

Commonwealth of Pennsylvania
State System of Higher Education
Shippensburg University of Pennsylvania
July 1, 2004, to April 11, 2008
Performance Audit



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April 10, 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 Shippensburg University of Pennsylvania of the State System of Higher Education for the period July 1, 2004, to April 11, 2008. 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 notes student social security numbers were required to access the University FAQs webpage and the Student Portal webpage. The contents of the report were discussed with the management of Shippensburg University of Pennsylvania officials and all appropriate comments are reflected in the report.

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

Sincerely,

JACK WAGNER
Auditor General

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Background Information

State System of Higher Education

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

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

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

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

¹ 24 P. S. § 20-2001 et seq.

Background Information

Shippensburg University of Pennsylvania

Shippensburg University of Pennsylvania is situated on 200 acres and is located in the town of Shippensburg, Pennsylvania. It was originally founded in 1871 to train teachers at the elementary and junior-high levels. Currently, it is an institution of higher learning with degree programs offered from the disciplines of the Arts and Sciences, Business, and Education and Human Services. The Department of Education and the Middle States Association of Colleges and Schools, as well as several other accreditation agencies accredit Shippensburg.

The Joint State Government Commission compiled the following selected unaudited operating statistics for the 2004-05, 2005-06, 2006-07, academic years for Shippensburg and the State System:

Data/Location	2004-05	2005-06	2006-07
State Instruction Appropriations (rounded in thousands):			
Shippensburg University	31,461	31,916	32,214
State System of Higher Education	428,866	443,295	462,955
Full-Time Equivalent Students (FTE's):			
Shippensburg University			
Undergraduate	6,418	6,303	6,299
Graduate	<u>567</u>	<u>562</u>	<u>589</u>
Total FTE's	<u>6,985</u>	<u>6,865</u>	<u>6,888</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 FTE's	<u>99,327</u>	<u>102,212</u>	<u>103,044</u>
Full Time Equivalent Instructional Faculty:			
Shippensburg University	364	362	364
State System of Higher Education	5,155	5,258	5,366
Degrees Conferred:			
Shippensburg University	1,728	1,679	1,672
State System of Higher Education	20,010	21,038	21,945

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.

The audit objectives were chosen from the following areas: Purchasing Cards, Student Residency, Social Security Number Protection, Travel, and Accreditation. The specific audit objectives were:

- To determine Shippensburg's compliance with purchasing card policies including an analysis of cards issued, card limits, and testing of transactions. (Finding 1)
- To determine if the appropriate tuition was charged to the student based upon residence. (Finding 2)
- To determine if Shippensburg had safeguards and security measures in place for maintaining the confidentiality of student social security numbers. (Finding 3)
- To determine if Shippensburg employees submitted travel expense reimbursement requests in compliance with Commonwealth and State System regulations, as well as to assess the effectiveness of relevant controls. (Finding 4)
- To review Shippensburg's accreditation reports and assess efforts to implement the recommendations presented in those reports. (Finding 5)

In addition, we determined the status of recommendations made during the prior audit of Shippensburg in the areas of fire and general safety, the continuing funding of the local school district, the need for stronger security measures at the on-campus school, completed background checks for all employees working at the on-school, and weaknesses identified in the implementation of the new computer-based accounting and procurement system.

The scope of the audit covered the period from July 1, 2004, through April 11, 2008, unless indicated otherwise in the individual findings.

To accomplish these objectives, auditors reviewed the State System and Shippensburg regulations, policies, and procedures related to purchasing card management, reviewed Policy

Objectives, Scope, and Methodology

1985-03: Student Domicile Regulations and Student Residency classification at Shippensburg. Auditors also reviewed Commonwealth and State System of Higher Education Board of Governors travel expense policies, the Shippensburg accreditation reports, and Shippensburg's written response replying to the previous Auditor General report.

