

# **Performance Audit**

**Mansfield University of Pennsylvania**

**Commonwealth of Pennsylvania  
State System of Higher Education**

**July 1, 2005, to March 12, 2008**





## **Performance Audit**

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November 20, 2009

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 Mansfield University of Pennsylvania of the State System of Higher Education for the period July 1, 2005, to March 12, 2008. The audit is authorized by Act 188 of 1982 (24 P.S. §20-2001), which states “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* as issued by the Comptroller General of the United States.

The report details our audit objectives, scope, methodology, findings, and recommendations. In summary, we found that Mansfield University did not conduct unannounced fire drills, did not maintain a listing of fire extinguishers, did not perform monthly fire extinguisher inspections, did not comply with some internal purchasing card policies and procedures, did not obtain competitive bids for some of the purchases we sampled between \$3,000 and \$10,000, did not monitor certain food service contracts for compliance, did not have adequate internal controls for handling miscellaneous revenues, and did not include four of five legislative recommendations in its policy regarding on-campus credit card marketing. We also found that some departments at the university had unnecessary access to students’ social security numbers, thereby posing a privacy risk to students.

We have discussed our findings with Mansfield University officials and have included their written comments in this report.

We appreciate the cooperation extended to us by the management and staff of Mansfield University of Pennsylvania during this audit engagement.

Sincerely,

**JACK WAGNER**  
Auditor General



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November 2009  
Pennsylvania Department of the Auditor General  
***Performance Audit of Mansfield University***  
*Audit Period: July 1, 2005, to March 12, 2008*

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**Table of Contents**

---

<b>Background Information .....</b>	<b>3</b>
State System of Higher Education .....	3
Mansfield University of Pennsylvania .....	4
<b>Objectives, Scope, and Methodology .....</b>	<b>6</b>
<b>Audit Results .....</b>	<b>9</b>
Fire Safety – Findings 1 and 2 .....	9
Finding 1: Mansfield University did not conduct unannounced fire drills as it said it would do. (Repeat finding from prior audit.).....	9
Finding 2: Mansfield University did not maintain a listing of fire extinguishers and did not conduct monthly fire extinguisher inspections. (Repeat finding from prior audit.) .....	10
Student Residency – Finding 3.....	11
Finding 3: Mansfield University charged students the correct tuition amounts based on their residency.....	11
Purchasing Cards – Finding 4 .....	11
Finding 4: Mansfield University did not ensure that its purchasing cardholders complied with purchasing card policy and procedures in some of the cases we sampled.....	12
Contracts – Findings 5 and 6.....	14
Finding 5: Mansfield University did not obtain competitive bids for purchases between \$3,000 and \$10,000 in some of the cases that we sampled. (Repeat finding from prior audit).....	14
Finding 6: Mansfield University did not monitor its food service contract. (Repeat finding from prior audit.) .....	15
Miscellaneous Revenues – Finding 7.....	16
Finding 7: Mansfield University did not have adequate management controls to ensure that miscellaneous revenues were recorded and deposited accurately.....	16
Social Security Number Protection – Finding 8.....	17
Finding 8: Mansfield University has allowed some of its departments to have access to student social security numbers unnecessarily.....	18

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November 2009  
Pennsylvania Department of the Auditor General  
***Performance Audit of Mansfield University***  
*Audit Period: July 1, 2005, to March 12, 2008*

---

**Table of Contents**

---

Credit Card Solicitation – Finding 9 .....	19
Finding 9: Mansfield University adopted a policy regarding on-campus credit card marketing but addressed only one of the five recommendations of Act 82 of 2004. ....	19
<b>Status of Prior Audit Findings and Recommendations.....</b>	<b>21</b>
Fire Safety .....	21
Prior Finding I-1 – Mansfield University did not conduct unannounced fire drills, fire drill reports contained insufficient information, and fire drills were not always recorded. ....	21
Prior Audit Finding I-2 – The University did not perform monthly fire extinguisher inspections.....	21
Materials Management .....	22
Prior Audit Finding II-1 – Automated reorder points for storeroom inventory were not established.....	22
Prior Audit Finding II-2 – Storeroom physical inventories revealed numerous unexplained variances and storeroom inventory duties were not segregated. ....	23
Prior Audit Finding II-3 – Certain Mansfield University role-mapping assignments created incompatible duties.....	23
Student Employment Eligibility .....	24
Prior Audit Finding III-1 – Student employment eligibility was not always established in a timely manner.....	24
Contracts.....	25
Prior Audit Finding IV-1 – Purchasing personnel did not obtain competitive bids for items under \$10,000. ....	25
Prior Audit Finding IV-2 – The food service contract was not monitored for compliance with contract terms. ....	25
Prior Audit Finding IV-3 – Contracts did not always contain a breakdown of services.....	26
<b>Audit Report Distribution List .....</b>	<b>27</b>



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## **Background Information**

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### **Background Information**

#### **State System of Higher Education**

Pennsylvania's 14 state-owned universities are part of the Pennsylvania State System of Higher Education, generally referred to as the State System. Prior to the enactment of Act 188 of 1982 that created the State System,<sup>1</sup> the Pennsylvania Department of Education had administrative control of the 14 institutions, 13 of which were then known as state colleges.<sup>2</sup>

The purpose of the State System is to provide students with the highest quality education at the lowest possible cost. The 14 universities include Bloomsburg, California, Cheyney, Clarion, East Stroudsburg, Edinboro, Indiana, Kutztown, Lock Haven, Mansfield, Millersville, Shippensburg, Slippery Rock, and West Chester. The State System also includes four branch campuses, the McKeever Environmental Learning Center, and the Dixon University Center.

