be completed for candidates for employment for all positions in PASSHE. According to this policy, criminal background investigations include inquiries to determine past criminal convictions and these inquiries must comply with all state and federal laws.
- Edinboro University Policy #G021, “Criminal Background Investigations.” Edinboro developed this policy to comply with PASSHE Policy 2009-01. Edinboro’s policy is intended to ensure a consistent level of criminal background investigations for candidates for employment for all positions at Edinboro University.

Further, when Edinboro allows private parties to hold camps on the university’s property, it requires the camp organizers to sign a contract for the use of the facilities. Prior to April 2012, the contract between Edinboro University and each of the private camps did not require the camp organizers to provide proof that all individuals associated with the camps had obtained required background checks.

In April 2012, Edinboro revised its summer camp contract to require private camp organizers to guarantee that all camp workers and volunteers had the three required background checks.¹³ This new contract included a rider which required the camp organizers to sign a verification form that stated that each sponsor must ensure that all camp-related employees and

¹⁰ 23 Pa.C.S. § 6301 *et seq.*

¹¹ 23 Pa.C.S. § 6355.

¹² Neither this policy nor Edinboro’s criminal background policy name the specific background checks that must be completed for employment.

¹³ The required background checks are: Act 34 criminal background check, Act 114 federal criminal background check, and Act 151 child abuse clearance.

**Edinboro University of Pennsylvania
Pennsylvania State System of Higher Education**

volunteers who have direct contact with minors participating in the camps have to obtain the three required background checks and are cleared to work with minors. The sponsor must provide a list of all employees and volunteers with the signed verification to Edinboro prior to the start of camp.

Scope and methodology to meet our objective

This objective related to the athletic and educational youth camps held on Edinboro University's property during the summers of 2011 and 2012.¹⁴ The majority of the camp participants were minors. Edinboro hosted 33 camps during the summer of 2011 and 36 camps during the summer of 2012.

We focused the scope of our work on the background checks obtained by individuals who work at these youth camps. In addition to the independent camp organizers' employees and volunteers, Edinboro staff also worked at these camps. Specifically, the university's residence life and athletics departments' employees, student employees, and volunteers who had direct contact with camp participants.

To accomplish our camp safety objective, we reviewed the laws and legal requirements discussed above to gain an understanding of the background investigation requirements for the university with regard to persons working at summer youth camps sponsored by outside groups on university property.

We also reviewed the applicable PASSHE and Edinboro policies related to criminal background investigations to gain an understanding of the university's background investigation process.

We reviewed copies of the contract Edinboro University signed with camp organizers during the summers of 2011 and 2012 to determine the contractual obligations related to background checks and the care and safety of minors who attended the camps held on the university's property. We also conducted interviews with numerous officials from Edinboro University. These officials included: the vice president of finance and administration, the vice president of student affairs, the associate vice president for human resources and faculty relations, the athletic director, the director of auxiliary operations, the manager of employment services,

¹⁴ Independent camp organizers contract with the university to use the university's facilities for a fee. Edinboro uses the profits generated from these camps to help fund the university's various athletics programs.

**Edinboro University of Pennsylvania
Pennsylvania State System of Higher Education**

the chief of police, and the associate director of residents' life and housing.

Additionally, we conducted a telephone interview with the PASSHE chief counsel and assistant counsel assigned to Edinboro to obtain their interpretation of the university's legal responsibilities and obligations regarding the protection of minors participating in camps held on the university's property. We also discussed the provisions of the contracts Edinboro used with camp organizers during the 2011 and 2012 summer seasons.

We reviewed personnel records for each of the Edinboro employees who worked with minors at summer camps to determine if the university obtained required background checks. Specifically, we examined the records for the 32 student employees who worked at the 2011 summer camps. We also examined the records for the 153 individuals who worked at the summer camps during 2012. These 153 individuals included the following: 40 university employees, 97 student employees, and 16 volunteers.

Finally, we reviewed 31 of the 36¹⁵ contracts that the university had signed with organizers of summer camps during 2012 to determine if the camp organizers had documented that all three required background checks were obtained for all employees and volunteers employed by the camp sponsor.

Finding 1

Edinboro University failed to ensure that all university employees affiliated with camps had obtained appropriate background checks during the 2011 youth camp season. Edinboro improved its efforts in 2012, but some employees still did not have all required background checks.