Auditors interviewed Shippensburg's Interim Provost, the assistant director of purchasing responsible for implementing and monitoring the purchase card program, the Executive Secretary of Student Affairs, Dean of Enrollment Services, the Clerical Supervisor of Admissions, the Clerk Typist, and Administrative Service manager in the Accounts Payable Office.

To determine Shippensburg's compliance with purchasing card policies, auditors verified that procedures were in place to ensure cardholder adherence to policies and procedures regarding:

- Transaction and monthly dollar limits.
- Allowable and non-allowable purchases.
- Card forfeiture upon termination.
- Consequences for policy violations.

Auditors also randomly selected 411 transactions from July 1, 2006 through June 30, 2007, to verify that every purchase had appropriate documentation, such as the receipt, invoice, confirmation notice, packing slip, and payment approval. Auditors also verified that every invoice was reconciled to the monthly bank statement.

To determine if the appropriate tuition was charged to the student based upon residence, auditors obtained current tuition schedules for the Fall semesters of 2005, 2006, and 2007 as approved by the Board of Governors, and documented the process by which student files are entered into the computer system for billing classification (in-state or out-of-state tuition rates) and obtain examples of online printouts used for inputting student information. Auditors also obtained and analyzed a list of all individuals who are enrolled as in-state and out-of state undergraduate and graduate students registered for fall 2005, 2006, and 2007, then randomly selected a sample of 78 undergraduate and 15 graduate student records for detailed testing.

To determine if Shippensburg had safeguards and security measures in place for maintaining the confidentiality of student social security numbers, auditors navigated through Shippensburg's online webpages, observed library personnel accessing student accounts, observed the Public Safety Office personnel accessing student accounts, observed students swiping cards for food purchases and documented the type of information generated on cashier screens and printed receipts.

To audit the travel expense reimbursement requests, auditors randomly selected and tested the supporting documentation for 31 travel expense statements from July 1, 2006, through June 30, 2007.

Objectives, Scope, and Methodology

Through review and analysis of correspondence, interviews, and observation, auditors assessed the implementation of the recommendations presented in the accreditation reports.

Auditors also performed tests, as necessary, in prior audit areas and held discussions with appropriate Shippensburg personnel to substantiate their understanding of management's progress in resolving the prior audit findings.

Audit Results

Purchasing Card

The Commonwealth established a Visa Purchasing Card Program in 1997 to provide a more efficient method for the payment of goods and services. The Shippensburg University Purchase Card is an internationally accepted credit card issued to authorized Shippensburg personnel to be used only for business. It is primarily designed for small dollar purchases of goods and supplies. Spending controls are determined individually for each card, ensuring that the card can only be used for specific purposes within specific dollar limits. The total value of a transaction cannot exceed a cardholder's single purchase limit.

Shippensburg is to follow its Procurement Card Program Policies and Procedures Manual² and the PA State System of Higher Education Board of Governor's Policy 1986-07-A.³

Use of the card expedites and simplifies the purchasing process, as well as allowing greater flexibility in procuring needed items, especially from vendors that do not accept purchase orders. In addition, using the card improves efficiency and reduces costs by eliminating the need to enter and process requisitions, purchase orders, or petty cash forms, as well as the processing of individual invoices and vendor checks.

Finding 1 – Shippensburg maintained effective control over the purchasing card program.

Our audit of 411 transactions showed all transactions complied with applicable regulations except for one transaction. Every other purchase had appropriate documentation in the form of a receipt, invoice, confirmation notice, or packing slip. In addition, the purchases had signed approval for payment, and amounts were reconciled to the monthly bank statement.

The one exception was a purchase that exceeded the \$1,000 per transaction limit. To ensure the order was processed, two invoices were prepared for a total purchase price of \$1,317.50. The Shippensburg purchasing card reviewer noted the "split purchase," although not until after the purchase was made and received. The cardholder in violation received a written reprimand from the Purchasing Office stating:

² Shippensburg University Procurement Card Program Policies and Procedures Manual, 06/28/2006.