A centrally established 20-member board of governors has overall responsibility for planning and coordinating the operation and development of the State System. Examples of the board's statutory powers include 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; setting tuition and fee levels; creating new undergraduate and graduate degree programs; and promoting cooperation among institutions. Members of the board include legislators, State System university students and 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 president and council of trustees have certain powers and duties unique to their individual institutions.

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<sup>1</sup> 24 P.S. § 20-2001.

<sup>2</sup> 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.

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## **Background Information**

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### **Mansfield University of Pennsylvania**

Mansfield University is a four-year coeducational public university. The school's history began in 1857 as Mansfield Classical Seminary, which in 1862 became Mansfield State Normal School, followed in 1927 by Mansfield State Teachers College. In 1960, the school broadened its degree offerings<sup>3</sup> and became Mansfield State College until 1983, at which time it took its current name.

According to the university's Web site, there were 3,422 students enrolled in the fall of 2008, including 2,760 full-time and 662 part-time students. Female students numbered 2,241 of the total, or 62 percent, while male students numbered 1,181 to make up the remaining 38 percent. Students came from 39 states and 17 foreign countries.<sup>4</sup>

Located in northeastern Pennsylvania approximately 50 miles north of Williamsport and 30 miles south of Corning, New York, the Mansfield University campus consists of 174 acres and 39 buildings; multiple recreation areas, tennis courts, and playing fields; an indoor swimming pool, three auditoriums, a state-of-the-art library, a new fitness center, a new student union, and a new child care center.<sup>5</sup>

The university's mission statement is this:

*Mansfield University is dedicated to a personalized education with all programs grounded in the liberal arts. As a small, comprehensive public university, we are committed to promoting leadership development through character, scholarship, cultural awareness and service to others. Through our passion for learning, we positively influence the world.*<sup>6</sup>

The table on the next page shows certain unaudited statistics compiled by Pennsylvania's Joint State Government Commission, a bipartisan and bicameral research agency of the General Assembly.<sup>7</sup> These statistics provide the reader with comparative information about Mansfield University individually and the State System of Higher Education as a whole.

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<sup>3</sup> Undergraduate course catalog, <http://catalog.mansfield.edu/content.php?catoid=11&navoid=231>, accessed October 2, 2009.

<sup>4</sup> *Ibid.*

<sup>5</sup> *Ibid.*

<sup>6</sup> Mansfield University, <http://www1.mansfield.edu/mission-statement/>, accessed October 2, 2009.

<sup>7</sup> Joint State Government Commission, <http://jsg.legis.state.pa.us/>, accessed February 26, 2009.

November 2009  
 Pennsylvania Department of the Auditor General  
**Performance Audit of Mansfield University**  
*Audit Period: July 1, 2005, to March 12, 2008*

**Background Information**

**Selected statistics about Mansfield University  
 and the State System of Higher Education**

*Note: Although our audit period for this report covers academic years 2005-2006 and 2006-2007, we have also included the most recent statistics for academic year 2007-2008.*

<b>Location</b>	<b>Mansfield University</b>			<b>State System of Higher Education</b>		
<i>Fiscal year ended June 30</i>	<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>2006</i>	<i>2007</i>	<i>2008</i>
State Instruction Appropriations (rounded in millions):	\$16.7	\$16.9	\$19.3	\$443.3	\$463.0	\$479.8
Percentage of total	3.8%	3.7%	4.0%	100.0%	100.0%	100.0%
Full-Time Equivalent Students						
Undergraduate	2,877	2,880	2,852	91,766	92,678	93,927
Graduate	<u>262</u>	<u>239</u>	<u>227</u>	<u>10,446</u>	<u>10,366</u>	<u>10,795</u>
Total	<u>3,139</u>	<u>3,119</u>	<u>3,079</u>	<u>102,212</u>	<u>103,044</u>	<u>104,722</u>
Percentage of total	3.1%	3.0%	2.9%	100.0%	100.0%	100.0%
Full-Time Equivalent Instructional Faculty:						
Percentage of total	171	183	176	5,258	5,366	5,416
Percentage of total	3.3%	3.4%	3.2%	100.0%	100.0%	100.0%
Degrees Conferred						
Percentage of total	656	700	659	21,047	21,954	22,157
Percentage of total	3.1%	3.2%	3.0%	100.0%	100.0%	100.0%

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

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### **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 audit objectives cover fire safety, student residency, purchasing cards, contracts, miscellaneous revenues, social security number protection, and credit card solicitation. The specific objectives follow:

