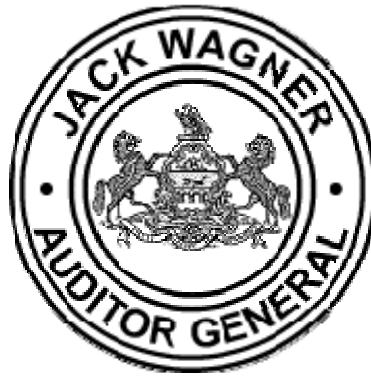


Commonwealth of Pennsylvania
State System of Higher Education
Slippery Rock University of Pennsylvania
July 1, 2004, to June 22, 2007
Performance Audit



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September 14, 2007

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 Slippery Rock University of Pennsylvania of the State System of Higher Education from July 1, 2004, to June 22, 2007. The audit was conducted under the authority provided in Section 402 of The Fiscal Code and 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. The report notes that Slippery Rock's management of its automotive fleet included deficiencies. The university unnecessarily incurred rental costs, underutilized its executive fleet, and failed to maintain long-term central records of the daily usage of each vehicle in its automotive fleet. Additionally, Slippery Rock did not ensure that only students who were employed by the university drove its vehicles. We discussed the contents of the report with the management of Slippery Rock University of Pennsylvania, and all appropriate comments are reflected in the report.

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

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

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

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

Background Information

Slippery Rock University of Pennsylvania

Slippery Rock University of Pennsylvania (Slippery Rock) is located in the borough of Slippery Rock, Butler County, approximately 45 miles north of Pittsburgh. The university dates back to 1889, when it was established as Slippery Rock Normal School to provide teacher education. Currently, it is a multi-purpose institution of higher learning which offers more than 60 degree programs in the College of Business, Information and Social Sciences, College of Education, College of Health, Environment and Science, College of Humanities, Fine and Performing Arts, and Graduate Studies and Research. In addition to the facilities on campus, the university utilizes the McKeever Environmental Learning Center, Jennings Environmental Education Center, Moraine State Park, the Regional Learning Alliance at Cranberry Woods, and the Wallops Island Marine Science Laboratory in Virginia to provide students with diverse learning resources.

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

The fundamental mission of the university is to provide high quality undergraduate and graduate academic instruction. Complementary missions are to conduct scholarly research, to promote professional performance, and to address the educationally related economic, health, environmental, social, cultural, and recreational needs of the region served by the university.

The Joint State Government Commission compiled the following select unaudited operating statistics for the 2004-05 and 2005-06 academic years for Slippery Rock and the State System.

Data/Location	2004-05	2005-06
Full-Time Equivalent Students (FTE's):		
Slippery Rock University:		
Undergraduate	7,114	7,294
Graduate	604	598
Total	7,718	7,892
State System of Higher Education		
Undergraduate	89,650	91,766
Graduate	9,677	10,446
Total	99,327	102,212
Full-Time Equivalent Instructional Faculty:		
Slippery Rock University	373	377
State System of Higher Education	5,155	5,258
State Instruction Appropriations (rounded in millions):		
Slippery Rock University	\$ 32.2	\$ 34.7
State System of Higher Education	\$ 428.9	\$ 443.3

Objectives, Scope, and Methodology

We selected audit objectives from the following general areas: Expense management, including a review of Slippery Rock's maintenance expenses and work order administration, as well as a review of travel expenses; Inventory Management, including an assessment of the university's management of its automotive fleet, as well as an evaluation of compliance with State System and university policies; and Contract Management, including an assessment of the key controls governing service contract implementation and monitoring. The specific objectives for this audit were:

- To assess the adequacy of controls over maintenance expenditures, including an assessment of the economy and efficiency of operations, as well as work order administration. (Finding 1)
- To determine whether the university's employee travel and associated reimbursements complied with applicable policies and procedures, as well as to assess the effectiveness of relevant controls. (Finding 2)
- To assess the efficiency and effectiveness of the university's management of its automotive fleet, as well as an evaluation of compliance with State System and university policies. (Findings 3 and 4)
- To assess the key controls governing contract implementation and to evaluate the efficacy of the university's monitoring of service contracts as well as compliance with Commonwealth guidelines. (Finding 5)
- The audit also included an update on the status of management's corrective actions on the prior audit findings and recommendations regarding fire safety and the purchasing card program.