³ The PA State System of Higher Education Board of Governors Policy 1986-07-A.

“You are hereby reminded to please follow the policies and procedures set forth in the use of procurement cards by Shippensburg University employees so that no further action will be require that restricts further usage.”

Consequences for Procurement Card policy violation include a written reprimand to the cardholder for the first violation, a written reprimand to the card holder with a copy to the cardholder’s supervisor for a second violation. A third violation requires surrender of the card to the Purchasing Office, cancellation of the card, and a loss of purchasing card privileges for one year.

Student Residency

The Pennsylvania State System of Higher Education Board of Governors establishes, on an annual basis, resident and non-resident tuition rates for all State System Universities. As state universities, it is important to ensure that state appropriations support only Pennsylvania resident students.⁴ Shippensburg must follow set policies and procedures in determining the student’s residency. Residency is determined by the location of one’s “domicile” (where their family legally resides) and is proven through such means as income tax returns, vehicle registration, ownership or lease of residence and voter registration, etc.⁵ The Shippensburg business office monitors the student’s high school, legal residence, and age to determine the correct tuition rate. The business office also monitors students over the age of 22 and graduate students, and uses the student’s legal address and, if applicable, full time employment address.

Finding 2 – Shippensburg charged the correct tuition based on residency.

Shippensburg complied with the Board of Governor’s policies and procedures concerning student residency and tuition rates. Supporting documentation for the 93 student records randomly selected for detailed testing provided sufficient evidence that Shippensburg charged the appropriate amount of tuition based on residency.

⁴ The PA State System of Higher Education Board of Governors Policy 1999-02-A: Tuition; Section III. Undergraduate Non-resident Tuition; subsection A. Background; pg. 3.

⁵ Ibid.

Audit Results

Social Security Number Protection

Most colleges and universities have historically relied upon Social Security Numbers (SSN) as unique identifiers for students, faculty, and staff. SSNs have been used to generate reports on individuals' grades, payroll information, student identification cards, and employee benefits to name only a few examples.

In recent years, Shippensburg and many other institutions have recognized that the use of SSNs for identification purposes creates substantial risks. SSNs are sensitive data that can be abused by identity thieves to commit fraud. This abuse can cause privacy harm to Shippensburg staff and students, and create compliance and reputational risks to Shippensburg itself.

To alleviate identity theft and privacy harm, Shippensburg officials have replaced the SSNs with a Shippensburg University Identification Number. This number is displayed on the front of the student identification card and is stored within the magnetic strip on the back of the card. It is the main identifier for students and faculty.

Finding 3 – Some internet webpages required or showed social security numbers.

Shippensburg has made significant changes to systems, operations, reports and other areas, which substantially reduced the availability of social security numbers. Discussion with various campus officials disclosed that the Student Identification Card was the primary means of accessing dormitories and other campus facilities. The card also allowed access to various goods and services including library materials and any of the five meal plan options.

Observation of the use of the student identification card in the library and the dietary facilities confirmed that no personal information was displayed on either computer screens or cash register receipts. Furthermore, auditors observed prudent safeguarding of information at the Public Safety Office. We noted that vehicle ticket information is obtained by vehicle license number, alleviating any security risk of student or staff personal information.

The only exceptions noted were on Shippensburg's undergraduate student intranet FAQ webpage and Student Admission Process portal webpage. From the FAQ webpage, auditors identified five of the 54 questions that required students to provide social security numbers in order to obtain answers. Observations made online from the Student Admission Process portal webpage revealed that student social security numbers were not hidden from view by use of special characters, exposing confidential information to bystanders.

Recommendation:

Shippensburg should make the necessary changes to eliminate all references to social security numbers on all Shippensburg webpages.

