

**Commonwealth of Pennsylvania**  
**State System of Higher Education**  
**Cheyney University of Pennsylvania**  
**July 1, 2004, to August 23, 2007**  
**Performance Audit**





**Commonwealth of Pennsylvania**  
**State System of Higher Education**  
**Cheyney University of Pennsylvania**  
**July 1, 2004, to August 23, 2007**  
**Performance Audit**



August 15, 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 Cheyney University of Pennsylvania of the State System of Higher Education for the period July 1, 2004, through August 23, 2007. The audit is authorized under the provisions found in Act 1880 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 the 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 report contains findings on control weaknesses for Cheyney's fire safety program, mechanical and stores inventory control, fixed asset control, computer security, and faculty workload requirements. There was a lack of supporting documentation for service purchase contracts, credit card purchases, travel expenditures, cancelled and relocated classes, and the Student Government Cooperative Association, Inc.'s meetings and budgets. Finally, delays continued in posting parking fines, student academic record-keeping deficiencies continued, and mathematics prerequisite requirements were not enforced. The contents of the report were discussed with the officials of the institution and all appropriate comments are reflected in the report.

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

Sincerely,

**JACK WAGNER**  
Auditor General



# Table of Contents

	Page
<b>Background Information .....</b>	<b>1</b>
State System of Higher Education .....	1
Cheyney University.....	2
<b>Objectives, Scope, and Methodology .....</b>	<b>4</b>
<b>Audit Results .....</b>	<b>8</b>
Fire Safety .....	8
Finding 1 – Deficiencies continue with Cheyney’s fire safety program.....	8
Employee Compensation.....	10
Finding 2 – One faculty member did not meet the workload requirements.....	10
Finding 3 – Cheyney management employee salaries were within the State System guidelines. ....	11
Financial Accounting Activity .....	12
Finding 4 – Supporting documentation for service purchase contracts was still not maintained. ....	12
Finding 5 – Cheyney should improve record keeping of credit card purchases. ....	14
Finding 6 – Cheyney should improve record keeping for travel expenditures. ....	15
Finding 7 – Mechanical and stores inventory control deficiencies continued. ....	16
Finding 8 – Cheyney fixed assets were not adequately controlled. ....	17
Finding 9 – Computer security should be increased. ....	18
Finding 10 – Delays continue in posting parking fines to student accounts.....	19
Student Activity.....	20
Finding 11 – Student academic record-keeping deficiencies continued. ....	21
Finding 12 – Cheyney again failed to enforce its mathematics prerequisite requirements. ....	22
Finding 13 – Cheyney did not document cancelled and relocated classes. ....	25
Finding 14 – Cheyney student athletes met minimum NCAA academic requirements. ....	27
Finding 15 – The Student Government Cooperative Association, Inc. could not provide documentation to support that all meetings were held and all budgets were prepared.....	27
<b>Status of Prior Audit Findings and Recommendations.....</b>	<b>29</b>
Educational Opportunities.....	29
Prior Finding I-2 – Additional funding is needed for the Higher Education Equal Opportunity Act program. ....	29
Prior Finding I-3 – Cheyney implemented a plan to improve the success rate on the Praxis Series exams. ....	29

# Table of Contents

	Page
Prior Finding I-4 – Cheyney’s graduate program met the Department of Education requirements. ....	30
Class Placement and Scheduling .....	30
Prior Finding III-2 – Student academic record-keeping was deficient.....	30
Prior Finding III-3 – Cheyney did not enforce its prerequisites for mathematics courses.....	31
Recurring Deficiencies .....	31
Prior Finding VI-1 – Cheyney’s fire safety program was inadequate.....	31
Prior Finding VI-2 – Cheyney again failed to address student accounts receivable credit balances. ....	32
Prior Finding VI-3 – Mechanical and stores inventory control deficiencies continued.....	32
Prior Finding VI-4 – Parking fines were not always forwarded to the bursar’s office for posting.....	33
Financial Transactions.....	33
Prior Finding VII-1 – Supporting documentation for service purchase contracts, credit card purchases, and travel expense reimbursements were not always maintained.....	33
Fixed Assets.....	34
Prior Finding VIII-1 – Cheyney’s fixed assets were not adequately controlled.....	34
<b>Audit Report Distribution List .....</b>	<b>35</b>



## **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 (State System), and the institutional designations of the state colleges were changed to universities effective July 1, 1983.<sup>1</sup> Today, the State System comprises 14 universities, 4 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 for 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.

---

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

## **Background Information**

### **Cheyney University**

Founded in 1837 as the Institute for Colored Youth, Cheyney University of Pennsylvania is the oldest of the Historically Black Colleges and Universities in America. The Institute began in Philadelphia, successfully providing free classical education for qualified young people. In 1902, the Institute moved to its current location in Chester and Delaware counties approximately 25 miles west of Philadelphia. The following key dates coincide with Cheyney's name changes:

- 1913-Cheyney State Teachers College
- 1921-State Normal School at Cheyney
- 1951-Cheyney State Teachers College
- 1959-Cheyney State College
- 1983-Cheyney University of Pennsylvania<sup>2</sup>

The University's mission is "to prepare confident, competent, reflective, visionary leaders and responsible citizens. We uphold our tradition of academic excellence as we maintain our historical commitment to opportunity and access for students of diverse backgrounds. Cheyney University provides a nurturing, intellectually challenging and socially enriching environment."<sup>3</sup>

The university is academically accredited by the Middle States Association of Colleges and Schools. Academic programs are also individually accredited by the appropriate professional organizations.

---

<sup>2</sup> Cheyney University Web Site <http://www.cheyney.edu/pages/index.asp?p=428>, as of October 10, 2007.

<sup>3</sup> Cheyney University Web Site <http://www.cheyney.edu/pages/index.asp?p=277>, as of October 4, 2007.

## **Background Information**

The Joint State Government Commission compiled the following selected unaudited operating statistics for the fiscal years ended June 30, 2005, 2006 and 2007.<sup>4</sup>

Data/ Location	2005	2006	2007
Full-Time Equivalent Students (FTE's):			
Cheyney University			
Undergraduate	1,430	1,486	1,575
Graduate	<u>118</u>	<u>217</u>	<u>168</u>
Total	<u>1,548</u>	<u>1,703</u>	<u>1,743</u>
State System of Higher Education			
Undergraduate	89,650	91,766	92,678
Graduate	<u>9,677</u>	<u>10,446</u>	<u>10,366</u>
Total	<u>99,327</u>	<u>102,212</u>	<u>103,044</u>
Full Time Equivalent Instructional Faculty:			
Cheyney University	105	121	133
State System of Higher Education	5,155	5,258	5,366
Degrees Conferred			
Cheyney University	192	197	199
State System of Higher Education	20,010	21,038	21,945
State Instruction Appropriations (rounded in millions)			
Cheyney University	\$13,000	\$12,038	\$12,029
State System of Higher Education	\$428,866	\$443,295	\$462,955

<sup>4</sup> <http://jsg.legis.state.pa.us/2008%20instructional%20output.pdf>.