In January 2009, Edinboro developed a policy requiring new employees to obtain an Act 34 criminal background check prior to employment.¹⁶ For those new employees who the university hires to work in the education department, an Act 151 child abuse clearance is needed in addition to the Act 34 criminal background check. The university requires an Act 151

¹⁵ At the time of our audit work, five camps had not yet been held; thus their contracts were not finalized.

¹⁶ Employees hired before the effective date of this policy are exempt, thus not required to obtain the criminal background check.

**Edinboro University of Pennsylvania
Pennsylvania State System of Higher Education**

clearance from education department employees because those employees regularly interact with children while supervising student teachers.¹⁷

With regard to summer camps, Edinboro required the Act 34 criminal background check and the Act 151 child abuse clearance. The university did not require the Act 114 federal criminal background check for any of its employees.

As we stated earlier, Edinboro hosted 33 athletic and educational youth camps during the summer of 2011 and 36 camps in 2012. While the independent camp organizers used their own employees and volunteers as camp instructors, Edinboro University employees from the resident life and athletics departments as well as student employees and volunteers had direct contact with the children who participated in these camps.

We reviewed the extent to which Edinboro University conducted background checks on its employees and volunteers for the 2011 and 2012 summer camps. We found that for the 2011 camps, background checks were completed only on student workers and not on university employees or volunteers who worked at the youth camps. Furthermore, we found:

- 11 of the 32 student workers did not have an Act 34 criminal background check
- 7 of the 32 student workers did not have an Act 151 child abuse clearance

When we discussed the missing background checks with Edinboro University officials, they stated that the university should have obtained both the criminal background check and the child abuse clearance for the 32 student workers, but the university “dropped the ball” and failed to obtain all necessary background checks. Further, the university did not require other employees or volunteers who worked at the summer camps to obtain any background checks.

For the 2012 summer camps, Edinboro made a procedural change to obtain background checks for its regular employees and volunteers who worked at the summer camps in addition to conducting those checks on the student workers. Edinboro’s human resources department stated that 153 individuals worked at the youth camps during the summer of 2012.

¹⁷ Edinboro uses a private company, Justifacts, to conduct the Act 34 criminal background check as well as a social security tracking search and a motor vehicle record search. The Department of Public Welfare completes the Act 151 child abuse clearances.

**Edinboro University of Pennsylvania
Pennsylvania State System of Higher Education**

The table below shows the extent to which the university obtained the required background checks on those individuals.

Number of background checks conducted on university personnel working at youth summer camps Summer of 2012		
	<u>Act 34</u> Criminal background check	<u>Act 151</u> Child abuse clearance
40 Regular employees	39	38
97 Student workers	95	93
16 Volunteers	16	7

As evidenced by the table above, during the 2012 summer camp season, Edinboro University made improvements in obtaining required background checks on all university-affiliated personnel who worked at youth summer camps held on Edinboro property. However, the university still failed to ensure complete compliance with all background checks requirements.

When we discussed the 2012 missing background checks with university officials, they stated that individuals either failed to submit the required information or the persons submitted incomplete paperwork. Despite these missing background checks, Edinboro University still allowed these individuals to work with youth at the summer camps. The university's failure to obtain all required background checks could affect the university's ability to provide a safe environment for its students, faculty, staff, and visitors, including youth who attend summer camps.

**Recommendations
for Finding 1**

1. Edinboro University should ensure that it obtains Act 34 criminal background checks and Act 151 child abuse clearances for *all* regular employees, student employees, and volunteers who work at the summer camps held on Edinboro property.
2. Edinboro University should establish a written policy that states that Act 34 criminal background checks and Act 151 child abuse clearances must be obtained before anyone can work or volunteer at the summer youth camps.

**Edinboro University of Pennsylvania
Pennsylvania State System of Higher Education**

3. Edinboro University should obtain all missing background checks for current employees affiliated with the summer camps.

**Management
Response****Written comments provided by Edinboro University
management:**

The University has amended its procedures to require background checks and child abuse clearances [to be] conducted for employees and volunteers that work at the summer camps held on Edinboro property. The University will also obtain missing background checks for current employees affiliated with the summer camps.

Finding 2**Edinboro University's contract with outside youth camps did not adequately ensure that camp employees had obtained the required background checks, which could place the children attending these camps at risk.**

As we stated earlier, private camp organizers who hold youth camps on Edinboro University property enter into contracts with the university on the use of equipment and university facilities such as dormitories, dining halls, practice fields, and recreational areas for a fee. The camp organizers are responsible for supplying their own employees and volunteers to function as instructors for the camps. Edinboro hosted 33 camps in 2011 36 camps in 2012.