Management Comment:

In a communication to the auditors on January 18, 2008, the Director of Accounting reported, “The web pages are corrected.” He further stated, “The SUID is the only filed stored on the ID card. The ‘junk’ stripe contains the current balance that can be used for laundry”

Auditors’ Comment:

Immediately after this was brought to management’s attention it was corrected. Our follow up review showed the webpages have been corrected and updated by replacing social security numbers with Shippensburg student identification numbers, special characters, and/or hidden fields.

Travel

Shippensburg employees are entitled to receive reimbursement for actual travel expenses incurred in the performance of their duties. The Commonwealth⁶ and State System⁷ have developed policies and procedures that specify the types of allowable and reimbursable employee travel. These guidelines address eligibility, rates, and documentation required for reimbursement of expenses for personal mileage, meals, and hotel accommodations.

Finding 4 – Shippensburg complied with Commonwealth and State System regulations related to travel reimbursements.

Shippensburg employees submitted travel reimbursement requests timely, accurately and completely. All 31 transactions tested complied with the Commonwealth and State System regulations. Shippensburg management monitored reimbursement requests by ensuring receipts were reconciled with expense vouchers and ensured proper controls were in place by ensuring direct supervisors approved travel expenses before payments were made.

⁶ Commonwealth of Pennsylvania Governor’s Office, Management Directive Number 230.10 Amended, “Travel and Subsistence Allowances,” February 15, 2007.

⁷ State System of Higher Education Board of Governors-Policy 1986-07-A: “Travel Expense Regulations.”

Audit Results

Accreditation

The process of accreditation involves assessment of educational and institutional quality and continued enhancement of education through the development and validation of standards. Accreditation provides a credential to the public signifying that an institution and its programs have fulfilled their commitment to educational quality.⁸

Shippensburg has both institutional and specialized accreditations. The Middle States Association of Colleges and Schools; The Association to Advance Collegiate Schools of Business; the American Chemical Society; the Council on Social Work Education; the Council for the Accreditation of Counseling and Related Educational Programs; the International Association of Counseling Services; and the National Council for the Accreditation of Teachers accredit Shippensburg University.⁹

Finding 5 – Shippensburg implemented all accreditation recommendations.

Shippensburg has been granted accreditation status from six institutional and specialized accrediting agencies. Currently, the Middle States Association of Colleges and Schools accredit it, which grants accreditation to the whole institutional unit. The remaining five accreditations are specific to particular fields of discipline, which are the Association to Advance Collegiate Schools of Business; the American Chemical Society; the Council on Social Work Education; the Council for the Accreditation of Counseling and Related Educational Programs; the International Association of Counseling Services; and the National Council for the Accreditation of Teachers.

Auditors examined accreditation documents showing that the commission accepted the periodic review report submitted by Shippensburg and reaffirmed accreditation. For the three-year audit period, auditors confirmed that Shippensburg officials responded to periodic accreditation requirements ranging from self studies and review briefs, to site visits and program responses.

⁸ <http://www.ship.edu/academic/accreditation.html>, viewed February 26, 2008.

⁹ Ibid.

Status of Prior Audit Results and Recommendations

The following is a summary of the findings and recommendations presented in our audit report for the period July 1, 2001, to April 9, 2004, along with a description of Shippensburg's disposition of the recommendations.

Prior Finding I-1 – Direct access only to the local 911 emergency calling system creates unnecessary response delays.

Our prior audit disclosed campus security did not permit students, staff, and visitors to have direct access to call local 911 county dispatchers in emergency situations. Instead, all calls were channeled to the campus Public Safety Office, causing unnecessary delays in response to emergency situations.

We recommended that Shippensburg change its current policy with regard to the 911 calling system, in order to minimize delays in response time and to better ensure proper response efforts.

Status:

Beginning January 1, 2005 students, employees, and visitors to the campus are able to dial 911 from a campus telephone and have direct access to county control personnel. Shippensburg University Police are notified of a call by a printer located in the dispatch center as well as by phone calls from county control advising of the call, and the fact that emergency personnel are en route. Therefore, delays in response times have been minimized, and the quality of response efforts has improved. As a result, this prior year finding is cleared.