- Evaluate the corrective action taken to implement the prior audit recommendation to establish fire safety precautions designed to safeguard students, staff, and assets. (Findings 1 and 2)
- Determine if the university charged the appropriate tuition to students based upon their residency. (Finding 3)
- Determine if the university complied with its own policy regarding the use of purchasing cards. (Finding 4)
- Evaluate the corrective actions taken to comply with its own purchasing and contract monitoring policies. (Findings 5 and 6)
- Determine if the university's internal controls over miscellaneous revenue were adequate. (Finding 7)
- Determine if the university had safeguards and security measures in place for maintaining the confidentiality of student personal information; more specifically, assess the university's use of social security numbers as student identifiers and the potential associated risks. (Finding 8)
- Determine if the university complied with Act 82 of 2004 regarding the solicitation of credit cards to students on campus. (Finding 9)

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

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- Determine the status of management’s corrective actions for prior audit findings. (Status of Prior Audit Findings and Recommendations).

The scope of our audit covered the period July 1, 2005, through March 12, 2008, unless indicated otherwise in the individual report sections.

To accomplish our objectives, we obtained and reviewed fire safety<sup>8</sup> and student residency policies,<sup>9</sup> applicable regulations and policies regarding purchasing cards,<sup>10,11</sup> the State System’s manual used for preparing and processing expenditures and contracts,<sup>12</sup> and Act 82 of 2004 regarding credit card marketing on campus.

During the course of our audit work, we interviewed various university management officials and staff, including personnel responsible for student safety, fire prevention, housing, purchasing, maintenance, and monitoring miscellaneous revenues. We also interviewed the university’s controller and the accounts payable manager, the university’s webmaster responsible for software that tracks student information, and department heads that had access to student information. We also held discussions with appropriate university personnel regarding the specific prior audit findings and recommendations.

To evaluate the establishment of fire safety precautions, we determined compliance with applicable state regulations and life safety code standards, reviewed an outside vendor’s test of the university’s fire detection and prevention systems, toured campus buildings, and reviewed fire drill and building evacuation procedures and fire drill reports.

To determine if the university charged the appropriate tuition to students based upon residency, we obtained the tuition rates from the school years 2004-2005 through 2006-2007. We selected 3 samples of 45 students for the spring 2005, fall 2006 and spring 2007 semesters. We then compared the tuition rates charged to the student with the rate that should have been charged based upon the student’s residency status.

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<sup>8</sup> Mansfield University, Fire Safety Plan, Section 6.1.1 Inventory, revised May 18, 2004.

<sup>9</sup> PA State System of Higher Education, Board of Governors, Policy 1985-03: Student Domicile Regulations, adopted March 19, 1985.

<sup>10</sup> PA State System of Higher Education, Board of Governors, Policy 1986-07-A: Travel Expense Regulations, amended April 9, 1998.

<sup>11</sup> Mansfield University, Purchasing Card Policy and Procedures Guide for Cardholders, revised October 2006.

<sup>12</sup> PA State System of Higher Education, Office of Chief Counsel, Manual for Preparing and Processing Contracts for Goods and Services, revised 2006.

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

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To evaluate compliance with the rules governing the use of purchasing cards, we analyzed the list of all credit card holders and then selected transactions for detailed testing. Specifically, we tested 96 of 3,848 purchasing card transactions from November 2006 through October 2007, and 71 of 4,012 travel-related transactions between July 1, 2005, and June 30, 2007. We also reviewed monthly statements of credit card activity.

To determine if the university complied with its purchase and service contract policies and with the state's Department of General Services field procurement handbook,<sup>13</sup> we selected and tested 14 contracts from the 2006-2007 fiscal year.

To audit the management controls over miscellaneous revenue, we obtained and analyzed a list provided by the controller's office; that list reported areas where miscellaneous revenues were received by the university. We also conducted detailed tests of parking fines, library fines, and revenue from camps/conferences.

To determine if the university had safeguards to ensure the confidentiality of student personal information, we selected and tested documents in 41 of 85 departments where vital student information could be accessed.

To determine if the university complied with Act 82 of 2004 regarding the on-campus marketing of credit cards, we interviewed the controller and the associate vice president for student affairs. We also reviewed the university's policy regarding credit card solicitations.

Finally, we performed tests to evaluate the university's progress in implementing recommendations from our prior audit.

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<sup>13</sup> Commonwealth of Pennsylvania, Department of General Services, Field Procurement Handbook, M215.3, Revision No. 5, July 20, 2005.

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## **Audit Results**

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### **Audit Results**

#### **Fire Safety – Findings 1 and 2**

The prior audit conducted by the Department of the Auditor General evaluated the Mansfield University fire safety program. The prior report noted that Mansfield University management agreed with our findings and that the university would begin to conduct unannounced fire drills, have each fire drill observed by the safety coordinator, and record the outcome information of all fire drills on corresponding fire drill reports. In addition, management agreed to update the current fire extinguisher inventory list and begin to conduct monthly inspections of fire extinguishers.