The scope of the audit was from July 1, 2004, to June 22, 2007, unless indicated otherwise in the body of the individual report topic areas.

To accomplish these objectives, auditors reviewed university policies and procedures governing maintenance department operations, reviewed the State System policy regarding employee travel,² as well as the rates of travel expense reimbursement approved by the Chancellor.³ The auditors also reviewed Slippery Rock's employee travel policy,⁴ the

² Pennsylvania State System of Higher Education Board of Governors, Policy 1986-07-A, "Travel Expense Regulations," Amended April 9, 1998.

³ <http://www.passhe.edu/content/?/office/finance/accounting/rates> View Date: January 22, 2007.

⁴ <http://www.sru.edu/pages/12753.asp>. View Date: January 22, 2007.

Objectives, Scope, and Methodology

Commonwealth directives regarding the use of state automobiles,⁵ and Slippery Rock's policies and procedures regarding the use of university-owned vehicles, student drivers, itineraries, and rosters for fleet vehicles, license requirements, and vehicle inspections.⁶ Regarding contracts, the auditors reviewed the Commonwealth directive "Field Procurement Handbook," in addition to the policies of the State System.

Auditors interviewed appropriate Slippery Rock management and staff, including the Maintenance Operations Manager and the Maintenance Secretarial Supervisor, the accounting personnel responsible for the university's travel procedures and managerial controls, the university's Fleet Supervisor and Internal Auditor, and Slippery Rock's Director of Contract Management.

To assess the adequacy of controls over maintenance expenditures, auditors analyzed the documentation associated with 63 of 64,425 work orders completed between July 1, 2005, and February 28, 2007, examined the documentation associated with 28 of 1,936 corrective work orders open on March 27, 2007, physically inspected the work results for 5 of the 23 work orders from the immediately preceding sample, which were completed as of April 4, 2007, and examined the supporting documentation for 30 maintenance credit card purchases from August 16, 2006, through September 20, 2006.

To audit the employee travel and associated reimbursements, we reconciled 43 of 11,698 travel expenditures transacted between July 1, 2004, and June 30, 2006, to the corresponding travel request forms, travel expense vouchers, receipts, and other supporting documentation.

To assess the university's management of its automotive fleet we examined the university's general ledger for expenditures of the Fleet Operations subdivision for the fiscal years ended June 30, 2004, 2005, and 2006, and the university's expenditure ledger entries for rental car payments between July 14, 2004, and March 15, 2007. We examined the exterior condition, inspection stickers, and license plates of the 100 vehicles in the university's automotive fleet and reviewed the automotive fleet odometer readings recorded on the state inspection logs by the university's Fleet Operations subdivision between July 2004 and March 2007. We also analyzed the university's internally prepared summary of executive fleet usage during the 2006 calendar year, as well as the rental car invoices, vehicle request forms, and employee payroll records from September 2006 and January 2007.

To assess contract implementation and monitoring, we examined the bid documentation, terms, invoices, and expenditure ledger entries for 9 of the 81 service contracts in effect between April 1, 2006, and March 31, 2007.

To obtain an update on the status of management's corrective actions on the prior audit findings, auditors performed tests as part of, or in conjunction with, the current audit, and discussed the status of current operations with appropriate university personnel.

⁵ Commonwealth of Pennsylvania Governor's Office, Management Directive 615.8, "Use of State Automobiles," March 26, 1980.

⁶ <http://www.sru.edu> View Date: June 17, 2007.