We reviewed the contract that Edinboro signed with summer camp organizers during 2011 and found that the contract did not require organizers of private camps to provide proof that they obtained Act 34 criminal background checks, Act 151 child abuse clearances, and Act 114 federal criminal background checks for all individuals associated with the private camps.

When we discussed the 2011 contract initially with university officials in early 2012, they stated that they believed it was not practical to require each private camp to obtain the three background checks on each of the contractor's camp employees. However, when we had follow-up discussions on the 2011 contract with university management, the athletic

**Edinboro University of Pennsylvania
Pennsylvania State System of Higher Education**

director indicated that the university would be changing the contract for the 2012 summer camps.

In April 2012, Edinboro revised the summer camp contract making it effective for the 2012 summer camps. This revision required the private camp organizers to guarantee that all camp workers and volunteers would have the three required background checks completed prior to working with the children at the summer camps.

In addition, the 2012 contract included a new rider (Rider D) that required the camp sponsor to sign a verification form showing that the sponsor had ensured that all camp-affiliated employees and volunteers who would have direct contact with children had obtained the three required background checks and were cleared to work with minors. Further, this contract rider required the camp organizers to include a list of all employees and volunteers along with the signed verification to the university prior to the start of the camp.

To determine the extent to which these new changes were actually implemented for the 2012 summer camp contracts, we reviewed 31 of the 36 camp contracts. In our review, we found that each of the 31 contracts had a signed verification (Rider D) stating that the sponsor completed the required background clearances on all of their camp-affiliated employees and volunteers.

However, we found that two of the camp contracts did not contain the required list of the names of all employees and volunteers associated with the camps. In those two cases, the same camp organizer ran the camps. In these cases the camp organizer stated merely that “all employees and volunteers have appropriate clearances on file (in the camp vendor) office.” The university’s athletic director accepted this statement and did not ask the organizer to provide the detailed listing of the two camps’ affiliated individuals, as required by Rider D.

We asked the university’s athletic director why he accepted this general statement from the camp organizer for these two camps and did not obtain the full paperwork required in the contract. He stated that he asked the camp organizer for this general statement because the list of names of camp employees and volunteers was over 100 for each of the two camps.

We disagree with Edinboro in these two cases and believe that Edinboro should fully execute each provision of the contract.

**Edinboro University of Pennsylvania
Pennsylvania State System of Higher Education**

Along those lines, while Edinboro had strengthened its contract with camp organizers for the 2012 summer camps, we found that this contract did not place enough responsibility on the university to ensure all background clearances were obtained on individuals associated with the camps.

While the 2012 contract required camp organizers to ensure that their workers had the required background checks, the contract did not require Edinboro to verify that the camp organizers actually obtained all required background clearances. Further, the contract did not require the camp organizers to provide copies of all background checks to Edinboro so that the university itself could review and approve the background checks.

We discussed our concerns regarding the 2012 contract's shortcomings with the PASSHE chief counsel and assistant counsel assigned to Edinboro, as well as other Edinboro officials, in a July 12, 2012, teleconference call. These officials believed that Edinboro must only receive written confirmation from camp organizers that required background checks are on file as a matter of ensuring the university follows the basic elements of the law.

We followed up that discussion with the university's vice president of finance and administration on July 31, 2012, to obtain his view on whether Edinboro staff, such as human resources personnel or the athletic director, should obtain and review the background checks of camp employees. He stated that, beginning in the 2013 camp season, Edinboro will require all camps to forward copies of all background checks and clearances of all camp-affiliated employees and volunteers to the university for verification, and this requirement would be incorporated into a new contract for the 2013 camps.

PASSHE's legal counsel, in early August 2012, stated that the contract would indeed be amended in 2013 to require camp organizers to provide Edinboro with copies of all background checks. Legal counsel from PASSHE provided us with the following language that will be added to the 2013 contract:

3.4 Criminal and Child Abuse History Clearances. Four weeks prior to the use of Edinboro's facilities, the User shall provide to [the,] athletic director, copies of criminal history background checks required by the Pennsylvania Department of Education pursuant to 24 P.S. §1-111, as amended, as follows:

1. Pennsylvania State Police Request for Criminal Records Check (Act 34).

**Edinboro University of Pennsylvania
Pennsylvania State System of Higher Education**

2. Department of Public Welfare Child Abuse History Clearance (Act 151).
3. Federal Criminal History Record Information (CHRI) in a manner prescribed by the Department of Education.