**Finding 1: Mansfield University did not conduct unannounced fire drills as it said it would do. (Repeat finding from prior audit.)**

Our current audit revealed that all fire drills at Mansfield University were announced to the campus police and resident hall directors one week before the actual fire drill. The day of the scheduled dormitory fire drill, campus police would arrive and ask the resident directors if they were ready before proceeding to pull the fire alarm.

By announcing all fire drills to campus police and the resident directors, and by asking the resident directors if they were ready for each drill, in our view, the university could not get a true picture of how all participants would react during a real fire alarm. The knowledge gained through surprise fire drills would greatly assist the environmental health and safety director in addressing any deficiencies in the fire drill procedures.

Recommendation:

Mansfield University should conduct unannounced fire drills.

Comments of Mansfield University management regarding Finding 1:

*The recommendation has been implemented. The fire drill policy was approved with the change of all drills being unannounced. The first drill of each semester is scheduled for the RA's to receive additional training on fire evacuation procedures. After that, each monthly drill is unannounced and not scheduled with campus police. The times of the drills do vary during the semester, with at least one drill per*

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## **Audit Results**

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*semester happening between the hours of 7 and 10 am. Fire drill reports are maintained on each drill performed, and the Environmental Health & Safety Director monitors/activates the fire drills.*

**Finding 2: Mansfield University did not maintain a listing of fire extinguishers and did not conduct monthly fire extinguisher inspections. (Repeat finding from prior audit.)**

Mansfield University did not maintain a listing of all fire extinguishers as required.<sup>14</sup> Mansfield University's fire safety plan also recommends that university personnel should also conduct monthly fire extinguisher inspections, if manpower permits. When we met with the environmental health and safety director, we found that he had been in his position for less than a year and was not aware of the university's requirements.

As a result of our meeting, the environmental health and safety director prepared a fire extinguisher location inventory worksheet as well as a monthly fire extinguisher inspection worksheet.

**Recommendation:**

Mansfield University should maintain an up-to-date master list of all fire extinguishers, and as manpower permits, should conduct monthly fire extinguisher inspections.

**Comments of Mansfield University management regarding Finding 2:**

*The fire extinguisher inventory has been completed and is updated at the annual fire extinguisher maintenance/inspection done by an outside vender. Monthly fire extinguisher checks are being performed in all buildings on campus. Additional support for this was received by getting a student worker for the Safety office that assists in these inspections on a monthly basis.*

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<sup>14</sup> Mansfield University, Fire Safety Plan, Section 6.1.1 Inventory, revised May 18, 2004.



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## **Audit Results**

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### **Student Residency – Finding 3**

The Pennsylvania State System of Higher Education emphasizes the importance of ensuring that state appropriations support only Pennsylvania resident students.<sup>15</sup> On an annual basis, the State System’s board of governors establishes tuition rates both for resident and non-resident students at all State System universities. Mansfield University, like all state-owned universities, must follow set policies and procedures in determining the residency of students.

Student residency is determined by the location of one’s “domicile” (i.e., where the family legally resides) and is proven through such means as income tax returns, vehicle registration, ownership or lease of residency, or voter registration. Mansfield University’s business office monitors both undergraduate and graduate student residency to find and resolve home address discrepancies so that correct tuition is charged.

#### **Finding 3: Mansfield University charged students the correct tuition amounts based on their residency.**

Based on our testing, we found that Mansfield University complied with the State System’s policies and procedures concerning student residency and tuition rates. Specifically, by performing detailed testing of 135 student records randomly selected, we found that the university charged the appropriate amount of tuition based on residency.

### **Purchasing Cards – Finding 4**

The Commonwealth of Pennsylvania established a Purchasing Card Program in 1997 to provide a more efficient method for the payment of goods and services. The purchasing card is a credit card used to purchase small-dollar items, thereby eliminating the need for purchase requisitions and purchase orders. Mansfield University utilizes such purchasing cards and, in addition, has established policies for credit card use related to travel reimbursement.<sup>16</sup>

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<sup>15</sup> PA State System of Higher Education, Board of Governors, Policy 1999-02-A: Tuition, Section III, Undergraduate Nonresident Tuition, Subsection A, Background, pg. 3, amended October 11, 2007.

<sup>16</sup> Mansfield University, Purchasing Card Policy and Procedures Guide for Cardholders, revised October 2006.

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## **Audit Results**

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**Finding 4: Mansfield University did not ensure that its purchasing cardholders complied with purchasing card policy and procedures in some of the cases we sampled.**

The policy and procedures related to Mansfield University's purchasing cards specifically prohibit the cards from being used for the following:

- Gasoline
- Computer software
- Gifts and prizes
- Conference fees
- Goods in excess of cardholder transaction limits
- Purchases valued at \$5,000 or greater
- Travel-related costs (e.g., hotels and meals)

***Card transactions for general purposes.*** Regarding purchasing card transactions for general purposes and not for travel-related costs, we reviewed 96 card transactions and found that 16 of the 96 did not comply with established policy and procedures. The 16 transactions not in compliance include the following:

- One transaction represented a purchase made by a university department that, upon exceeding its monthly purchasing limit, used a card from another university department.
- Two transactions were for gasoline purchases.
- Two transactions were for purchases over the \$5,000 limit.
- One transaction was for computer software totaling over \$1,500.
- Seven transactions were purchases of gifts and/or prizes.
- One transaction was made to pay for conference fees.
- One transaction was for a purchase from a home center, but there was no description of what was purchased.
- One transaction was made to purchase a canoe trip that was described and approved as "lab supplies."