Audit Results

Maintenance Expenses

Slippery Rock's maintenance department is responsible for the care and maintenance of 115 buildings on its main campus, as well as on its satellite environmental learning center. This department also maintains campus grounds, motor vehicles, and equipment for the university.

The university's maintenance department employs over 40 workers in eight specialty trade shops, including the electrical, carpentry, and paint shops.

Finding 1 – Slippery Rock effectively controlled its maintenance expenditures and work order system.

Slippery Rock adequately controlled its maintenance expenditures and effectively administered its work order system. Purchasing and receiving documents, invoices, and documented justifications accompanied the 30 sampled purchasing card disbursements. The review of 63 processed work orders disclosed that the maintenance department timely completed maintenance work with an average of eleven days and a median of 6 days after request. The maintenance department documented the labor and material costs for the sampled work orders. Lastly, none of the 28 sampled open work orders involved emergency safety or security issues.

Travel Expenses

Slippery Rock employees are entitled to receive reimbursement within prescribed maximums for out-of-pocket expenses incurred in the performance of their duties. During the fiscal years ended June 30, 2005 and 2006, the university spent approximately \$1.1 million and \$1.4 million, respectively, for employee travel.

The State System and the university have developed policies and procedures that specify the types of allowable and reimbursable employee travel. These guidelines address the eligibility, rates, and documentation required for reimbursement of expenses for personal mileage, meals, and hotel accommodations.

Audit Results

Finding 2 – Travel practices complied with applicable policy.

Slippery Rock complied with State System and its own guidelines regarding travel and the associated employee reimbursements. The 43 sampled travel expenditures agreed with the corresponding travel requests, travel expense vouchers, and receipts, as well as with the lodging, mileage, and subsistence rates specified in the applicable policies and procedures. Appropriate supervisory approval and written justifications accompanied all travel expense requests and vouchers prior to reimbursement.

Automotive Fleet Management

Slippery Rock owns and operates 100 licensed motor vehicles, including sedans, station wagons, minivans, maxi-vans, pickup trucks, and specialty trucks. The university's automotive fleet consists of 20 central pool vehicles and 80 vehicles permanently assigned to various university departments. The Fleet Operations subdivision of the Facilities and Planning Department is responsible for the maintenance and repair of all 100 vehicles in the university's fleet, as well as for the schedule and disbursement of the university's 20 central pool vehicles. Slippery Rock reported that the Fleet Operations subdivision expended approximately \$246,000 for equipment, maintenance, repair, supplies, and fuel during the fiscal year ended June 30, 2006.

The State System and Slippery Rock have established policies and procedures to govern the assignment and use of university vehicles. Drivers of Slippery Rock vehicles must be Commonwealth/university employees and possess a valid Pennsylvania driver license. Each university-owned vehicle must be inspected annually to ensure safe operation in accordance with current state inspection laws.

Finding 3 – Slippery Rock did not efficiently manage its automotive fleet.

Slippery Rock's Fleet Operations subdivision ensured that each of the 100 vehicles in its automotive fleet received an annual state inspection during 2006. Our audits, however, determined that Slippery Rock could improve the management of its automotive fleet. The university unnecessarily incurred vehicle rental costs, underutilized its executive fleet, and did not maintain long-term central records of the daily usage of each vehicle in its automotive fleet.

Unnecessary Rental Costs:

Our examination of travel expense records in September 2006 and January 2007 revealed that Slippery Rock employees rented vehicles. The university spent approximately \$1,500 for car rentals when comparable university-owned cars were available. A comparison of rental car invoices to records of central pool vehicle availability for September 2006 and January 2007 disclosed that one or more central pool vehicles were available during 15 of

the 17 documented car rentals. Accordingly, since comparable university-owned cars were available for employee use, Slippery Rock did not maximize usage of the 20 vehicles in its central pool.