Prior Finding I-2 – Campus police were not trained as emergency dispatchers, 911 first responders, firefighter, or emergency medical technicians.

Our prior audit disclosed that campus police were acting as 911 call-takers and dispatchers, but did not have the required 911 emergency training. In addition, a review of campus police training records revealed that officers were only required to receive limited annual training in CPR and basic first aid. Furthermore, campus police did not understand how to use the campus 911 emergency calling system.

Status of Prior Audit Results and Recommendations

We recommended that until Shippensburg changes its emergency response practices, all personnel who perform emergency dispatch duties should be required to comply with the annual training requirements of ACT 1990-1978, and become certified in EMT procedures. In addition we recommended these personnel be trained in fire safety procedures, and immediately instruct every individual employed at the campus police station to properly use the phone system, and report any future malfunctions to Shippensburg Communications Department officials immediately.

Status:

Shippensburg has installed an entirely new phone system. Each officer attended training to learn the operation and capabilities of this system. In addition, as a result of the changeover to the new direct dialing system, effective January 1, 2005, police officers are no longer acting as 911 emergency medical or fire dispatchers, eliminating the need for those training areas controlled under ACT 1990-78. In addition, our file review of the 17 armed commissioned police officers on campus verified that officers continue to be trained in emergency medical procedures, first aid, and CPR as required in Shippensburg's Security policies and procedures. As a result, this prior year finding is cleared.

Prior Finding I-3 – Shippensburg did not have a campus evacuation plan.

Our prior audit disclosed that Shippensburg officials are not prepared to deal with disaster preparedness or emergency evacuation plans, even though the Pennsylvania Emergency Management Agency (PEMA) can provide a disaster planning guideline entitled, "Disaster Preparedness Planning Guide for Facilities," which shows institutions how to develop emergency evacuation plans. At a minimum, the actual plan should include: a purpose statement, a list of people who will be responsible for implementing appropriate emergency responses, communication plans, and evacuation and transportation procedures.

We recommended that Shippensburg officials organize staff to be responsible for coordinating the development of a written campus-wide emergency evacuation plan. In addition, we recommended Shippensburg officials meet and consult with federal, state and local officials to assist in the development of a coordinated plan and implement procedures to conduct disaster drills.

Status:

Shippensburg officials and staff have developed a written campus-wide emergency evacuation plan, under the direction of the campus Safety Officer and with help from community officials as well. The plan includes a purpose statement, a listing of people who have been given the responsibility of implementing appropriate emergency responses, communication plans, and evacuation and transportation procedures. Furthermore, PEMA is in the process of evaluating Shippensburg's evacuation plan, along with the 13 other state universities' evacuation plans, in order to compile a comprehensive standard operating

Status of Prior Audit Results and Recommendations

procedures manual for all 14 state universities as well as other state agencies. As a result of these safety and security initiatives, the prior year finding is cleared.

Prior Finding I-4 – Fire safety equipment was not properly maintained or inspected.

A tour of Shippensburg University buildings including resident halls, classrooms and the administrative offices disclosed deficiencies related to fire and general safety, including fire doors in residential buildings that were propped open, fire extinguishers that were not inspected timely, and chemicals in the laboratory buildings that were not properly stored and secured.

We recommended that Shippensburg officials enforce the policy of closing all fire safety doors in residential buildings and remove door wedges from the buildings; ensure that all fire extinguishers are inspected monthly and tags updated accordingly; and enforce security measures with regards to chemical supplies and access to laboratories.