***Card transactions for travel-related purchases.*** We reviewed 71 travel-related expense vouchers and found 28 instances of travel-related charges made on university purchasing cards. These purchases were in direct violation of the university's policy and procedures, which state the following:

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## **Audit Results**

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*Purchasing Cards may not be used for travel related expenses such as hotel, transportation, gas, airline tickets and meals, which must be processed as usual on travel expense vouchers.*<sup>17</sup> [Emphasis part of actual policy]

According to university staff, employees who used purchasing cards to pay for travel expenses said they (i.e., the employees) were unaware of the policy prohibiting the use of the purchasing card for travel or unaware of the existence of a separate card for travel.

If the university does not ensure that its purchasing card users comply with applicable policy and procedures, the university is vulnerable to wasteful, fraudulent, or otherwise improper purchases.

Recommendation:

Mansfield University management should distribute a copy of the travel/purchasing policy along with a sign-off sheet to each employee stating that he or she has read the policy and accepts responsibility for compliance.

Comments of Mansfield University management regarding Finding 4:

*Mansfield is in the process of updating our purchasing card policy, which will address some of the issues identified and provide for an approval process on exceptions. The purchasing/travel card policies are provided and the cardholder/administrator signs a form acknowledging. Purchasing cards are issued to a department whereby others in the department may be given temporary use. The card administrator will be reminded to ensure anyone using the card is familiar with the university purchasing card policy.*

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<sup>17</sup> Mansfield University, Purchasing Card Policy and Procedures Guide for Cardholders, Section D, Subsection 4 and 5, revised October 2006.

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## **Audit Results**

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### **Contracts – Findings 5 and 6**

Regarding contractual purchases made by Mansfield University, Act 188 of 1982 and the Commonwealth Procurement Code are intended to ensure that such purchases are in accordance with a best-business practice of awarding contracts to the lowest responsible bidder. Although exceptions do exist for sole source and emergency procurements, strict compliance to the code by having an open competitive process is a necessity.<sup>18</sup>

**Finding 5: Mansfield University did not obtain competitive bids for purchases between \$3,000 and \$10,000 in some of the cases that we sampled. (Repeat finding from prior audit)**

On December 15, 2004, Mansfield University adopted purchasing policies and bidding requirements to help enforce the purchasing requirement. The university's purchasing requirement states the following:

*All purchases and services with a dollar value less than \$10,000 and greater than \$3,000 will require competitive quotes. To obtain the best possible price three or more competitive quotes are needed. These quotes may be in a form of telephone, fax, and written bids.*<sup>19</sup>

We examined 14 contracts and found that 5 of the 14 did not comply with the purchasing policies and bidding requirements. Specifically, the university was unable to produce any copies or notes of any quotes obtained from other vendors.

This matter is not only an issue of compliance; obtaining competitive bids is also a prudent business practice that could yield significant economic benefits to the university. By not obtaining competitive bids, Mansfield University circumvented its own requirements.

**Recommendation:**

Mansfield University should obtain competitive bids according to prescribed guidelines.

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<sup>18</sup> [www.passhe.edu/content/?/office/counsel/areas/procurement](http://www.passhe.edu/content/?/office/counsel/areas/procurement), accessed February 14, 2008.

<sup>19</sup> Purchasing Policies and Bidding Requirements Memo, from Mansfield University, Director of Purchasing, dated December 15, 2004.

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## **Audit Results**

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*Comments of Mansfield University management regarding Finding 5:*

*Mansfield's policy and practice is to obtain competitive bids on contracts as indicated above with the exception of emergency situations. In an emergency situation we will note the exception and justification with the contract documentation. Contact renewals are issued in accordance with the original contract terms and conditions.*

**Finding 6: Mansfield University did not monitor its food service contract. (Repeat finding from prior audit.)**

The food service contract requires the vendor to have an independent and certified professional laboratory conduct monthly bacteria counts on china, glassware, flatware, and the frozen soft serve/yogurt machines. The contract also requires the vendor to conduct a monthly extermination, a major annual extermination, and to maintain product liability insurance of \$10 million.

Our audit found that the monthly bacteria counts and the monthly extermination services were performed, but that the major annual extermination had not occurred. We also found that the vendor did not have product liability insurance coverage of \$10 million as required but instead had coverage of \$3 million.

Recommendation:

Prior to authorizing payment to its food service vendor for contractual services, Mansfield University should ensure that the vendor has complied with the terms of the contract.