The State System's travel policy and procedures require all persons who travel at State System expense to "exercise prudence and economy." Moreover, the policy states that the most economical means of transportation should be used consistent with the purpose and constraints of the travel.⁷

In August 2006, Slippery Rock approved and distributed university guidelines to implement the aforementioned State System travel policy. The guidelines, designed to reduce personal mileage reimbursement, encouraged employees to use rental cars for automobile travel with an anticipated daily mileage in excess of 145 miles. As a result, Slippery Rock personnel complied with the university's car rental policy. However, the analysis on which the guidelines were based considered only the costs of rental and personal cars and not the efficient utilization of the university's existing central pool of vehicles.

Recommendation:

Slippery Rock should review its policies and procedures and make any necessary revisions to optimize utilization of university-owned vehicles and minimize travel expenditures.

Management Comments:

As explained to the auditors, the program to determine the most economical means of vehicular travel was with the intent of reducing the university-owned car pool. After the implementation of the vehicle calculator, Campus Services began a utilization study. The resulting utilization numbers have allowed Slippery Rock University to reduce its car pool by 6 vehicles (4 sedans; 2 maxi-vans). The average acquisition cost of a car pool vehicle is \$20,000. This reduction in the car pool will result in a cost avoidance of \$120,000. Continuing to use the university-owned vehicles would lead to maintaining the status quo of travel and vehicle expense.

Auditor General's Response

We concur with Slippery Rock officials that a reduction in the size of the motor fleet could save future acquisition costs. Our analysis of Slippery Rock management's actions pertaining to the six vehicles referenced above was that the vehicles were transferred from the central pool to other university departments. This transfer will not eliminate future maintenance costs to the university since the overall size of the motor fleet remained the same. Moreover, management indicated that the recipient

⁷ Pennsylvania State System of Higher Education Board of Governors, Policy 1986-07-A, "Travel Expense Regulations," Amended April 9, 1998.

Audit Results

departments required the transferred vehicles for daily operations. Accordingly, the university's anticipated avoidance of acquisition costs may also not result.

At the same time, our recommendation to optimize usage of the university's existing central pool of vehicles does not run counter to the reduction in the university's fleet size. As long as vehicles remain available in the central motor pool, those vehicles should continue to be optimally used.

Also, our recommendation to review existing policies and procedures and make necessary revisions addresses the university's policy that encourages employees to use rental vehicles when facility-owned vehicles are readily available. The current policy actually encourages more university spending rather than less spending since the university continues to pay for the upkeep of the idle motor pool vehicles, and at the same time, pays for the cost of rental cars. To minimize expense to the university, Slippery Rock's automotive policies should be amended to stipulate that employees are to use rental vehicles only when university-owned central pool vehicles are not available.

Executive Fleet:

During the 2006 calendar year, Slippery Rock used a 2002 Chevy Trailblazer on only 4 trips (522 miles over a 10-day period). Between July and December 2006, the university used a 2005 Ford Freestyle on four trips (1,214 miles over a 14-day period) and a 2005 Buick LaCrosse on 10 trips (3,684 miles over a 24-day period). All three vehicles were assigned to the university's executive fleet. According to an internal study prepared by the university's Fleet Operations subdivision, Slippery Rock underutilized the three vehicles in its executive fleet. Though the three vehicles were underutilized, Slippery Rock continued to reserve them for the exclusive use of its high-level executives.

The underutilization of the executive vehicles represents an inefficient use of Slippery Rock assets. The university must maintain its executive fleet at the optimal size and usage in order to maximize the efficiency and minimize the costs of its automotive fleet.

Recommendations:

The university should analyze the usage and evaluate the costs associated with its executive fleet in order to optimize its size. The analysis should consider either selling or integrating any excess cars into the university's central pool of vehicles for general use.

Management Comments:

The university's executive fleet was recently reduced to two vehicles. The 2002 Chevy Trailblazer has been permanently assigned to Facilities.

Recordkeeping:

The university developed policy and an associated form for employee requests to use university-owned central pool vehicles.⁸ The request form required employees to record the beginning and ending odometer readings daily for each such trip. However, Slippery Rock did not maintain long-term central records of the daily usage of each vehicle in its central pool. Moreover, Slippery Rock did not establish any policies or standard forms that required the operators of its 80 permanently assigned vehicles to record daily mileage or frequency of use.