Status:

A follow-up review of campus academic and residential buildings disclosed that all deficiencies related to fire safety equipment have been corrected, as follows:

- Monthly building inspections are being conducted to curtail the practice of propping open hallway doors. Automatic door hold-open devices have been installed in the first floor lobby area of the three dormitories inspected, to allow free access to the students in wheelchairs. These devices release the doors in the event of a fire alarm; officials are in the process of installing the automatic door hold-open devices in all the residential buildings on campus.
- Monthly inspections and annual servicing of all campus fire extinguishers are being conducted by the newly appointed Safety Clerk; verifications and random checks are conducted by the Safety Coordinator and Director of Public Safety.
- Shippensburg developed guidelines to secure the chemical storage room, prep rooms, and laboratory where chemicals are kept. Some of the procedures are:
 - The Chemical storage room is locked.
 - The Equipment storage room is locked when staff is not present in the stockroom complex.
 - The Teaching labs are locked when staff is not present.
 - The Laboratory prep rooms are locked when no one is present in the room or adjacent laboratories.
 - The Research laboratories are locked when faculty or research students are not present.

Status of Prior Audit Results and Recommendations

- Random checks by the Safety Department have confirmed that these guidelines are being met.

As a result, this prior year finding is cleared.

Prior Finding I-5 – Building evacuation plans and fire drills were not completed.

Our prior audit disclosed that Shippensburg officials were deficient in documenting appropriate emergency exit routes from academic buildings. In addition, officials failed to complete certain monthly fire drills in resident halls.

According to Shippensburg's Safety Officer, although colleges are required to have semi-annual tests only, "we've chosen to go beyond this with monthly standards," However; documentation of fire drills conducted in the eight resident halls verified that only one had conducted all of the required monthly drills during 2003.

We recommended Shippensburg officials create and post evacuation plans in all academic buildings and require monthly fire drills in all resident buildings.

Status:

Evacuation plans have been posted in all academic, administrative, and residential buildings. The evacuation plans are located in hallways, stairwells and the main lobby areas. In addition, individual evacuation plans are affixed to the inside of the doors of resident hall rooms. A follow-up review of scheduled fire drills indicated that drills were conducted monthly in all residential halls during the fall and spring semesters of calendar years 2006 and 2007. As a result, this prior year finding has been cleared.

Prior Finding I-6 – Shippensburg police department documentation was inadequate.

The campus Police Department's documentation of medical, fire and emergency incidents was sporadic and incomplete. In addition, the department did not have procedures that outlined the circumstances when various reports were to be completed. As a result, it was often unclear how emergency calls were resolved.

We recommended that campus police should complete necessary fire or other incident reports timely and consistently to document the incident and the outcome. In addition, we recommended Shippensburg officials develop a new emergency procedure manual, which includes guidance on when and what type of reports are required as well as procedures on the preparation of those reports.

Status of Prior Audit Results and Recommendations

Status:

Shippensburg Police Department has adopted a new computerized system for reporting, recording, and resolving incidents and complaints. The new system provides the appropriate forms and procedures for the preparation of reports, depending on the nature of the offense, thereby creating a more efficient and effective way of documenting the investigation and resolution of campus complaints and incidents.

All complaints reported to the campus police department are entered into the system and recorded on a complaint log, by date and time received, and assigned a specific number. If any of these complaints are found to be criminal in nature, require further investigation, or lead to an arrest an incident report is generated. The incident report and the complaint report are linked and share the same number. All incident reports are printed and the criminal investigator keeps a copy. Each complaint and incident can easily be located on the computer system. As a result, this prior year has been cleared.

Prior Finding II-1 – Shippensburg continued to fund the local school district for the operation of the on-campus elementary school.

Our prior audit noted that Shippensburg continued to operate an on-campus elementary school for the local school district.

We recommended that Shippensburg officials should re-evaluate the use of college professors for teaching kindergarten through second grade.