## *Objectives, Scope, and Methodology*

We selected the objectives for the current audit from the following general areas: fire safety; employee compensation; financial accounting management, including procurement, inventory and fixed assets, and parking fines; student services; and student organizations. In addition, we determined the status of the recommendations made during the prior audit of Cheyney. The specific objectives for this audit were:

- To determine if Cheyney established fire safety precautions designed to safeguard students, staff and assets, and to minimize the destructive effects of fire. (Finding 1)
- To ensure that faculty members met the required workload hours required by the collective bargaining agreement. (Finding 2)
- To evaluate the methods for compensating management employees and to test compliance with State System policy. (Finding 3)
- To determine Cheyney compliance with State System and internally established procurement policies and procedures, including procedures for monitoring credit card use, maintaining records, performing credit card statement monthly reconciliations, and employee compliance with applicable travel policies and procedures. (Findings 4, 5 and 6)
- To determine if Cheyney established internal controls to safeguard mechanical and stores inventories effectively. (Finding 7)
- To determine if Cheyney complied with the State System and internal policies for controlling fixed assets, and to determine if Cheyney tracked low value assets such as personal computers valued at less than \$5,000. (Findings 8 and 9)
- To determine the corrective actions taken on the prior audit report recommendations for parking fine collections. (Finding 10)
- To determine if the university corrected deficiencies with prerequisite courses and student academic records. (Findings 11 and 12)
- To determine if classes were held according to the spring 2007 semester schedule. (Finding 13)

## *Objectives, Scope, and Methodology*

- To determine if Cheyney athletes complied with National Collegiate Athletic Association initial eligibility certification requirements and maintained minimum grade point averages as required. (Finding 14)
- To determine if the Student Government Cooperative Association, Inc. has maintained the level of improvements as noted in the prior audit. (Finding 15)

In addition, we verified the implementation of other recommendations made during the prior audit of the university regarding additional funding for the Higher Education Equal Opportunity Act program, improving the success rate on the Praxis Series exams, the Department of Education's requirements for Cheyney's graduate program, and the student accounts receivable credit balances.

The scope of the audit was from July 1, 2004, to August 23, 2007, unless indicated otherwise in the individual findings.

To accomplish our audit objectives, auditors reviewed Cheyney's fire safety policies and procedures, the smoking policy, the agreement between Association of Pennsylvania State College and University Faculties (APSCUF) and State System July 1, 2003, to June 30, 2007, Article 23, "Workload and Workload Equivalents," and the State System's management salary schedule and guide. Auditors also reviewed Board of Governors and Cheyney procurement procedures, as pertains to credit card usage, and travel reimbursement. Auditors also reviewed applicable State System and Cheyney fixed asset policies and procedures, and fixed asset related internal reports. Auditors also reviewed the 2005-2007 Undergraduate Catalog, the 2005-06 and 2006-07 "NCAA Division II Manual, Constitution, Operating Bylaws, Administrative Bylaws" and the Student Government Cooperative Association Constitution. Finally, auditors reviewed Cheyney's written response dated January 20, 2006, replying to the prior Auditor General's audit report.

Auditors interviewed various university management, staff and others including the Interim Chief of Public Safety, personnel from facilities, public safety and housing, a representative from the local county emergency call center, the Cheyney Human Resources Director and Human Resources personnel, Director of Business Support, Purchasing Agent, Acting Comptroller, personnel involved in the credit card process, Deputy Director of Facility Management, warehouse personnel, Director of Computer Services, public safety and bursar office personnel, the Registrar, Chairperson of the Mathematics Department, the Provost, Financial Aid Director for NCAA Compliance, and the SGCA faculty advisor. They also interviewed Cheyney personnel to obtain an updated understanding of the progress in implementing the prior audit's recommendations and other corrective action to resolve the prior findings.

For determining Cheyney's progress in resolving fire safety concerns, the auditors toured campus residence halls, academic and administrative buildings, reviewed fire extinguisher inspection tags, and reviewed Cheyney's fire drill and room inspection schedules for the residence halls, and placed a test call using the county 911 emergency call system.

## **Objectives, Scope, and Methodology**

For the testing of faculty underload, auditors reviewed credit hours assigned to Cheyney faculty members for the 2006-2007 academic year and reviewed supporting documentation for release time authorized for Cheyney faculty members.

To test compliance with State System salary policy for compensation of administrative staff, auditors selected 20 of Cheyney's 48 management employees and compared the salaries of the selected employees to the guidelines established by the State System. Auditors also determined the status of former employees who continued to be paid after they left Cheyney employment.

For testing compliance with procurement policies and procedures, auditors examined 44 of the 225 contracts processed from July 1, 2005, through June 30, 2006, and reviewed invoices paid for 8 of the 44 contracts selected for testing. For credit card purchases, auditors reviewed 31 credit card transactions from a population of 154 transactions from July 1, 2004, through June 30, 2006. Auditors also determined if Cheyney performed monthly credit card statement reconciliations. For the testing of travel activity, auditors examined 64 travel expenditures from a population of 689 expenditures processed from July 1, 2004, through June 30, 2006.

For determining Cheyney's progress in resolving inventory control weaknesses identified in the two prior audits, auditors reviewed the segregation of duties of warehouse personnel, and reviewed inventory records.

For the testing of recurring fixed assets issues, the auditors made inquiries about the completion of the biennial physical inventory, about management progress in revising Cheyney University policy to require the reporting of lost, missing, or stolen assets to campus security, and the reporting of transferred assets to the fixed asset coordinator. Auditors also examined the fixed asset ledger for evidence that surplus, disposed, or stolen assets were recorded with diminished value or were removed from the ledger.

For the testing of recurring issues in parking fines, auditors reviewed a summary of parking citations issued from July 1, 2005, to June 30, 2006, and reviewed 61 parking fines that were issued to violators but had not yet been posted to the student accounts by the Bursar's office.

For the testing of recurring issues in Student Services, auditors performed testing on a sample of 51 of the 260 students who received a grade of "D" or "F" in four of the entry-level math courses<sup>5</sup> during the fall 2005, spring 2006, and fall 2006 semesters. They also reviewed repetitive class enrollment data.

For the testing of scheduled courses, auditors selected 75 of the 357 courses scheduled for spring 2007, and for the courses selected, auditors visited 184 class locations from April 10, 2007, through May 4, 2007.

---

<sup>5</sup> MAT 104 – Survey of College Mathematics (formerly Finite Math), MAT 105 – Mathematics for Teachers I (formerly Survey of Mathematics I), MAT 106 – Mathematics for Teachers II (formerly Survey of Mathematics II), and MAT 111 – Intermediate Algebra.

## **Objectives, Scope, and Methodology**

Auditors assessed compliance with National Collegiate Athletic Association student athletic financial assistance policies, and verified compliance for 73 of the approximately 370 athletic scholarships awarded for the 2004-05, 2005-06, and 2006-07 school years.

For the testing of recurring issues in the Student Government Cooperative Association, auditors reviewed available SGCA Board Meeting Minutes for the period September 2004 through May 2007, reviewed the audited financial statements for the years ended June 30, 2005 and 2006 and the SGCA Budget for the fiscal years ended June 30, 2005, through June 30, 2007.

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

## *Audit Results*

### **Fire Safety**

Cheyney is responsible for providing a safe learning environment for its students and a safe work environment for its staff. It is also responsible for protecting the campus physical plant and fixed assets. In reviewing the status of our prior audit recommendations, we found fire safety deficiencies that Cheyney had not addressed from the two prior audits.

#### **Finding 1 – Deficiencies continue with Cheyney’s fire safety program.**

We noted the following fire safety program issues that remain deficient.

##### *Fire Extinguisher Inspections*

All building fire equipment, including fire extinguishers, should have routine safety inspections. Fire extinguishers should be inspected at a minimum of 30-day intervals.<sup>6</sup> Our prior audit reported exceptions with 38 percent of the fire extinguishers inspected. During the current audit, we found 27 exceptions or 60 percent of the 45 fire extinguishers inspected. Of the 22 fire extinguishers inspected in the residence hall, three had not been inspected for the current month and one was not charged. None of the 15 fire extinguishers in the academic building had been inspected in the past 12 months and one was not charged. Finally, seven of the eight fire extinguishers in the administrative building had not been inspected in the past 14 months. The remaining fire extinguisher did not have a tag; therefore, inspection history could not be determined.

##### *Fire Drills*

Fire drills are required to be held every six months for all occupied buildings, except for residence halls, which shall be held monthly.<sup>7</sup> A review of fire drill reports for residence halls for September 2006 through March 2007 revealed that 17 of the 35 scheduled drills were not conducted. Staff from the residence halls stated that some of the fire drills had not been held because the Public Safety Department was not available to conduct the fire drill. In addition, Cheyney again failed to schedule or conduct fire drills in the academic and administrative buildings. Cheyney management stated in their response to the prior finding that the risk manager would ensure that the appropriate building managers properly

---

<sup>6</sup> NFPA Codes Online, Chapter 7 – “Inspection, Maintenance, and Recharging of Portable Fire Extinguishers,” Section 7.2.1 “Frequency.”