Social security numbers shall be redacted from the documentation submitted. Documentation shall be submitted using the form attached hereto as Rider D.

Our legal counsel requested that this section be clarified as follows;

3.4 Criminal and Child Abuse History Clearances. Four weeks prior to the use of Edinboro’s facilities, the User shall provide to [the,] athletic director, copies of criminal history background checks and child abuse clearances required by the Pennsylvania Department of Education pursuant to 24 P.S. §1-111, as amended, which will be reviewed and verified by Edinboro to ensure that the User's employees and volunteers do not have any disqualifying convictions or adjudications...

In response, the legal counsel for Edinboro indicated that while Edinboro’s management was in agreement with adding the words “and child abuse clearances” as we had suggested, it was not willing to add language to the contract regarding its review and verification of the background checks because it is “not in the practice of adding language regarding its own internal practices” to university agreements. Edinboro legal counsel was also concerned that adding the language might give the camp organizers the impression that “**only** Edinboro is responsible for conducting such review and verification.”

We agree with Edinboro’s legal counsel that **both** the camp organizers (*see* Rider D) and Edinboro management have the responsibility for the review and verification of the documentation. We continue to assert that the contract should clearly indicate that Edinboro will review the camp organizers’ submitted background checks. Such contract language would place responsibility for the safety and welfare of the children who attend camps on the university. This language would not take away the camp organizers’ responsibility for ensuring all required background checks were obtained.

**Edinboro University of Pennsylvania
Pennsylvania State System of Higher Education**

Recommendations for Finding 2	<p>4. Edinboro University should ensure that it amends the contract it will use for the 2013 youth summer camps held on its property by outside parties to include the requirement that copies of all background checks conducted on the camp organizer's camp-affiliated employees are forwarded to the university prior to the start of each camp and that university officials will review these background checks.</p> <p>5. Edinboro University should review each background check that is forwarded to it by camp organizers to verify and ensure that all organizers' employees and volunteers do not have any disqualifying convictions or adjudications.</p>
--	--

**Management
Response**

**Written comments provided by Edinboro University
management:**

Although Edinboro University is not an entity covered by the laws referenced above, it has made a policy decision to amend its procedures to require background checks to be conducted on the camp organizer's camp-affiliated employees and volunteers, and to send the University copies of the documentation for review and verification.

**Edinboro University of Pennsylvania
Pennsylvania State System of Higher Education**

Finding 3 Edinboro University did not obtain Act 114 federal criminal background checks for university employees affiliated with youth summer camps in 2011 or 2012.

As we discussed in Finding One, Edinboro University obtained Act 34 criminal background checks and Act 151 child abuse clearances on its employees, student workers, and volunteers who worked with minors at youth camps during the summer of 2012. In 2011, Edinboro had obtained those background checks only on the student workers.

Even though Edinboro increased its background check efforts for the 2012 youth summer camps, the university still did not obtain Act 114 federal criminal background checks on employees, student workers, and volunteers affiliated with youth summer camps.

When we discussed the lack of Act 114 federal criminal background checks, university officials stated that since the PASSHE policy does not address the need for an Act 114 check explicitly, the university believed it was not required to obtain the Act 114 check.

We believe that Edinboro should obtain Act 114 federal criminal background checks for all persons working with minors at the summer camps. Because Act 114 federal criminal background checks are required by the Public School Code for persons working with minors in school settings, those same minors should have the same level of protection when participating in youth camps on university property.

Including the Act 114 federal criminal background check into its background clearance procedures will allow Edinboro to obtain all background data available on individuals and to fully screen all employees. Further, including Act 114 federal criminal background checks will add another measure to Edinboro University's efforts to provide a safe environment for its students, faculty, staff, and visitors, including youth who attend summer camps.

-
- Recommendations for Finding 3**
6. Edinboro University should establish a written policy that states that Act 114 federal criminal background checks must be obtained before anyone can work or be a volunteer at the summer youth camps.

 7. Edinboro University should obtain Act 114 federal criminal

**Edinboro University of Pennsylvania
Pennsylvania State System of Higher Education**

background checks on all regular employees, student employees, and volunteers who work at the summer camps held on Edinboro property in compliance with its written policy.

**Management
Response**

**Written comments provided by Edinboro University
management:**

The University has amended its procedures to require Act 114 federal criminal background checks on University employees, student employees, and University volunteers that work at the summer camps held on Edinboro property.