In order to maintain its fleet at the optimum size and thereby minimize the associated acquisition and maintenance costs of vehicles, the university should analyze vehicle usage. Without the availability of records, the university could not routinely analyze vehicle usage to determine the optimum size of its automotive fleet.

Recommendations:

Slippery Rock should develop policy and corresponding forms that require drivers to document the daily mileage for all central pool and permanently assigned vehicles. The university should maintain these forms centrally and on a long-term basis. In addition, Slippery Rock management should routinely and comprehensively analyze automotive fleet usage in order to maintain the university's fleet at the optimum size and thereby minimize vehicle costs.

Management Comments:

Fleet operations maintain mileage records on a monthly basis. Mileage alone is not an accurate indicator of the need for a vehicle, especially for permanently assigned vehicles (please note, permanently assigned vehicles at SRU mean the vehicles are assigned to a department, not an individual: Facilities, Athletics, Residence Life, Health Center, Networking, Macoskey Center, Police, Information Technology, Safety, CSLI). Of the above permanently assigned vehicles, only the 3 vehicles used by Athletics for recruiting and the 2 vehicles used by CSLI, spend any appreciable time off-campus. All other vehicles spend the vast majority of their trips within the limits of campus. The trips are essential to work, but very low in mileage.

For car pool vehicles, the most economical use is calculated on a mile/day basis.

Auditor General's Response:

During the audit, Slippery Rock's Fleet Operations subdivision, which is responsible for the central pool of vehicles, did not provide auditors with evidence of a monthly, or otherwise regular, compilation of central pool vehicle usage data. Also, Slippery

⁸ Slippery Rock University Finance and Administrative Affairs Division, Policy Number F&P-4830-11, "Use of University-owned Vehicles (Including Maxi-vans)," Not Dated.

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Rock officials did not centrally maintain or routinely analyze automotive fleet usage and automotive cost data, such as fuel, oil, parts and repairs, for vehicles permanently assigned to the departments. As a result, Slippery Rock management could not determine the optimum number of vehicles for its fleet.

Finding 4 – Slippery Rock did not ensure that only students who were employed by the university drove university vehicles.

Section 39.95(a) of Commonwealth Management Directive 615.8 states, as follows:

*State automobiles shall be operated only by properly licensed and responsible employees or officers of Commonwealth agencies...*⁹

Moreover, Section J.2 of Slippery Rock's own policy for the use of university-owned cars states the following:

*Drivers of the vehicles must be employees of the Commonwealth/University, this includes student employees. Employees must be receiving salary or wage remuneration for the DRIVING TIME, with taxes withheld, to be covered for workmen's compensation liability in the State Workmen's Insurance Fund, and to be insured under the Commonwealth's vehicle self-insurance program.*¹⁰

Slippery Rock did not ensure that its automotive fleet usage policies and procedures were followed. The review of vehicle request forms and employee payroll records for January 2007 disclosed that students who were not Slippery Rock employees drove university vehicles on 11 of the 92 trips, or 12 percent of the documented trips, for the university's central pool in January 2007. This practice violated both Commonwealth and Slippery Rock policies and procedures.

The university developed a vehicle request form to be submitted to its Facilities and Planning Department via the department chairperson and the appropriate dean or vice president. The form required that the approving department chairperson, dean, or vice president check a box to certify that vehicle operators will receive salary or wage remuneration for their duties in driving the university's vehicle. However, the box was unchecked on the forms for all eleven noncompliant trips.

The failure of Slippery Rock to ensure that only Commonwealth/university employees operate university-owned vehicles increases the risk of liability for medical and property damage claims in the event of accidents. The Sovereign Immunity Tort Claims Act waives

⁹ Commonwealth of Pennsylvania Governor's Office, Management Directive 615.8, "Use of State Automobiles," March 26, 1980.