<sup>7</sup> Cheyney University of Pennsylvania, Policies and Procedures, Policy Number FA-3635.1.



document all fire drills. However, the building managers of five buildings stated that they were not aware that documenting fire drills was their responsibility.

Residential Hall Room Safety Inspections

When students apply for university housing, they are required to sign a housing contract. The contract provides a list of items that are deemed fire hazards and thus prohibited from being used in university housing units. Additionally, in order to ensure the health and safety of all students, the contract states that Cheyney reserves the right to inspect rooms during both regularly scheduled and unannounced inspections. Cheyney management stated that they conducted the inspections and that all violations were reported to the University Judicial board for further review and judgment. However, an examination of the Judicial Reports for March 2004 through June 2006 disclosed that no dormitory room violations had been reported. Therefore, management's assertion that the inspections were conducted could not be supported.

911 Emergency Call systems

Cheyney's 911 emergency calling system continued to list the university's primary mailing address if a call was placed from a university building. The Director of Public Safety stated that if a 911 call is received from Cheyney, the dispatcher notifies campus security.

Recommendations:

To address the aforementioned fire safety issues, Cheyney management should implement the following changes:

- Inspect all fire extinguishers on a monthly basis and document the inspection.
- Regularly schedule and hold fire drills in all of the residence halls, academic, and administration buildings.
- Inspect all dorm rooms and document those inspections and, if applicable, record any action taken for noted violations.
- Enhance the 911 emergency calling system.

Management Comments:

Cheyney management provided the following written response to the finding and recommendations.

## **Audit Results**

*Cheyney University has appointed an interim Safety Officer in the 2008 Spring Semester to assist with safety maintenance. This officer is responsible for inspecting all fire extinguishers on a monthly basis and documenting the inspection; regularly scheduling and implementing fire drills in all of the residence halls, academic and administrative buildings; and inspecting dorm rooms, as appropriate and recording any violations. Further, the Office of Residence Life and Housing has a monthly schedule for fire drills in each hall. Residents of residence halls are informed of evacuation guidelines at mandatory hall information meetings before classes begin. Resident hall assistants are trained to conduct room safety inspections. Safety checks are conducted once a month. These checks are document[ed] on inventory forms.*

### **Employee Compensation**

We examined two areas of employee compensation at Cheyney: We tested Cheyney's payment of faculty when the assigned workload level was below that required in the faculty employment agreement. We also tested the compensation of administrative staff.

#### **Faculty Underload**

The faculty union agreement in effect during the audit period established teaching loads for full-time faculty. "For all Academic Faculty Members, the full workload for the academic year shall not exceed twenty-four (24) workload hours (with twelve (12) workload hours as standard for a term)." <sup>8</sup> The full workload for faculty members that teach graduate courses is nine workload hours in an academic term. In addition to teaching credit courses, release time is available for faculty with other university assignments.

#### **Finding 2 – One faculty member did not meet the workload requirements.**

Cheyney reported 48 faculty members in the fall 2006 semester and 50 faculty members in the spring 2007 semester who were assigned less workload hours than the minimum required. To be considered in full-time status, both the workload hours assigned and any release time authorized to a faculty member are taken into account. Release time is granted for other work assignments such as department chair and labs associated with science courses. A review of all the under loaded faculty members in the 2006-2007 academic year revealed that all but one had authorized release time to make up for the under loaded work hours. The one professor that did not have authorized release time was short by 3 hours during both semesters of the academic year. Discussions with the Provost revealed that the department chair erroneously under loaded the faculty member on the assumption that they

---

<sup>8</sup> Agreement between the Association of Pennsylvania State College and University Faculties (APSCUF) and the Pennsylvania State System of Higher Education (State System) July 1, 2003, to June 30, 2007, Article 23 "Workload and Workload Equivalents."

had been granted release time of three credits for both semesters in the academic year. As a result, the faculty member was paid at the full-time rate without meeting the minimum workload requirements established in the contractual agreement governing faculty workload.

Recommendations:

Cheyney management should either seek refund for the portion of the unearned salary or if possible assign extra credit hours to compensate for the amount under loaded. Additionally, in the future, schedules should be reviewed to ensure that all faculty members are assigned at least the minimum amount of workload hours in compliance with the union contract.

Management Comments:

Cheyney management provided the following written response to the finding and recommendations. With respect to the one under-loaded faculty member, Cheyney management stated:

*The Provost at that time inadvertently did not place her name on the list of those faculty members that were entitled to release time per the APSCUF CBA Article 23F. Management continues to monitor faculty load each semester.*

Compensation of Administrative Staff

Cheyney University uses a guide issued by the State System to determine salaries for its management employees.<sup>9</sup> The intent of this guide is to establish equitable internal salary structures for management employees. The guide is based on job evaluations using the “Hay Guide Chart and Profile Method of Job Evaluation,” a means of ranking jobs for salary administration purposes.

**Finding 3 – Cheyney management employee salaries were within the State System guidelines.**

All 20 management employees reviewed were compensated within the guidelines established by the State System using the “Hay Guide Chart and Profile Method of Job Evaluation.” Letters informing the respective employees of their position point total based on the evaluation were contained in the personnel file for 19 of the 20 management employees reviewed.

---

<sup>9</sup> Pennsylvania State System of Higher Education, “Management Job Evaluation Guide.”

## *Audit Results*

### **Financial Accounting Activity**

For Cheyney to meet its primary mission of providing an affordable education in a secure environment, it must maintain the physical plant. Cheyney is responsible for procuring the necessary supplies and services in the most economical and efficient manner possible. Cheyney staff may also be required to travel in their official capacities as employees of the university. To keep the physical plant in good working order, the University maintains inventories of materials and supplies in its storerooms and in the maintenance department. The university also maintains records of buildings, equipment, including computers and peripherals, and is required to safeguard those assets.

#### *Procurement Transactions*

Government entities may be required to contract with outside vendors to obtain needed services. To assist its member universities, the State System issued general procurement procedures.<sup>10</sup> In addition, Cheyney also implemented detailed procurement policies.<sup>11</sup> To expedite certain purchases, Cheyney maintained a credit card with a local office supply store to purchase office stationery and make emergency purchases. The Board of Governors has established policies and procedures for employees required to travel as part of their employment.<sup>12</sup> Cheyney employees who are required to travel on official business do so at the university's expense and are expected to exercise prudence and economy.

#### **Finding 4 – Supporting documentation for service purchase contracts was still not maintained.**

Cheyney did not comply with either State System or internal contracting requirements. Required documents were not maintained, and approvals for contracts were not evidenced. As a result, contracts were entered into with vendors without the required supporting documents or approvals.

Cheyney requires a "Notice to Proceed" for all service purchase contracts. The Notice is a letter prepared by Cheyney, which serves as the official notice to the contractor to begin providing the contracted services. The Notice further outlines the effective date of the agreement, payment information and designates the Cheyney employee authorized to make changes to the agreement. Of the 44 contracts sampled, three did not have a "Notice to Proceed" document on file for review. Additionally, Cheyney could not locate bid documentation for six contracts, two contracts did not have a required agency attorney signature, and 16 contracts did not have the required Vice President's approval signature.

---

<sup>10</sup> Board of Governors Policy 1998-04, Procurement of Goods, Services, Supplies and Construction, amended April 8, 2004.

<sup>11</sup> Cheyney University of Pennsylvania, Procurement Procedures, revised May 2001.

<sup>12</sup> Board of Governors Policy 1986-07-A, Travel Expense Regulations.

Finally, we attempted to review eight invoices from the 44 contracts selected for testing. However, Cheyney was unable to locate three of the eight invoices. The five remaining invoices were reviewed without exception.