Shippensburg management's January 10, 2005 written response stated:

The following advantages, of Luhrs Elementary School, for the University must be considered when quantifying costs:

- A. The School serves over 3,000 University students per year who are assigned observation hours, tutoring hours, and/or research opportunities not available in many of the surrounding elementary schools.
- B. The School's association with the Department of Teacher Education presents additional opportunities for action research within classrooms by both faculty and students, the opportunity for new and creative methodologies to be administered, and to answer questions on the part of Shippensburg University pre-service teachers concerning such areas as classroom management, balanced literacy, experimentation in the science areas as well as unique opportunities for a case study process.
- C. The Luhrs School, because of its campus setting, allows departments across campus to be involved in additional quantitative and qualitative research studies. Such departments as Psychology, Sociology, Social Work, Criminal Justice,

Status of Prior Audit Results and Recommendations

Geography-Earth Science, English, and History have all been involved in activities, which further the cause of understanding the developmental aspects of young children.

- D. The School's relationship with the Shippensburg Area School District allows for diversity of opportunities as well as a diversity of teachers associated with the Lab School.
- E. The School provides regional and national recognition for the University. The public-university partnership is a model of great interest to other universities and school districts seeking ways to mutually advance the preparation and development of teachers.
- F. The School promotes the recruitment of university students, faculty, and staff. The presence of the Luhrs School on campus shows a commitment to children and to the educational processes involved in their development.

In summary, the mission, goals, and philosophy of the Luhrs School are obvious. The school is an opportunity for the University to be involved with the community in a meaningful fashion. It allows our faculty, staff, and students the opportunity to further enhance education within the community. It also affords opportunities for ongoing research, new and creative pedagogical processes, and a sincere commitment on the part of both the community and the University to the children in the community.

The University will continue to discuss the Luhrs Agreement with the School District.

Status:

Since Shippensburg University implemented all other recommendations regarding the elementary school, entered into an affiliation agreement with the Shippensburg School District, and has received some reimbursement of costs from the school district, we consider the finding closed.

Prior Finding II-2 – Criminal and child abuse background checks were not completed.

Our prior audit disclosed that the School District was able to supply needed background checks for its twelve employees currently working, or who had worked at the Elementary School; however, eight Shippensburg faculty and staff who had direct contact with children at the Elementary School did not have the required criminal and child abuse background checks.

Status of Prior Audit Results and Recommendations

We recommended that Shippensburg officials ensure that all current and future faculty and staff working in the Elementary School have the necessary criminal and child abuse background checks completed prior to working with elementary school aged children.

Status:

Criminal and child abuse background checks were obtained for the eight Shippensburg faculty and staff. In addition, Shippensburg implemented a new policy requiring all individuals working with or around school children to secure all necessary clearances. As a result, the prior year finding has been cleared.

Prior Finding II-3 – The on-campus elementary school needed stronger security measures.

During November and December 2003, auditors conducted three observations of the Elementary School by entering the lobby and accessing hallways, empty classrooms, and the gymnasium; no one at the school offered assistance or asked the audit team for identification

We recommended Shippensburg take active measures to ensure the protection of the Elementary School's students and we encourage the speedy implementation of corrective security measures.

Status:

Shippensburg implemented the following measures to improve security:

- A magnetic lock has been installed that denies access to the main hallway; in order to gain access to the main hallway, one must sign in at the reception area, where the receptionist releases the lock for entry.
- All visitors, Shippensburg facility personnel, and Shippensburg students are required to sign-in.
- Visitors must wear badges.

As a result, this prior year finding has been cleared.

Status of Prior Audit Results and Recommendations

Prior Finding IV-1 – Weaknesses were identified in the implementation of the new computer-based accounting and procurement system.

Our prior audit disclosed that employees were assigned to incompatible purchasing-related duties and failed to properly update or eliminate assigned roles for employees that changed job assignment or terminated employment.

We recommended Shippensburg officials review and monitor the roles currently assigned to all employees to ensure that incompatible duties such as requisitioning items from the warehouse, receiving, and inventory records management are not assigned to a single employee.

Status:

Our follow-up review disclosed Shippensburg management complied with our recommendations by updating and eliminating all incompatible role-mapping duties. As a result, this prior year finding is cleared.

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