**Edinboro University of Pennsylvania
Pennsylvania State System of Higher Education**

**Audit Results
for
Objective
Two**

The objective

Objective two for our performance audit was to review the various fees charged to students and to determine whether Edinboro used the collected fees for their intended purposes.

Student Fees

Relevant laws, policies, and agreements

Act 188 of 1982, which established the State System, includes the powers and duties of the council of trustees and the president at each university. Specifically, the act enables the council of trustees at each university to review and approve charges for room and board and other fees except student activity fees. Further, the act enables each university's president, in conjunction with the student association, to fix student activity fees and supervise the collection, retention, and expenditure of such fees.

The State System student fees policy delineates between the purposes of tuition and other fees, provides clarity regarding the purposes of the fees for which students are assessed, and limits the use of various miscellaneous fees for instructional purposes.

A memorandum of understanding between Edinboro University and the student government association, dated December 2, 2010, establishes a formal relationship between the two parties. As part of that memorandum of understanding, the student government association agrees to support the university through the acceptance of student activity fees for the university and to administer and disburse the fees to various student organizations, clubs, and activities.

Scope and methodologies to meet our objective

The scope of our work for this objective was academic year 2008-09 through academic year 2010-11.

There are two types of fees: mandatory¹⁸ fees and user services fees.¹⁹ The mandatory fees are charged to each student's account at the beginning

¹⁸ There are five mandatory fees: activity fee, health fee, university center fee, technology fee, and instructional service fee.

¹⁹ There are 10 user services fees: registration fee, orientation fee, graduate/diploma fee, late registration fee, infirmary fee, other health center fee, other miscellaneous student fee, drop course fee, credit by test fee, and class fee.

**Edinboro University of Pennsylvania
Pennsylvania State System of Higher Education**

of the semester. The user services fees, which are based on student usage, are charged to students when the student incurs an applicable charge.

In examining how Edinboro spent fees, we focused the scope of our work on two mandatory fees—technology fee and the university center fee—and two user services fees—other miscellaneous student fee and class fee. We obtained and reviewed expenditure documentation related to these four fees collected. We selected these four fees for detailed analysis because they were recorded and deposited in their own separate accounts rather than deposited into a general fund.

To accomplish this objective, we reviewed the State System enabling legislation and its legal requirements regarding the setting of fee rates and the use of those fees. We also obtained and reviewed the applicable PASSHE policies and Edinboro agreements discussed above to gain an understanding of the various fees charged to students.

We interviewed the university's bursar in order to obtain an understanding of the nature and profile for the various fees charged to students.

We interviewed the university's director of campus life and leadership development, the assistant to the vice president of student affairs, and the controller to gain an understanding of the established procedures Edinboro used when recording collected fees in the accounting system and when spending the fees.

We reviewed the council of trustees' minutes for meetings held on March 16, 2009, March 15, 2010, and March 14, 2011, in order to determine whether the council properly approved student fees, except for the student activity fee, prior to the start of the applicable academic years. To determine if the president, in conjunction with the student association, set the student activity fee, we reviewed correspondence among the vice president for student affairs, the president's office, and the student association.

We compared Edinboro's academic year 2011-12 mandatory fee rates to those of four other State System universities²⁰ to determine whether Edinboro's rates were comparable and reasonable in relation to the fees of the other universities.

²⁰ The four PASSHE universities were Slippery Rock, Indiana, California, and Clarion.

**Edinboro University of Pennsylvania
Pennsylvania State System of Higher Education**

Finding 4

Edinboro University approved student fee rates as required and established mandatory fee rates that were comparable to those rates charged at other State System universities.

As stated above, the university's council of trustees is required to review and approve rates for the various fees charged to students prior to the beginning of each academic year. To determine if Edinboro University's council of trustees approved fee rates in academic years 2008-09 through 2010-11, we examined the council's meeting minutes during each of those three years. We found that the trustees properly reviewed and approved the fees rates as required.

In our review of correspondence among the vice president for student affairs, the president's office, and the student association, we found that Edinboro established the student activity fee as required. We also saw that the university's president informed the council of trustees of the student activity fee rate.

PASSHE's Board of Governors set the technology fee for each of the 14 state-owned universities.