Procurement procedures are established to ensure that Cheyney contracts for needed services at the lowest possible cost, executed contracts meet both legal and technical requirements, and vendor payments are made only for services provided in accordance with contract provisions. In addition to meeting these requirements, Cheyney must maintain evidence that the requirements were met as proof that procurement procedures were followed.

Recommendations:

Cheyney management should ensure that all contracts are processed in accordance with State System and Cheyney established requirements. In addition, documentation must be maintained to provide evidence that required approvals were obtained and payments were properly made for services and goods received.

Management Comments:

Cheyney management provided the following written response to the finding and recommendations.

*Cheyney University has had two professional development sessions with the University Legal Counsel during the 2007-2008 academic-year to [e]nsure that there was universal understanding of how to process contracts in accordance with the Cheyney University and State System policies and guidelines. Moreover, an individual was relocated from the contract office, because he was not following appropriate policies. Cheyney University management takes seriously its responsibility to follow policies and guidelines for contracts. The University Legal Counsel meets monthly, or as needed with Cheyney University staff, to [e]nsure that questions regarding contracts are answered appropriately. Moreover, during the 2007-2008 academic year, it was clarified that contracts could only be authorized by one or two preapproved persons on campus. Further, guidelines for processing contracts are located on the Cheyney University website.*

*Additionally, the university continues to monitor professional practice of its employees to assure that documentation that required approvals were obtained and payments were properly made for services and goods received. The feasibility of employing an internal auditor to continuously monitor professional practice is be[ing] seriously considered.*

## **Audit Results**

### **Finding 5 – Cheyney should improve record keeping of credit card purchases.**

Cheyney management is responsible for ensuring all transactions are documented, reviewed, and approved. However, our current testing indicted that Cheyney again failed to maintain adequate records to support credit card transactions and signatures were not present to verify that a reconciliation of the account was performed monthly. Therefore, the propriety of these transactions could not be determined.

A review of the supporting documentation for 31 credit card transactions revealed the following discrepancies:

- Seven monthly credit card statements were not found.
- One transaction received a discount on the purchase, which was also reflected on the monthly statement; however, Cheyney paid the vendor the full amount.
- One transaction did not have a purchase order on file.
- One transaction contained more items than those approved on the agency purchase request.
- Three transactions did not have an agency purchase request on file.

In addition, we were informed that reconciliations were performed by an accounting staff member and reviewed by management when discrepancies were noted. However, there were no signatures on the documentation to support management's review.

#### Recommendations:

Management should ensure that all transactions and reconciliations are documented, reviewed, and approved. Additionally, documentation should be maintained supporting each step of the process. Finally, management should revoke credit card usage ability from any employee who does not provide documentation supporting charges.

#### Management Comments:

Cheyney management provided the following written response to the finding and recommendations.

*Cheyney University realizes the needs to be more aggressive with monitoring professional practice regarding credit cards, travel cards, and reimbursements. The need to maintain appropriate records has been reiterated with the current staff by university and state system personnel. The university is reviewing the feasibility of hiring an internal auditor to assure that professional practice is monitored frequently.*

**Finding 6 – Cheyney should improve record keeping for travel expenditures.**

Cheyney expended approximately \$841,940 for employee travel during the months from July 1, 2004, to June 30, 2006. We attempted to determine the propriety of 64 of the travel expenditures from this period. However, management was unable to locate documentation for 50 of the expenditures selected. Of the 14 travel expenditures reviewed, deficiencies were noted in seven.

Cheyney management stated that they were unsure where the documentation requested was filed or if it was even on site. They further stated that they had recently been audited and that when the files were returned they were not in order. The files were placed in storage and Cheyney was unable to dedicate the resources to review the files and place them back into order.

Of the 14 transactions for which supporting documentation was available for review, only seven were tested without exception. The remaining seven transactions were missing documentation such as the hotel vouchers, travel expense vouchers, and out-of-state travel forms.

Travel policy states that reimbursement to employees for official travel shall be made based on approved travel expense vouchers. Travel expense vouchers shall be audited by the respective university prior to payment.<sup>13</sup> The lack of documentation to support travel expenditures precludes a review to ensure the travel was appropriate and justified.

Recommendations:

Cheyney management should ensure that all required documentation is obtained from employees who are reimbursed for travel and that such documentation is maintained to support travel expenditures. Finally, Cheyney should refuse to make travel reimbursements when the employee does not provide the required documentation.

Management Comments:

Cheyney management provided the following written response to the finding and recommendations.

*Cheyney University realizes the needs to be more aggressive with monitoring professional practice regarding travel cards, and travel reimbursements. The need to maintain appropriate records has been reiterated with the current staff by university and state system personnel. The university is reviewing the feasibility of hiring an internal auditor to assure that professional practice is monitored frequently.*

---

<sup>13</sup> Board of Governor's Policy 1986-07-A, Travel Expense Regulations, section A. General Policy.

## **Audit Results**

*The Accounts Payable Office has been instructed to only process travel reimbursements on an appropriate form with all required receipts and approvals.*

### **Inventory Control**

The two prior Cheyney audits reported inventory control deficiencies in the mechanical and stores inventories. Because Cheyney did not implement our prior recommendation to segregate the record keeping and physical control functions of the inventory, the control weaknesses continued.

### **Finding 7 – Mechanical and stores inventory control deficiencies continued.**

Our prior audit reported that access to various features of the inventory system allowed warehouse employees to perform incompatible duties. Cheyney, in their prior audit response, indicated that they had restructured storeroom assignments to segregate the custodial and record keeping functions of its personnel. However, the current examination disclosed that although the Director of Support Services now reviews some inventory operations, segregation of duties deficiencies continued.

A physical inventory was conducted for the fiscal year ending June 30, 2006. However, adjustments made to inventory records were not reviewed and approved prior to posting. Additionally, periodic spot checks were not conducted on the inventory records.

#### **Recommendations:**

Cheyney management should revise authorized access to the automated inventory system to ensure that custodial and record keeping functions are segregated. Additionally, the Director of Support Services should increase their review of warehouse operations and review any adjustments that are made to inventory records.

#### **Management Comments:**

Cheyney management provided the following written response to the finding and recommendations.

*During the 2008-2009 academic year, Cheyney University will review authorized access to the automated inventory system to insure custodial and record keeping functions are segregated appropriately. It is expected that this review will result in the clarification of policy and personnel changes to more adequately monitor automated inventory controls.*



Fixed Assets

Cheyney management is responsible for ensuring that all assets are adequately safeguarded, utilized, and maintained. The State System has issued a statewide policy to assist the individual universities in meeting some of their asset control responsibilities.<sup>14</sup> This policy includes defining a fixed asset as an item that has a value of at least \$5,000. Cheyney had established further detailed policies for the implementation of State System policies.<sup>15</sup>

**Finding 8 – Cheyney fixed assets were not adequately controlled.**

Cheyney again failed to conduct a biennial physical inventory. In addition, existing policies were not revised to require reporting lost, missing, or stolen assets to campus security or the reporting of transferred assets to the fixed asset coordinator. Finally, fixed assets that were either surplus, disposed of, or stolen remained on Cheyney fixed asset records.

The State System requires member universities to conduct a fixed asset physical inventory biennially. This issue was discussed in the previous report however; Cheyney did not take corrective action to remedy this issue. Further, existing policies do not specifically address reporting lost, missing, or stolen fixed assets to campus security or the fixed asset coordinator.

The fixed asset coordinator stated that he was not always informed when a fixed asset was moved from one location to another. In addition, he did not believe that the fixed asset system allowed for the removal of fixed assets that have been lost, stolen, or surplus. A representative from SAP stated that although an item cannot be removed from the fixed asset listing an item could be designated as no longer active.

Our previous audit identified four items on the fixed asset list that could not be located. The current audit noted that these items remained on the fixed asset list.

Monitoring and controlling fixed assets are typically given a low priority. In most cases, management cites the lack of staff to conduct such monitoring due to limited resources. However, because of limited resources, there is an increased need to monitor and control existing fixed assets.