¹⁰ Slippery Rock University Finance and Administrative Affairs Division, Policy Number F&P-4830-11, "Use of University-owned Vehicles (Including Maxi-vans)," Not Dated.

governmental immunity to liability when a state-owned vehicle is involved in an accident and the state agency is deemed negligent.¹¹

Recommendations:

Slippery Rock management should ensure that its automotive fleet usage policies and procedures are followed. The Facilities and Planning Department should return any incomplete vehicle request forms to the corresponding department chairperson, dean, or vice president. Requesting departments should verify that all students who drive university vehicles would receive salary or wage remuneration for the driving time before submission of any vehicle requests.

Management Comments:

A revised Vehicle Request Form is now available on the SRU web site. All incomplete Vehicle Requests are now returned to the appropriate department. The check box previously used to certify that vehicle operators will receive salary or wage remuneration for their duties while driving the university's vehicle has been removed. The approving department chairperson, dean, or vice president now certifies with their signature that the vehicle operator will be paid for the time they are driving a university vehicle and if applicable that they have received training for driving maxi-vans. Campus Services will conduct random audit checks on completed vehicle requests to determine pay status of student drivers.

Service Contracts

Universities frequently contract with vendors instead of providing services in-house, because the services may not warrant full-time positions or university personnel may not possess the required expertise. Contracted services include, but are not limited to, equipment rental or maintenance, website design, and energy system management. Between April 1, 2006, and March 31, 2007, Slippery Rock was responsible for 81 service contracts with an estimated value of \$7.2 million.

The Commonwealth has established guidelines for the procurement of services. These guidelines address the monetary thresholds and procedures for formal bids, as well as contract payment methods and requirements.¹² The State System's policies and procedures for the purchase of goods, services, supplies, and construction are designed to implement the

¹¹ 42 PA. C.S. §8542 Exceptions to governmental immunity.

¹² Commonwealth of Pennsylvania Governor's Office, Policy Number M215.3 Revision No. 4, "Field Procurement Handbook," April 17, 2003.

Audit Results

Commonwealth's guidelines.¹³ The university is responsible for effectively monitoring its contracted services.

Finding 5 – Slippery Rock complied with Commonwealth policies and procedures and effectively monitored nine contracts between April 1, 2006, and March 31, 2007.

The audit entailed the review of 9 of 81 Slippery Rock contracts in effect between April 1, 2006, and March 31, 2007. The \$1.782 million value of the nine sampled contracts represented approximately 25 percent of the \$7.186 total for the 81 contracts. The following table provides a description of the services and dollar value for the nine sampled contracts:

Service Description	Contract Value
Elevator maintenance and repair	\$ 58,000
Janitorial services for the residence halls	582,000
Website design	375,000
Waste dumpsite	98,000
Fire system maintenance	28,000
Photocopy service	216,000
Energy management	300,000
General concrete maintenance	87,000
Concrete replacement	38,000
Total sample	\$1,782,000

Slippery Rock bid and awarded the nine sampled contracts according to Commonwealth policies. Additionally, the university ensured compliance with contract terms and verified the accuracy of vendor invoices.

¹³Pennsylvania State System of Higher Education Board of Governors, Policy Number 1998-04-A, "Procurement of Goods, Services, Supplies, and Construction," Adopted October 8, 1998, and amended April 8, 2004.

Status of Prior Audit Findings and Recommendations

The following is a summary of the findings and recommendations presented in our audit report for July 1, 2004, to July 30, 2004, along with descriptions of Slippery Rock's disposition of the recommendations.

Prior Audit Results

Prior Finding I-1 – The university's fire safety program could be strengthened.

The two preceding audits reported that Slippery Rock's fire safety program did not adequately address all student safety needs. Slippery Rock did not document attendance at fire safety training for the fall 2003 semester, and it was unclear whether the university actually conducted the training. As of the close of audit fieldwork in July 2004, Slippery Rock had not tested the standpipe systems in either of its two high-rise dormitories. According to university management, the independent contractor responsible for the inspection of the university's sprinkler and standpipe systems advised the university that a separate testing of the standpipe system was not necessary.