*Comments of Mansfield University management regarding Finding 6:*

*Transitioning of responsibility left some gaps in oversight that have been addressed. Purchasing and Residence Life will cooperatively/jointly monitor the contract and compliance aspects of the agreement consistent with their areas of responsibility.*

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## **Audit Results**

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### **Miscellaneous Revenues – Finding 7**

Mansfield University has various revenue sources other than payments for tuition, room, and board. Examples include the following: revenue from campus parking tickets; charges for replacement of lost library books and fines for overdue library materials; and charges to outside individuals or groups for their use of campus facilities for camps/conferences. The various revenues could be in the form of cash, check, money order, or credit card.

**Finding 7: Mansfield University did not have adequate management controls to ensure that miscellaneous revenues were recorded and deposited accurately.**

**Parking fines.** Mansfield University recorded \$30,226 in parking fines for the period from July 1, 2006, to June 30, 2007. However, the university did not match the issued tickets to the deposits made for payment of the tickets. Accordingly, the university could not verify if the deposited amounts accurately reflected the payments made. As auditors, we also could not verify the accuracy of the deposited amounts because the deposits did not include supporting documentation such as ticket number, date, and amount.

**Library fines.** Mansfield University recorded \$9,716 in library fines for the period from July 1, 2006, to June 30, 2007, but did not match the deposits with transaction reports showing the dates and amounts of fines. Although we found no discrepancies when we tested one month's transactions (November 2007) by matching the deposited amounts with the fines that were recorded, the lack of discrepancies does not negate the need for management to implement controls to ensure the accuracy of deposits.

**Camps/conferences.** For the period ending June 30, 2007, Mansfield University recorded revenues of \$178,486 for camps/conferences. We tested the tracking of revenues for five of those camps/conferences with gross revenues totaling \$54,042.

By using each camp's roster of participants in an attempt to match the amounts billed with the deposits made, we found that only one of the five camps submitted final rosters that reconciled to the total deposits. For the other four camps, we found that the documentation had various errors and omissions. Specifically, we found that some rosters were either incomplete or unavailable, some amounts received from attendees were recorded incorrectly, and deposit receipts either were missing or did not include attendees' names so the names could be traced to the roster.

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## **Audit Results**

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Because management did not adequately control the flow of deposits to ensure they were complete and accurate, the potential exists that revenues could have been lost or stolen.

Recommendation:

Management should establish internal controls over the revenues from parking tickets, library fines, and camps/conferences by ensuring that procedures are implemented to reconcile the deposits to the revenue source documents (e.g., tickets, transaction reports, and camp rosters.)

Comments of Mansfield University management regarding Finding 7:

*Additional internal controls and processes have been implemented for library fines and parking. Additionally, Athletic camp fiscal operations have been segmented to provide independent oversight in reconciling proceeds. Camp procedures will also be updated and refined with camp directors being held accountable for adherence through formal training and oversight by the Athletic Director.*

### **Social Security Number Protection – Finding 8**

Colleges and universities have traditionally relied on social security numbers as the unique identifiers for students, faculty, and staff. For example, social security numbers have been used to generate student grade reports, student and employee identification cards, payroll information, and employee benefit documents.

In recent years, substantial public attention has been drawn to the link between identity theft and the use of social security numbers and other such personal information. Regarding social security numbers specifically, that information should be viewed as extremely sensitive and private data that can be used by others to commit fraud. Not only does such fraud become an invasion of individual privacy, but it also can cause embarrassing compliance and reputation issues to the entities that do not protect this sensitive and private information.

In 1998, to mitigate identity theft and privacy harm, Mansfield University officials began assigning and using a Mansfield University Identification Number to replace social security numbers. The university identification number is displayed on the front of university identification cards and stored within the magnetic strip on the back of each card. With such

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## **Audit Results**

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usage, the Mansfield University Identification Number has become the primary identifier for students and faculty.

**Finding 8: Mansfield University has allowed some of its departments to have access to student social security numbers unnecessarily.**

According to university management, the only departments needing access to student social security numbers were admissions, information technology, financial aid, the registrar's office, plus two employees in human resources. However, when we tested 41 university departments other than those just named, we found that 26 of the 41 had access to student social security numbers through the university's computer system. According to our interviews, this situation occurred because the webmaster had not been made aware that certain departments should not have access to the students' social security numbers. We also learned that the university had not verified who should have access to this data.

We note again that Mansfield University has generally replaced the use of social security numbers with a unique Mansfield University Identification Number as the primary means of accessing pertinent student information.

Recommendation:

We recommend that Mansfield University management narrow the number of departments with access to the social security numbers of students and employees.

Comments of Mansfield University management regarding Finding 8:

*On April 1, 2008, we implemented field level security on social security numbers. All access to SSN was removed and access was/is only given upon written request from a supervisor. Only those employees whose jobs require them to access this information are granted access to this field upon our receipt of the supervisor's authorization. All others see the SSN field blacked out.*



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## **Audit Results**

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### **Credit Card Solicitation – Finding 9**

Act 82 of 2004, the Credit Card Marketing Act, amended the Public School Code to require each institution of higher education to establish a policy regulating the marketing of credit cards on campus. Items to be addressed should include the registration and approval of credit card marketers, debt education programs, non-allowance of gifts, limitations on locations allowable for on-campus solicitations, and the use of only students and not professionals to solicit information.