Recommendations:

Cheyney management should ensure an accurate fixed asset tracking system. Management should conduct a physical inventory of fixed assets at least once every two years in accordance with State System policies. Management should also require fixed assets permanently transferred between locations to be reported and the

---

<sup>14</sup> State System of Higher Education Fiscal Accounting Policy 2002-01, "Capitalization of Fixed Assets."

<sup>15</sup> Cheyney University Policies and Procedures – Finance and Administration, "Disposal of Fixed Assets" and "Procurement Procedures," dated May 1, 2001.

## **Audit Results**

new location entered into the fixed assets tracking system. Management should also require that assets that are lost, stolen, surplus, or disposed be so designated in the fixed asset system.

### **Management Comments:**

Cheyney management provided the following written response to the finding and recommendations.

*During the 2008-2009 academic year, Cheyney University will design a fixed asset tracking system for monitoring fixed asset which will include conducting a physical inventory, logging in the items, and affixing an identification mark on all assets to deter losing or missing these items. Additionally, during the 2008-2009 academic year, management will surplus excess items.*

### **Finding 9 – Computer security should be increased.**

During the period from January 29, 2007, through April 30, 2007, 76 Central Processor Unit's and 63 monitors were stolen from Cheyney computer labs and the warehouse. These computers were valued at approximately \$80,900.

Computer theft was not a new issue at Cheyney. A report submitted to Cheyney by a technology consultant dated September 22, 2005, cited 50 computer systems stolen during the 2005 school year. This report recommended that Cheyney develop a strategy to prevent further theft while upgrading existing computer inventory. In addition, an undated internal report citing computer thefts, staffing and usage issues recommended consolidating computer labs.

Also, computer security was not a new issue. The previous audit disclosed that Cheyney did not inventory assets with a value of \$5,000 or less, which includes most computers. In its reply to the previous audit, Cheyney responded:

*Cheyney University uses Track-it software to audit all faculties and staff PC's. When a user logs onto the network an audit is taken of their PC that includes the user name, computer model, manufacturer, and service tag number.*

While this system was designed to identify usage and location of computers assigned to faculty and staff, the Track-it software was not installed in computers in the computer labs.

Based upon discussions during the current audit, it is our understanding that Cheyney had not acted on the recommendations made in either of the cited reports. As a result, computer thefts continued unabated.

Recommendations:

Cheyney management should implement the recommendations from the Auditor General's prior audit report and those from the technology consultant's report. Among the general recommendations of the consultant was to form an effective technology council and develop a strategic technology plan.

Management Comments:

Cheyney management provided the following written response to the finding and recommendations.

*During the 2008-2009 academic year, Cheyney University will begin to implement its Technology Mall plan which will reconfigure how computers are housed on campus. Computer labs will be reduced, and each lab will have a private security system that will notify Public Safety in the event of a theft. The Track-IT software that is referenced in the audit is installed on all faculty and staff PCs. Through the consolidation of computer labs and tracking faculty and staff PCs the number of computer thefts should be minimized. Last, the storeroom where the majority of computer thefts occurred has been setup with a private security system.*

Parking Fines

During our current audit, we found deficiencies in the processing of parking fines. This issue has been recurring since the two prior audits of Cheyney.

**Finding 10 – Delays continue in posting parking fines to student accounts.**

Cheyney again failed to post parking fines to student accounts timely, therefore the likelihood of collecting fines issued to students was greatly diminished and the possibility of a student graduating and receiving their diploma while owing parking fines was increased.

Cheyney's public safety office is responsible for issuing citations to those individuals that violate University parking policies. Cheyney's bursar's office is responsible for collecting fines. For the bursar's office to record the fines, the public safety office must forward a listing of issued citations. Once they receive the list, the bursar's office posts the fines to the student accounts.

A review of the 61 tickets that were in the bursar's office, as of March 6, 2007, to be posted revealed that the dates of the tickets ranged from September 2005 through February 2007. Representatives from the public safety office stated that they forward tickets to the bursar's office several times a month, however, a representative from the bursar's office stated that tickets are only received from the public safety office every several months. Since the public safety office did not record the date the citations were forwarded to the bursar's office

## **Audit Results**

and the bursar's office did not record the date citations were received from the public safety office, we could not determine the cause of the untimely posting of parking fines to student accounts.

### **Recommendations:**

Cheyney management should ensure that the public safety office forwards all parking fines to the bursar's office in a timely manner and that the bursar's office posts the fines to student accounts upon receipt.

### **Management Comments:**

Cheyney management provided the following written response to the finding and recommendations.

*In order to bring order to this process, there has been a moratorium placed on issuing parking tickets until an appropriate system of issuing tickets and posting those fines on the students accounts has been established. It is expected that his system will be refined and reinstated during the 2008-2009 academic year.*

## **Student Activity**

As part of the current audit, several of the university's programs for helping students further their educational opportunities were examined. The audit examined the corrective actions taken as part of the recommendations in the prior audit for student services, including academic record keeping and the use of mathematics prerequisites. The audit also examined the scheduling and monitoring of scheduled courses. Compliance criteria for participation in National Collegiate Athletic Association scholarships were evaluated. Finally, the audit monitored the corrective actions taken in the as part of the recommendations in the prior audit for the Student Government Cooperative Association, Inc.

### **Student Services**

Incoming freshmen are required to take placement tests to determine their aptitude in mathematics and English. The accepting university then uses the results of those tests to determine at what level the student should begin their academic career and ensure that courses are offered that meet the academic needs of its students. However, the university must also balance the academic needs of its students with the economic realities of operating an institution with limited resources. Finally, the university must maintain accurate student academic records. The prior audit identified deficiencies in student record-keeping efforts. The audit also noted that Cheyney students were not always placed in the mathematics course most optimal for their needs. A large percentage of the students subsequently failed the mathematics course. These findings continued in the current audit.

**Finding 11 – Student academic record-keeping deficiencies continued.**

Cheyney’s software for tracking and monitoring student academic records remained deficient. Students with a grade of “C” or better were allowed to repeat courses, and one student was erroneously listed as taking a repeat course.

A repeat course report for the spring 2007 semester identified 20 students as repeating 24 courses that they had previously earned a grade of “C” or better. However, a crosscheck with the students’ transcripts disclosed that only 17 students were repeating a course in violation of Cheyney policy.<sup>16</sup> The remaining three students were not in violation of the policy because one student’s transcript indicated they had not repeated a course, and the other two students had withdrawn from the repeat course during the spring 2007 semester.

Although the repeat course listing and the student transcripts were generated by the same software package, the above-cited discrepancy indicates that a programming issue continued with the software and must be resolved. Seventeen students were permitted to repeat a course in violation of Cheyney policy, without the program generating an alert or triggering a review.

Of the 17 students that were identified as repeating 21 courses, the grades originally received were 11 “A,” 2 “B” and 8 “C’s.” Allowing students to repeat a course they already passed takes up class space and prolongs the individual’s progress toward graduation. Furthermore, allowing students to repeatedly enroll in the same course is an inefficient use of Commonwealth funds as well as Cheyney’s resources.

Cheyney’s response to the last audit report that cited these issues follows:

*Cheyney’s registrar office asked the software vendor to address this problem but have had no response to date. The long-term resolution will occur with the conversion of all state universities to the SAP campus management system.*

Cheyney management stated that the conversion to the new system should be completed by August 2008. In the interim, a review should be conducted to ensure that students are not permitted to repeat courses in violation of Cheyney policy.

The auditors also noted that the system could only generate a report of students enrolled in a repeat course for the current semester. Therefore, we could not determine if any students were in violation of Cheyney’s repeat policy for other semesters in the audit period.

**Recommendations:**

Cheyney management should ensure that students are not permitted to repeat a course with a previous grade of “C” or better. Until this issue is addressed with the

---

<sup>16</sup> Cheyney University of Pennsylvania, Undergraduate Catalog, 2005-2007.