The immediately preceding audit recommended that the university's Director of Environmental Health and Safety obtain a professional opinion to independently confirm whether a standpipe flow test should be conducted. Additionally, we repeated our prior recommendation that Slippery Rock ensure that annual fire safety training is provided and documented.

Status:

The current audit disclosed that Slippery Rock only partially implemented the recommendations of the prior report. Slippery Rock closed its two high-rise dormitories in 2006. None of the university's remaining buildings were equipped with standpipe systems. Accordingly, the recommendation to independently confirm the necessity of standpipe testing was no longer relevant.

A review of the university's sign-in sheets for fire safety training disclosed that Slippery Rock provided annual fire safety training to approximately 84 percent of its residential hall staff employed between July 1, 2004, and February 1, 2007. Although the university improved its documented attendance at fire safety training, we believe that 100 percent compliance is essential to ensure the safety of university students, staff, and visitors. Accordingly, we will monitor this issue in future audits of the university.

Status of Prior Audit Findings and Recommendations

Management Comments:

The Environmental Health and Safety Office have attempted to correct this problem and we have made it a priority to have attendance records for training conducted. As such, we have had attendance sheets filled out for all training sessions. Regrettably, a training record for a session conducted in mid-October is unaccountable for. Attendance had been taken; however, it was turned over to the training coordinator to make a copy of and never returned. To date we have been unable to locate the sheet.

No doubt, there are a number of persons from that session who are unaccountable for; however, most of these, since the training was conducted in mid-October, would be support staff and the majority of these being desk attendants. We are unsure as to how the 84 % attendance compliance figure was arrived at; nevertheless, we hope to correct this situation very quickly. One thing that we have implemented already is that our department will not release the original training sign-in-sheets. If someone is interested in obtaining a copy, we will make that copy for them.

Also, it was not our understanding that EH&S was responsible for checking employment records with class participation at our training sessions. We have initiated discussions with the Residence Life staff on the best way of ensuring that those employed as CA's and/or RC's have gone through the fire safety sessions.

Presently, we are looking at the best way to do this and in a way that is timely. We have a form developed which will provide us with an excellent starting point. Residence Life will be updating our department with personnel changes as they occur.

Prior Finding II-1 – The university did not enforce controls over its purchasing card program.

Slippery Rock did not enforce controls over its purchasing card program from July 1, 2002, to July 30, 2004. The review of supporting documentation for 51 purchasing card transactions and the analysis of cardholder statements for twelve consecutive months disclosed several violations of university policies and procedures, including purchases by unauthorized users, split purchases, and transactions without adequate supporting documentation. Additionally, independent review was not documented for 86 percent of the examined monthly card statements.

We recommended that university management enforce purchasing card policies and procedures regarding authorized users, split purchases, and justification for purchases. We also recommended that university management ensure that credit card statements are independently reviewed. The independent review should be documented and should ensure that purchases are made by only authorized cardholders, cardholders complete purchasing

Status of Prior Audit Findings and Recommendations

logs and submit monthly statements and receipts, and cardholders do not split any transactions to circumvent card limits.

Status:

The current audit disclosed that Slippery Rock complied with the recommendations of the prior report. University management enforced purchasing card policies and procedures regarding authorized users, split purchases, and justification for purchases. The review of 13 card statements for 13 different cardholders from April through December 2006 revealed that cardholders completed purchasing logs and submitted monthly statements, receipts, and justifications for all 177 associated transactions. Only authorized users signed the purchase receipts. Moreover, cardholders did not split any transactions to circumvent card limits. Finally, each purchasing log was independently reviewed and signed by personnel from the Purchasing Department.

Audit Report Distribution List

This report was initially distributed to the following:

Commonwealth of Pennsylvania

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