**Finding 9: Mansfield University adopted a policy regarding on-campus credit card marketing but addressed only one of the five recommendations of Act 82 of 2004.**

In September 2004, Mansfield University adopted a policy on credit card marketing. However, we found that the policy addressed only the registration and approval of on-campus credit card marketers. Left unaddressed in the policy were the four other areas discussed in the legislation: debt education, non-allowance of gifts, limitations on locations allowable for on-campus solicitations, and the use of only students and not professionals to solicit information.

It was also in September 2004 that the university named its director of student affairs to oversee the marketing of credit cards. However, in October 2005, this individual left the university, after which no one else was named to oversee credit card marketing.

When we asked university officials if there had been credit card solicitations on campus since October 2005, the officials did not know whether any such solicitations had occurred. Accordingly, we could not determine if any such activity took place. At the same time, management could produce no new policy in effect during the audit period to show whether the four neglected issues had been addressed.

On February 22, 2008, Mansfield University assigned its associate vice president for student affairs the responsibility of being the contact person for credit card marketers.

**Recommendation:**

Mansfield University should develop a credit card marketing policy ensuring compliance with Act 82 of 2004.

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November 2009  
Pennsylvania Department of the Auditor General  
***Performance Audit of Mansfield University***  
*Audit Period: July 1, 2005, to March 12, 2008*

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**Audit Results**

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*Comments of Mansfield University management regarding Finding 9:*

*The Associate Vice President for Student Affairs will review the university policy on Credit Card Solicitation and update as appropriate.*

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**Status of Prior Audit Findings and Recommendations**

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**Status of Prior Audit Findings and Recommendations**

On the following pages is a summary of the findings and recommendations presented in our audit report for the period July 1, 2002, to April 29, 2005, along with a description of Mansfield University's disposition of the recommendations.

**Fire Safety**

**Prior Finding I-1 – Mansfield University did not conduct unannounced fire drills, fire drill reports contained insufficient information, and fire drills were not always recorded.**

Our prior audit reported that all university fire drills were planned and posted at the beginning of each semester. In addition, fire drill reports on file in the safety coordinator office established that only records of fire drills attended by the safety coordinator were kept on file. Finally, the fire drill reports listed only the date, time, and place of the fire drill.

We recommended that university management conduct unannounced fire drills, and that all fire drills should be observed and recorded by either the safety coordinator or a designated backup. In addition, we recommended that all fire drill reports should include information such as the number of residents evacuating the building, the time it takes to evacuate, and any other items of interest related to the fire drill.

Status:

Mansfield University did not implement our recommendations related to conducting unannounced fire drills, and these issues are again discussed in Finding 1 of the current audit report.

**Prior Audit Finding I-2 – The University did not perform monthly fire extinguisher inspections.**

Our prior audit revealed that the university did not conduct monthly fire extinguisher inspections. During our examination, we found two fire extinguishers that were

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

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undercharged, and we also noted 22 fire extinguishers did not match the information recorded on the master inventory sheet.

We recommended that university personnel conduct monthly inspections of fire extinguishers.

Status:

The university did not implement our recommendation. See Finding 2 of the current audit report.

### **Materials Management**

#### **Prior Audit Finding II-1 – Automated reorder points for storeroom inventory were not established.**

Our prior audit revealed that the SAP R/3 system did not have automatic reorder points for storeroom inventory. At the time of our audit, storeroom personnel had to visually inspect and count each group of items to determine if sufficient quantities existed. The use of automatic reorder points for individual storeroom items could increase the probability that the optimum number of items would be in stock. Computerized reorder points would also take less staff time and increase overall storeroom efficiency.

We recommended that university management should work with SyTec, the system technology consortium responsible for the training, configuration, and maintenance of the SAP R/3 system, to set up automatic reorder points for storeroom inventory.

Status:

Our current audit disclosed storeroom items were now distributed directly to each individual department. Since our prior audit, management has reduced the university's storeroom inventory by 44 percent and told us that this trend would continue. As a result, the need for automatic reorder points has greatly diminished and this issue is resolved.

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**Status of Prior Audit Findings and Recommendations**

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**Prior Audit Finding II-2 – Storeroom physical inventories revealed numerous unexplained variances and storeroom inventory duties were not segregated.**

Our audit of the June 2004 physical inventory reconciliations revealed variances with 46 inventory items with no corresponding explanation of the variance. However, the net dollar amount of the variances was only \$596.02 of the total inventory cost of \$86,000. Due to the number of variances, we conducted a physical count of statistically sampled inventory items. We tested 32 storeroom items and found six minor discrepancies. The individual dollar amounts of these unexplained six variances totaled \$31.91. Our review of the storeroom inventory process indicated that the storeroom clerk completed both the annual physical inventory and all periodic spot checks. The storeroom clerk also had the capability to delete inventory items from the storeroom computer. The lack of segregation of duties or checks and balances to monitor inventories and spot checks opened the university to a possible loss of inventory.