## **Audit Results**

implementation of the new computer system, Cheyney should investigate those students listed on the repeat course report that are in violation of Cheyney policy.

### **Management Comments:**

Cheyney management provided the following written response to the finding and recommendations.

*Cheyney University has created a fix for the finding: With the assistance of IT a script has been created which lists all students taking a repeat course for which a grade of “C” or better has been earned. The Office of the Registrar generates the report and deletes the course from the student’s schedule. This action is preformed prior to the beginning of the semester. The system will allow re-entry of the deleted course; therefore, all students are notified each semester that repeat courses will be deleted from their schedules as outlined in the University handbook. It is our belief that the next update of PowerCampus will not allow students to re-enter courses already completed with “C” grade or better. However, internal audits will be conducted during the 2008-2009 year to assure that the situation has been appropriately rectified.*

### **Finding 12 – Cheyney again failed to enforce its mathematics prerequisite requirements.**

To ensure students are placed into the correct entry-level courses, Cheyney administers reading, writing and mathematics placement tests to all incoming freshman. Based on the scores received, the students are placed in either a developmental course or a freshman level course. The prior audit reported that students were not always properly placed in math courses and students were also permitted to take a higher-level math course without meeting the prerequisites for the course. Testing during the current audit revealed that this practice continued and students continued to receive failing grades in courses for which they did not meet the prerequisite requirements.

We examined a sample of 51 of the 260 students who received a grade of “D” or “F” in four of the entry-level math courses<sup>17</sup> during the fall 2005, spring 2006, and fall 2006 semesters. For 18 of the 51 students, there were no exceptions noted with meeting the prerequisite course requirements. The following table details the exceptions noted with the remaining 33 students:

---

<sup>17</sup> MAT 104 – Survey of College Mathematics (formerly Finite Math), MAT 105 – Mathematics for Teachers I (formerly Survey of Mathematics I), MAT 106 – Mathematics for Teachers II (formerly Survey of Mathematics II), and MAT 111 – Intermediate Algebra.

## *Audit Results*

No. of Students	Exception
1	Student took two math courses in the same semester, although one was a prerequisite for the other.
10	Students should have taken a developmental math course based upon the results from their placement exam; however, the students were permitted to take entry-level courses without taking the developmental math courses.
22	Students were permitted to take a higher-level math course without first obtaining a grade of "C" or better in a prerequisite math course.

Various university management employees have identified different causes for students being able to take courses without first meeting the course prerequisites. The advisor to incoming students at Cheyney stated that some students that fail a placement test were not required to take a developmental math course based on grades received in high school and on their SATs. The Registrar stated that students were permitted to take higher-level courses without the proper prerequisites because the respective department chair had failed to enter prerequisite information into the computer system. Therefore, there was no mechanism to trigger a review for a student who did not complete the prerequisites for a course.

Additionally, students have been permitted to take math courses without obtaining the minimum grade in a prerequisite course because professors had failed to turn in grades in a timely manner. Reports generated from Cheyney's system indicated professors had not reported a number of grades for the following semesters:

Semester	No. of Unreported Grades	Date Report Generated
Fall 2005	51	April 17, 2007
Spring 2006	26	April 17, 2007
Fall 2006	124	January 12, 2007
Spring 2007	<u>278</u>	May 29, 2007
Total	479	

As reflected in the chart, the number of unreported grades has steadily risen over the last four semesters.

Discussions with the Registrar revealed that a deadline was established for professors to turn in grades after the completion of each semester. Approximately two weeks prior to the deadline, the Registrar generates a listing of unreported grades, which is forwarded to the Provost. On the day of the deadline, the Registrar sends a reminder to all professors who have not yet turned in grades that grades are due by midnight. After the deadline has passed, the Registrar runs a report listing all students that have not yet had a grade reported for a course for that semester. This listing is forwarded to the respective department secretaries. Prior to the beginning of the next semester, a final listing is generated and forwarded to the respective professors, department chairperson, department secretary, Associate Provost, and Provost.

## *Audit Results*

Courses are established based upon the assumption that a student will possess a certain level of knowledge of the subject matter prior to entering the class. If this foundation is not established then the students' chances of successfully completing the course are limited. Reporting deadlines are established to ensure grades are reported before the beginning of the next semester to ensure all prerequisites are met.

### Recommendations:

Management should ensure that all prerequisite courses and student grades be entered into the system. Additionally, management should reemphasize the importance of reporting grades within the established timeframes and sanction those that do not comply. Finally, management should take appropriate steps to ensure students are not permitted to take courses for which they have not met the prerequisite requirements.

### Management Comments:

Cheyney management provided the following written response to the finding and recommendations.

*There have been discussions of the importance of students adhering to the academic prerequisites during the 2007-2008 academic years. Management has just appointed a permanent dean of arts and sciences to monitor the aforementioned. Moreover, in the 2008-2009 year, a new provost and vice president for academic affairs will be appointed to monitor prerequisites and the reporting of grades by faculty. Regarding the audit finding on mathematics, academic departments entered their pre-requisites courses into the computer system. At the time of this audit the chairperson of the Mathematics Department had not entered the department pre-requisites, which allowed students to take a certain math course out of sequence and to by-pass the pre-requisite course. This has been rectified. All mathematics course pre-requisites have been entered into the system. Again, random internal audits will be conducted to monitor professional practice.*

### Scheduled Courses

Cheyney University establishes class schedules and locations so participating students and faculty can plan daily schedules prior to the beginning of a semester. In addition, this class schedule allows administrators to be aware of class locations in case of emergencies.



**Finding 13 – Cheyney did not document cancelled and relocated classes.**

Cheyney did not have a written policy addressing procedures and protocol for a professor to cancel or move individual classes. As a result, the chairpersons of the respective departments could not provide us with an explanation as to why 23 of the 184 classes were not held in their scheduled locations.

Both the University Provost and various department chairpersons stated that the common practice followed by professors to cancel a class is to call their department office to notify them that they intend to cancel the class. A department representative will then post a notice to cancel the class. However, a permanent record is not maintained of classes cancelled in this manner. A record is only kept if a professor utilizes leave and cancels all of their classes for that day.

Our visits to 184 class locations disclosed the following:

No. of Classes	Percent of Test	Results of Visiting Classes
102	55%	Verified classes were held as scheduled
34	18%	Verified classes were held, but they were not held in the scheduled location, per University records
16	9%	Informed that classes were relocated.
23	13%	Determined that classes were not held, appropriate chairpersons were unsure why the class was cancelled
9	5%	Determined the professor used leave for that day and classes were cancelled

According to the union contract:

*... a proper academic climate can be maintained only when members of the faculty meet their fundamental duties and responsibilities regularly. These duties and responsibilities include but are not limited to: reporting promptly, and in advance if possible, any changes in class hours or classrooms assigned; preparing for and meeting their assignments, which would include timely notification of the proper authority and making a reasonable effort to insure that assignments can be covered in case of absences; making a reasonable effort to notify students of any changes in class hours or classrooms assigned.*

The contract also outlines the duties of department chairpersons. Those duties include directing the activities of the department, subject to the approval of the Dean/Director. He/she is responsible to the Dean/Director for the development of department plans, guidelines, and internal offices operation.<sup>18</sup>

<sup>18</sup> Agreement between the Association of Pennsylvania State College and University Faculties (APSCUF) and the Pennsylvania State System of Higher Education (State System) for July 1, 2003 to June 30, 2007, Article 6.

## *Audit Results*

The University should be aware of class locations at all times. There are many legitimate reasons for changing a class location; however, that change should be documented and reported to the appropriate officials.

### Recommendations:

Cheyney University management should establish a written policy that outlines the procedure for professors to follow when cancelling or changing class locations. Department chairpersons should also be responsible for tracking cancelled classes and monitoring the number of classes held to ensure that sufficient instructional hours are offered to students.

### Management Comments:

Cheyney management provided the following written response to the finding and recommendations.