In addition, we compared the rates established by Edinboro for its five mandatory fees to those rates charged at four other State System universities during academic year 2011-12. These four universities were selected because they are in the western part of the state like Edinboro. Our comparison of the mandatory fee rates revealed that Edinboro University's rates were comparable to the fees charged at the other four PASSHE universities, as shown on the following table.

**Edinboro University of Pennsylvania
Pennsylvania State System of Higher Education**

Comparison of Edinboro's mandatory fee rates with those of four other universities Academic year 2011 – 12					
Mandatory Fee Category	Edinboro University	Slippery Rock University	Indiana University	California University	Clarion University
Instructional services fee	\$329.00	\$312.00	\$329.00	\$330.00	\$312.00
University Center Fee	260.00	198.50	a/	270.00	206.00
Health Fee	95.00	137.50	160.00 ^{b/}	85.00	112.00
Student Activity Fee	201.50	147.00 ^{c/}	275.50	158.00	178.00
Technology Fee	174.00	174.00	174.00	174.00	174.00
<p>a/ We did not find a university center fee or any similar fee listed on Indiana University's website at the time of our audit.</p> <p>b/ Each university sets its own health fee. Indiana University opened a new Center for Health and Well-Being in the Fall 2008 semester.</p> <p>c/ We did not find a fee labeled "student activity fee" at Slippery Rock; however, the university charged a \$87 recreation fee and a \$60 student life enhancement fee.</p>					

Finding 5 Edinboro University used collected fee revenues for intended purposes. However, the university failed to issue refunds to students when it charged those students a class fee that exceeded the cost of the trip that the fee was intended to cover.

We examined the extent to which the university used fee revenues for their intended purposes. Our examination focused on four fee categories because these fees were recorded and deposited in their own separate accounts rather than deposited into a general fund.

**Edinboro University of Pennsylvania
Pennsylvania State System of Higher Education**

The four fee categories that we selected for review were the technology fee, the other miscellaneous student fee, the university center fee, and the class fee. Our findings related to each of these four fee categories follows.

Technology Fee

The technology fee is a mandatory fee charged to all students, which is set by PASSHE's Board of Governors for all the state-owned universities. This fee is used to improve the university's technology resources and services to enhance student experiences. During academic year 2010-11, the technology fee was \$116, and the university collected \$2,047,217 in fee revenues.

Technology expenditure requests must be approved by the university's technology committee. Once approved by the committee, the request is processed through the normal university purchasing procedures.

We randomly selected 29 technology expenditures, which amounted to \$449,978, and examined documentation supporting those purchases to determine if they were for technology resources and services. We found that all of these selected expenditures met the defined purpose of the technology fee. The examined expenditures were for Internet services, media and computer equipment upgrades and technical support personnel.

University Center Fee

The university center fee, which is a mandatory fee, is used to fund the fitness and recreation activities at Edinboro's student center. The fee is also used to make debt service payments for the center and to maintain a reserve balance for future projects such as HVAC replacements or upgrades. Further, fee revenues are used for the university center's operations and maintenance. During academic year 2010-11, the university charged \$250 for this fee, and it collected \$3,242,240 in fee revenues.

Expenditures from the university center fee account must be approved by two supervisors, and depending on the level of expenditures the approval can go as high as the vice president for student affairs. Once approved by the supervisors, the request is processed through the normal university purchasing procedures.

As part of our audit work, we examined 13 of the 262 expenditures that the university made using this fee during academic year 2010-11. The total cost of these 13 expenditures amounted to \$25,895. We found that

**Edinboro University of Pennsylvania
Pennsylvania State System of Higher Education**

these expenditures were for sports equipment, rental of audio equipment, staff training, repairs and upgrades to center computer equipment, and recreational supplies, all of which were consistent with the established intent of the fee.

Other Miscellaneous Student Fees

The other miscellaneous student fees category is a fee-for-service charged to disabled students for additional services provided to those students to enhance their college experience. Some of the additional services provided to disabled students are personal care, van transportation, learning disability tutors, and medical assistants. During academic year 2010-11, the university collected \$173,858 in fee revenues.

University officials stated that the revenue from this fee is combined with grant funds the university receives in order to make payroll payments to staff that provides assistance to disabled students. Examples of this staff are personal care aides, mobility van drivers, and tutors.

We examined 15 expenditures totaling \$56,113 that the university made using this fee during academic year 2010-11. We found that these expenditures were for occupational and speech therapy personnel, medical supplies, transportation, and tutoring, all of which were consistent with the established intent of the fee.