We recommended that university management designate an employee independent of the storeroom, preferably someone from the business office, to conduct the annual physical inventories as well as all periodic spot-check counts of inventory. Any material variances should be thoroughly investigated, and supporting documentation for all variances should be included with the storeroom reconciliations.

Status:

Our current audit disclosed that management has designated an employee independent of the storeroom to conduct the annual physical inventories as well as all periodic spot-check counts of inventory. Auditors spot-checked several inventory items and found no variances. As a result, we consider the issue resolved.

**Prior Audit Finding II-3 – Certain Mansfield University role-mapping assignments created incompatible duties.**

Our audit of the SAP R/3 role maps at the university identified 12 employees who had the authority to complete purchase requisitions, approve purchase requisitions, and receive goods.

Role assignments are prepared to indicate the authorized responsibilities of each employee who has access to the automated SAP R/3 system. Proper segregation of duties ensures that no one person can order items, receive the items, and post the receipt of those items to the inventory system. When an employee is role-mapped to both purchase and receive items,

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

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the inherent controls of the system are weakened and the potential for unauthorized purchases increases.

We recommended that current role map assignments be reviewed and corrected to reflect the actual responsibilities of all Mansfield University employees. These responsibilities should be segregated to ensure individual employees could not purchase and receive goods.

Status:

Our current audit disclosed employee role-mapping duties have been changed to help eliminate incompatible duties. The university corrected all 12 role-mappings, resulting in the proper segregation of employee duties. As a result of management's action, we consider the issue resolved.

### **Student Employment Eligibility**

#### **Prior Audit Finding III-1 – Student employment eligibility was not always established in a timely manner.**

Our prior audit reported that university management was not in full compliance with the Immigration and Reform Act of 1986. Students were allowed to begin work before verification of the information on Form I-9. We recommended that university management review and modify its procedures applicable to the completion and timely submission of Form I-9 as required by the Immigration Act of 1990, thereby avoiding the possible imposition of penalties.

Status:

Mansfield University implemented our prior audit recommendations. During the current audit, we concluded that the university complied with the Immigration and Reform Act of 1986 as amended by the Immigration Act of 1990, which required identity and employment verification prior to beginning employment. The selected sample of student records contained the completed form I-9, with the use of acceptable identification documents, and the completion date was within the required three business days after the start of employment. As a result, we consider the issue resolved.

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**Status of Prior Audit Findings and Recommendations**

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**Contracts**

**Prior Audit Finding IV-1 – Purchasing personnel did not obtain competitive bids for items under \$10,000.**

Our prior audit reported that Mansfield University did not follow purchasing policies and bidding requirements established in the purchasing department's December 15, 2004, purchasing policies and bidding requirement memo. Obtaining competitive bids is a prudent business practice that could yield economic benefits. Our recommendation was for the purchasing department to comply with its purchasing policies and bidding requirements.

Status:

Our current audit revealed that university management still did not implement our recommendation. Specifically, we found that Mansfield University continued to award contracts without gathering or documenting three telephone or fax bids as stated in the purchasing department's memo dated December 15, 2004. This issue is discussed further in Finding 5 of the current audit report.

**Prior Audit Finding IV-2 – The food service contract was not monitored for compliance with contract terms.**

Our prior audit reported that the bacteria counts and the major extermination services were not performed. In addition, the product liability insurance coverage was for \$3 million instead of \$10 million. Our recommendation was that university management should ensure that all contracts are monitored for compliance prior to payment for services.

Status:

Our current audit revealed management did not implement our recommendation. The food service vendor provided an independent and certified professional laboratory to conduct monthly bacteria counts of china, glassware, flatware, and the frozen soft serve/yogurt machine as required by the contract. However, the annual major extermination services were not performed, and the product liability insurance coverage was not changed to meet the contract requirements. This issue is discussed further in Finding 6 of the current audit report.

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**Status of Prior Audit Findings and Recommendations**

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**Prior Audit Finding IV-3 – Contracts did not always contain a breakdown of services.**

Our prior audit reported that contracts did not itemize the services provided to Mansfield University as stated in the State System manual Section IV, B, 12. Without a proper itemization, billed costs could not be verified to contracted quantity or price. Our recommendation was for university management to ensure that quantity, unit price, and total price terms are included on every contract as agreed upon by both parties. We also recommended that the university's contract monitor should review the documentation and proper itemization for all expenditures to determine if payment should be authorized.

Status:

Our current audit revealed that university management did make improvements with regard to providing a cost breakdown of services within the contracts. Our testing identified only one exception out of the 14 contracts reviewed, compared to the four exceptions out of a sample of 16 contracts in the prior audit. Management should continue to ensure that quantity, unit price, and total price terms are included within every contract as agreed upon by both parties. No other action is deemed necessary at this time, and the issue is resolved.



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November 2009  
Pennsylvania Department of the Auditor General  
***Performance Audit of Mansfield University***  
*Audit Period: July 1, 2005, to March 12, 2008*

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