*Management agrees that a written policy must be established during the 2008-2009 academic year. A written policy will be established as identified above, through the governing body identified to address such matters which is the Academic Affairs Council. The Council will establish a policy for professors to follow when canceling classes due to faculty absence. Cancelled classes will be tracked and monitored. Department chairpersons will be responsible for ensuring that cancelled classes are covered to provide students appropriate instructional time during the semester. As indicated earlier, the addition of a new academic dean and a new provost and vice president for academic affairs in the 2008-2009 will help ameliorate these situations.*

### *Student Athletic Financial Assistance*

Cheyney University is a member of the National Collegiate Athletic Association (NCAA) for intercollegiate athletic programs. As a member, Cheyney is bound by NCAA established regulations as they pertain to minimum academic eligibility requirements that must be met to participate in an NCAA sanctioned athletic event and receive financial aid.<sup>19</sup> For a student athlete to be initially eligible to both participate in intercollegiate athletics and receive financial aid, the student athlete must have that eligibility certified by the NCAA meeting the following criteria:

- Graduate from high school.
- Possess a cumulative minimum grade-point average of 2.0 in a successfully completed core curriculum of at least 14 academic courses.
- Score a minimum of 820 in the SATs or 68 in ACT.

---

<sup>19</sup>The 2006-07 NCAA Division II Manual.

To maintain eligibility, the student athlete must be enrolled in at least a minimum full-time program of studies and maintain progress towards a degree by achieving the following cumulative grade point average at the beginning of the fall semester:

- Twenty-four semester hours – 1.8 grade point average.
- Forty-eight semester hours – 1.9 grade point average.
- Seventy-two and 96 semester hours – 2.0 grade point average.

**Finding 14 – Cheyney student athletes met minimum NCAA academic requirements.**

All athletic scholarships examined were issued to student athletes who met NCAA established criteria. All incoming freshmen student athletes were certified by the NCAA as eligible to receive athletic scholarships. In addition, all upper class student athletes achieved the minimum grade point average for the specified semester hours as required by the NCAA.

*Student Government Cooperative Association*

The Student Government Cooperative Association, Inc. (SGCA) was established in 1978 to benefit students and student organizations. This corporation is to manage and coordinate Cheyney's student services in accordance with its Constitution and State System Board of Governors' policies.

The SGCA is primarily funded by a mandatory student activity fee charged to all students each semester. For the fiscal years ended June 30, 2005, and 2006, the SGCA reported \$204,046 and \$207,729, respectively, in revenue from student activity fees.

**Finding 15 – The Student Government Cooperative Association, Inc. could not provide documentation to support that all meetings were held and all budgets were prepared.**

Cheyney's Student Government Cooperative Association, Inc. failed to maintain documentation to support that all required meetings were held or budgets were prepared. As a result, they could not provide evidence that they met all SGCA bylaws.

Minutes documenting the meetings were available for review for the 2005-2006 and 2006-2007 school years. However, the SGCA's faculty adviser indicated that for a six-month period for the 2004-2005 school year minutes documenting meetings could not be located. Additionally, budgets for the 2005-2006 and 2006-2007 fiscal years could not be located. The advisor was only able to provide the budget for the 2004-2005 fiscal year.

Finally, the SGCA had audited financial statements for all requested years. However, the independent auditors reported a material weakness with cash disbursements. Because of previous deficiencies with SGCA's bill paying process, the University had assumed this

## **Audit Results**

responsibility. Therefore, the deficiencies cited by the independent auditors occurred within Cheyney's business office function. These deficiencies were also identified during this audit and are reported in Findings 4, 5, and 6 of this report.

### Recommendations:

The SGCA should ensure that documentation, including minutes of meetings and budgets are prepared and maintained as required.

### Management Comments:

Cheyney management provided the following written response to the finding and recommendations.

*Management acknowledges the need to improve in this area.*

*Checks are now only processed for SGCA when all appropriate documentation and signatures are present.*

*In the beginning of the 2008-2009 academic year, there will be a business meeting with the SGCA officers to clarify the policies and procedures for procurement and check disbursements. Additionally, there will be a meeting with the SGCA President, Treasurer, Advisors and the Vice Presidents of Finance and Student Affairs and Student Life to review the proposed budget each year. Copies of the budget document should be filed in SGCA, the budget office, and with the vice president for student affairs. Student government officers will be reminded to document all meetings with minutes.*

*The Student Government Association budget will be monitored monthly through the SAP system by the Office of Student Affairs and Student Life and the President's Office.*

## **Status of Prior Audit Findings and Recommendations**

The following is a summary of the findings and recommendations presented in the audit report for July 1, 2001, to May 7, 2004, along with a description of Cheyney University of Pennsylvania's disposition of the recommendations.

### **Educational Opportunities**

#### **Prior Finding I-2 – Additional funding is needed for the Higher Education Equal Opportunity Act program.**

The previous audit reported that additional funding was needed for a six-week academic Act 101 summer enrichment program to support a long-range goal of improving the university's retention and graduation rates. We recommended that Cheyney management initiate steps to seek additional funds to support the Act 101 summer program to improve student success.

#### **Status:**

Our current audit revealed that although Cheyney University did not receive any additional Act 101 funds, they utilized existing resources to offer a summer program for Act 101 students during the summers of 2004, 2006, and 2007. As a result, this finding has been resolved.

#### **Prior Finding I-3 – Cheyney implemented a plan to improve the success rate on the Praxis Series exams.**

The previous audit reported that Cheyney scored in the bottom four schools of approximately 80 other Pennsylvania universities in the four school years from 1999-2000 thru 2002-2003. The pass rates during the four years ranged from 17 percent to 56 percent.

We recommended that Cheyney management continue to monitor and evaluate the effects the implemented program changes cited in the report had on the student Praxis exam success rate.

## **Status of Prior Audit Findings and Recommendations**

### **Status:**

The current audit disclosed that Cheyney continued with the program changes previously implemented, and as a result, Cheyney's Praxis examination pass rates continued to rise for the 2003-2004 and 2004-2005, which were 92 percent and 100 percent, respectively. As a result, this finding has been resolved.

### **Prior Finding I-4 – Cheyney's graduate program met the Department of Education requirements.**

The previous audit reported that Cheyney's graduate teaching program received adverse publicity in June 2003 when it was disclosed that the Pennsylvania Department of Education denied certification to 22 students who had successfully completed the program requirements because of program deficiencies. Cheyney officials indicated that changes were made to bring the program into compliance. A review of the program by the Department of Education was scheduled for 2005.

We recommended that Cheyney management continue to monitor the graduate level program to ensure compliance with Department of Education guidelines.

### **Status:**

The Department of Education's Bureau of Teacher Certification and Preparation conducted a review of Cheyney's graduate program in April 2006 and a subsequent review in January 2007. The department issued a letter to Cheyney on March 20, 2007, granting full program approval. As a result, this finding has been resolved.

## **Class Placement and Scheduling**

### **Prior Finding III-2 – Student academic record-keeping was deficient.**

The previous audit reported that Cheyney's software for tracking and monitoring student academic records did not prevent students with a grade of "C" or better to repeat courses. The software also contained duplicate course numbers for different courses. Also, students were erroneously listed as taking repeat courses.

We recommended that management review the academic tracking software and make the necessary modifications to ensure that the system can properly identify students enrolled in a repeat course in violation of policy. Additionally, management should ensure that courses offered have both a unique course title and course number posted into the system.

## **Status of Prior Audit Findings and Recommendations**

### Status:

Although the deficiency regarding unique course title and course numbers was corrected, students continued to have the ability to repeat courses in violation of Cheyney policy. Since this issue impacts the ability of students to graduate, it has been brought forward as current Finding 11 in this audit report.

### **Prior Finding III-3 – Cheyney did not enforce its prerequisites for mathematics courses.**

Our previous audit reported that students were not always placed in the proper mathematics courses and that students were permitted to take higher-level mathematics courses without meeting the prerequisites for the courses.

We recommended that Cheyney management ensure the enforcement of all prerequisite courses to promote a more successful approach to course completion.