Class Fees

The class fees category is a fee charged to students enrolled in courses that require travel as part of the curriculum, such as off-campus fieldwork or study-abroad programs. There is no one set rate for this fee; rather, it varies by course. For each course in which a class fee is charged, the university calculates the fee at the beginning of the semester based on the *estimated* travel costs applicable to the travel destination at that time. The rate of the class fee is set so that it covers the travel costs. The university collects the fees from the students at the beginning of the semester and reserves them in a restricted account for the cost of the travel.

As part of our audit work, we examined class fees collected in academic year 2010-11 for four different trips. The following table shows the fees collected and the trip expenses for these four trips.

**Edinboro University of Pennsylvania
Pennsylvania State System of Higher Education**

Edinboro University Class fees collected and expenses incurred for four trips Academic year 2010 – 11				
Class destination	Number of students	Fees collected	Total trip expenses	Over charged (Under charged)
Mexico	17	\$43,000	\$33,706	\$9,294
Hawaii	8	\$18,200	\$19,274	(\$1,074)
Poland	6	\$13,500	\$14,183	(\$683)
Philadelphia	22	\$11,300	\$16,497	(\$5,196)

As shown in the table above, Edinboro did not set the class fee high enough for the trips to Hawaii, Poland, and Philadelphia. In these three cases, students were actually undercharged for the cost of the trip. When we asked university officials how it paid for the trip costs that exceeded the class fee revenues, they stated that the bulk of additional expenses were offset with a \$5,000 university grant. The remaining balance for these trips was paid from the university's educational and general fund.

However, in the case of the trip to Mexico, the class fee paid by the 17 students taking the trip exceeded the trip's cost by \$9,294 or \$547 per student. When we discussed the excess class fee for this trip with university officials, they stated that they set the fee based on cost estimates determined at the beginning of the semester, but when arranging the trip, they could take advantage of lower airfare rates and other discounts that reduced the overall cost of the trip. However, the university did not refund the excess funds to the students who paid the higher fee. University officials stated that the university believed it was under no obligation to refund students for the excess fees collected.

Conclusion

Based on our work, we determined that Edinboro used class fee revenues for their intended purposes, but the university failed to refund students for an overcharge. If students enroll in courses requiring trips, the cost of the trips should be the responsibility of the students, not the university. Conversely, students should not be charged fees that exceed the actual cost of the individual student's travel. The overcharge results in a financial benefit to the University.

**Edinboro University of Pennsylvania
Pennsylvania State System of Higher Education**

Because the purpose of the class fee is for the fee revenues to cover the cost of trips, the university should refund students if it overcharges them. Likewise, in those cases where the trip costs exceed the fees collected, the university should charge the students for the additional costs. Because it could be difficult for the university to know all actual costs when planning a trip, the university should reconcile the actual costs to the fees collected once the trip is completed. Further, the university should make students aware of this reconciliation when it first collects the trip fee from the students.

**Recommendations
for Finding 5**

8. Edinboro University should review the excess fees charged to the 17 students who participated in the Mexico trip and refund each student the \$547 it overcharged them in class fees for the trip.
9. Edinboro University should review the total cost per student for each trip and compare that amount to the class fees collected and then make the appropriate adjustment—either through charging an additional fee or refunding an excessive fee.

**Management
Response**

**Written comments provided by Edinboro University
management:**

The University has amended its procedures to review the total cost for each trip and reconcile charges and credits in accordance with the estimated travel costs. Beginning in the 2013 fiscal year, reasonable adjustments will be made, if appropriate, either by additional fees or refunding credit balances.

**Edinboro University of Pennsylvania
Pennsylvania State System of Higher Education**

**Status of
Prior Audit**

The prior audit of Edinboro University covered the period July 1, 2006, to January 8, 2010, and contained six findings and updates to four prior audit findings. However, only two of the findings contained recommendations. The recommendations pertained to the university's procedures for limiting the exposure of student social security numbers and the maintenance work order system. A summary of the findings, their accompanying recommendations, and the status of Edinboro University's implementation of the recommendations are presented below.

To determine the status of the implementation of the recommendations made during the prior audit, we held discussions with appropriate university personnel and performed tests as part of, or in conjunction with, the current audit.

Prior Finding 1 Edinboro University did not adequately limit the exposure of student social security numbers. (Resolved)

Our prior audit reported that, in January 1999, Edinboro University discontinued its use of the student social security number as the primary identifier for university-related transactions. Instead, each student received a unique, eight-digit identification number upon admission.