### Status:

Students continued to take higher-level mathematics courses without meeting the prerequisites for the courses. Since this issue affects the ability of students to graduate, it has been brought forward as a current Finding 12 in this audit report.

## **Recurring Deficiencies**

### **Prior Finding VI-1 – Cheyney’s fire safety program was inadequate.**

The previous two Cheyney audits reported deficiencies with fire drills, residential hall room safety inspections, campus smoking policy, fire extinguisher inspections, and the 911 emergency calling system. The prior audit reported the lack of a fire control panel to alert Cheyney personnel of the location of a fire emergency.

We recommended that Cheyney management implement changes to address the aforementioned issues.

### Status:

The current audit revealed that deficiencies continued in Cheyney’s fire safety program. Due to the seriousness of these deficiencies, they have been brought forward as a current Finding 1 in this audit report.

## **Status of Prior Audit Findings and Recommendations**

### **Prior Finding VI-2 – Cheyney again failed to address student accounts receivable credit balances.**

The previous audit disclosed that Cheyney management again failed to address the substantial student accounts receivable credit balance. As of September 24, 2003, Cheyney's credit balances totaled approximately \$474,000, which was comprised of accounts from July 1, 1986, to September 24, 2002. Of this amount, accounts totaling over \$244,000 were more than five years old.

We recommended that Cheyney management increase their efforts to return these funds to their rightful owners. If the owners cannot be located, the funds should be forwarded to the Pennsylvania Treasury Department in accordance with the unclaimed property law.

#### **Status:**

Cheyney management escheated the student accounts receivable credit amounts that they could not identify ownership to the Treasury. As a result, as of March 20, 2007, Cheyney's credit balances totaled approximately \$131,479, which was comprised of accounts from the fall 1993 semester through the spring 2007 semester. Of this amount, only \$5,850 was over five years old. As a result of this action, the issue has been resolved.

### **Prior Finding VI-3 – Mechanical and stores inventory control deficiencies continued.**

The previous two audits reported that the University management failed to address the issue of segregating the record keeping and physical control functions of the inventory. In addition, testing of the reported account balances revealed an accuracy rate of only 20 percent in the two inventory areas.

We recommended access to the automated inventory system be limited to ensure custodial and record keeping functions are segregated. Cheyney should conduct a complete physical inventory including a review of inventory item descriptions and unit levels. Finally, Cheyney should appoint an employee independent of the warehousing function to provide additional oversight when segregation of duties is not practical.

#### **Status:**

Although University management conducted a complete physical inventory and appointed an employee independent of the warehousing function to provide additional oversight, a lack of segregation between the record keeping and physical control functions of the inventory continued. Due to the continuation of this issue in three audits, it has now been included as current Finding 7 in this audit report.



## **Status of Prior Audit Findings and Recommendations**

### **Prior Finding VI-4 – Parking fines were not always forwarded to the bursar’s office for posting.**

The previous two audits disclosed that the public safety office failed to forward all parking citations to the bursar’s office for posting to a student’s account. As a result, the likelihood of collecting fines issued to students was greatly diminished and the possibility of students graduating and receiving their diploma while owing Cheyney monies was increased.

We recommended that Cheyney management implement the corrective measures proposed in their response to the prior audit report, which would include requiring the public safety office to e-mail parking fines to the bursar’s office.

#### Status:

Parking citations were still not posted to student accounts on a timely basis. Due to the continuation of this issue in three audits, it has been included as current Finding 10 in this audit report.

## **Financial Transactions**

### **Prior Finding VII-1 – Supporting documentation for service purchase contracts, credit card purchases, and travel expense reimbursements were not always maintained.**

#### Service Purchase Contracts

Cheyney did not always comply with either State System or internal contracting requirements. Required documents were not maintained, and evidence of approvals of contracts and invoices were not available.

#### Credit Card Transactions

Cheyney did not maintain adequate records to support all credit card transactions and signatures were not present verifying that a reconciliation of the account had been performed monthly. Therefore, the propriety of these transactions could not be determined.

#### Travel Expense Reimbursement

Of the 56 travel expenditures tested, 47 transactions totaling approximately \$11,000 were travel reimbursements. The remaining nine transactions totaling approximately \$5,100 were travel advances made to employees. Cheyney could not locate supporting documentation for four of the travel reimbursement transactions. Additionally, support could not be located for one adjusting entry made to remove a \$125 expenditure from the travel cost center. An additional two transactions selected for testing were determined to be non-travel related and had been incorrectly posted to the travel cost center. The lack of documentation to support travel expenditures precludes a review to ensure the travel was appropriate and justified.

## **Status of Prior Audit Findings and Recommendations**

We recommended Cheyney management ensure that all transactions and reconciliations are documented, reviewed, and approved. We further recommended that all contracts and travel reimbursements be processed in accordance with requirements established by the State System and by Cheyney.

### **Status:**

The financial transaction supporting documentation was still not maintained. Therefore, service purchase contract supporting documentation is discussed in Finding 4 of the current year audit report. Deficient recordkeeping of credit card purchases is included as current Finding 5 in this audit report. Finally, the lack of supporting documentation for travel expenditures is discussed in Finding 6, in the current report.

## **Fixed Assets**

### **Prior Finding VIII-1 – Cheyney’s fixed assets were not adequately controlled.**

The previous audit disclosed that Cheyney had failed to control fixed assets adequately. A biennial physical inventory was not conducted, as required. Existing policies did not require reporting lost, missing, or stolen assets to campus security or the reporting of transferred assets to the fixed asset coordinator. In addition, lost, stolen, or surplus assets were not removed from inventory records. Finally, while not required, computer-related equipment was not tracked. Therefore, fixed assets were not effectively controlled.

We recommended Cheyney management ensure an accurate fixed asset tracking system. At a minimum, management should:

- Conduct a physical inventory of fixed assets at least every two years in accordance with State System policies.
- Require fixed assets permanently transferred between locations to be reported and the new location entered into the fixed asset tracking system.
- Require lost, stolen, or misplaced assets to be reported immediately to Campus Security.
- Require that assets that are lost, stolen, misplaced, or disposed of be removed from the fixed asset system.

In addition, Cheyney should consider tracking specific “low value” assets such as computers.

### **Status:**

Cheyney management did not implement any of the recommendations made in the prior year audit report. Therefore, fixed assets are discussed in Finding 8 of the current report.

## *Audit Report Distribution List*

This report was initially distributed to the following:

### Commonwealth of Pennsylvania

The Honorable Edward G. Rendell  
Governor

The Honorable James J. Rhoades  
Chair  
Senate Education Committee  
Senate of Pennsylvania

The Honorable Raphael J. Musto  
Democratic Chair  
Senate Education Committee  
Senate of Pennsylvania

The Honorable James R. Roebuck, Jr.  
Chair  
House Education Committee  
Pennsylvania House of Representatives

The Honorable Jess M. Stairs  
Republican Chair  
House Education Committee  
Pennsylvania House of Representatives

The Honorable Gibson E. Armstrong  
Chair  
Senate Appropriations Committee  
Senate of Pennsylvania

The Honorable Gerald J. LaValle  
Democratic Chair  
Senate Appropriations Committee  
Senate of Pennsylvania

The Honorable Dwight Evans  
Chair  
House Appropriations Committee  
Pennsylvania House of Representatives

The Honorable Mario J. Civera, Jr.  
Republican Chair  
House Appropriations Committee  
Pennsylvania House of Representatives

The Honorable Robin L. Wiessmann  
State Treasurer  
Pennsylvania Treasury Department

State System of Higher Education  
The Honorable John C. Cavanaugh  
Chancellor

Kenneth M. Jarin  
Chairman  
Board of Governors

Jacqueline Conforti Barnett  
Acting Chief Counsel

Connie Huber  
Comptroller  
Labor, Education and Community Services  
Office of the Budget

Cheyney University of Pennsylvania  
Michelle Howard-Vital, PhD  
President

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](http://www.auditorgen.state.pa.us).