In March 2006, the university reviewed its student identification system to ensure the confidentiality of student social security numbers. Because the university's review noted that the student identification system did not sufficiently restrict access to student social security numbers, the university requested corrective updates from the system's vendor.

The university subsequently tested the corrective updates but did not implement a corrective update developed by the vendor. Additionally, the university did not establish its own formal policy regarding the protection of student social security numbers.

We recommended that Edinboro University review all aspects of all student information systems, limit employee access to student social security numbers, and adopt the necessary security measures to ensure the confidentiality of personal information. These measures should include the establishment of relevant policy and procedures.

In response to our audit, the university stated that it did not request corrective updates from the system vendor. Rather, Edinboro University planned to implement another version of the student identification system

**Edinboro University of Pennsylvania
Pennsylvania State System of Higher Education**

by the end of May 2009. This version would enable masking of specific fields down to the individual level and limit exposure of the social security numbers to only those employees who have a business purpose for accessing them.

Status as of this audit. During our current audit, we found that Edinboro University addressed the necessary security measures to ensure the confidentiality of students' social security numbers. An updated version of the student identification system was purchased and implemented in May 2009. The new system adequately restricts access to student social security numbers. We also found that Edinboro University implemented policies and procedures to further limit access to student personal information.

As a result of our work in the current audit, we concluded that Edinboro implemented our prior audit recommendations.

Prior Finding 3 Edinboro University's work order system required improvement. (Resolved)

Our audit report dated April 11, 2007, for the period July 1, 2004, to July 28, 2006, revealed that Edinboro University did not effectively administer its maintenance work order system. Edinboro had not developed comprehensive written policies and procedures to govern its maintenance operations.

We found that maintenance work orders were not prioritized nor were the costs of materials and supplies for each work order calculated on a consistent basis. In addition, Edinboro's work order software did not separate unique repair orders from recurring preventative maintenance work orders.

We recommended that Edinboro management develop and enforce comprehensive policies and procedures to govern its maintenance operations. Also, we recommended that management consistently monitor open work orders to ensure timely completion. Finally, we recommended that maintenance management routinely update the work order system to reflect accurate status of all work orders.

Our prior audit for the period July 1, 2006, to January 8, 2010, reported that Edinboro did not implement the recommendations made in our report dated April 2007. We found that Edinboro drafted a maintenance work

**Edinboro University of Pennsylvania
Pennsylvania State System of Higher Education**

order policy but never implemented it. We examined a draft of the policy and found that it did not address the documentation of work order prioritization, approvals, inspections, or labor hours and material costs.

We again recommended that Edinboro management develop and enforce comprehensive policies and procedures to govern maintenance operations. We emphasized that the guidelines should require maintenance employees to document job priorities, approvals, inspections, and material costs. Finally, we again recommended that maintenance management consistently monitor open work orders to ensure timely completion.

In response to our audit, Edinboro management only indicated their intent to procure a new web-based maintenance management system. Their response did not address any of the other concerns that we reported.

Status as of this audit. During our current audit, we found that Edinboro purchased and implemented a new electronic work order system in January 2012. Edinboro management stated that all phases of the system are scheduled to be operational by the fall of 2013. In October 2012 Edinboro's management implemented the first phase of a policy regarding maintenance work order operations. Additionally, we found that open work orders are reviewed by Edinboro's maintenance management in order to ensure the timely completion of all requested work.

Based on our review, we concluded that the university is in the process of implementing our prior audit recommendations. We will monitor the university's full implementation of the new electronic work orders system in future audits.

**Edinboro University of Pennsylvania
Pennsylvania State System of Higher Education**

**Audit Report
Distribution
List**

The Honorable Tom Corbett
Governor

The Honorable Robert M. McCord
State Treasurer
Pennsylvania Treasury Department

Dr. Peter Garland
Acting Chancellor
Pennsylvania State System of Higher Education

James Dillon
Vice Chancellor for Administration and Finance
Pennsylvania State System of Higher Education

Dean Weber
Director of Internal Audits
Pennsylvania State System of Higher Education

Edinboro University of Pennsylvania
Dr. Julie E. Wollman
President

*This report is a matter of public record and is available online at www.auditorgen.state.pa.us.
Media questions about the report can be directed to the Pennsylvania Department of the Auditor
General, Office of Communications, 231 Finance Building, Harrisburg, PA 17120; via email to:
news@auditorgen.state.pa.us.*