

**Commonwealth of Pennsylvania**  
**State System of Higher Education**  
**West Chester University of Pennsylvania**  
**July 1, 2004, to April 18, 2008**  
**Performance Audit**





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March 27, 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 West Chester University of Pennsylvania of the State System of Higher Education for the period July 1, 2004, through April 18, 2008. The audit is authorized under the provisions found in Act 188 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 contents of the report were discussed with the officials of the university and all appropriate comments are reflected in the report.

We appreciate the cooperation extended to us by the management and staff of West Chester University 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 universities 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.<sup>1</sup> 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.

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<sup>1</sup> 24 P. S. § 20-2001 et seq.

## **Background Information**

### **West Chester University of Pennsylvania**

West Chester University of Pennsylvania is located in West Chester, Chester County, approximately 25 miles west of Philadelphia. Although its founding year was 1871, the University traces its roots from the West Chester Academy. The Academy was a private, state-aided school that existed from 1812 to 1869. As the state began to take increasing responsibility for public education, the Academy was transformed into the West Chester Normal School, still privately owned but state certified. The School admitted its first class on September 25, 1871. In 1913, West Chester became the first of the normal schools to be owned outright by the Commonwealth. The School became the West Chester Teachers College in 1927 when Pennsylvania initiated a four-year program of teacher education. In 1960, West Chester Teachers College became West Chester State College in preparation for the addition of liberal arts programs. On July 1, 1983, West Chester State College became a University when it became part of the State System of Higher Education. Currently, it is a multi-purpose institution of higher learning offering 83 bachelor and associate degree programs and master degrees in 35 programs in a variety of academic disciplines.

The Middle States Association of Colleges and Schools, the National Council for Accreditation of Teacher Education, and other accrediting organizations academically accredit West Chester.

The Joint State Government Commission compiled the following select unaudited operating statistics for the 2004-05, 2005-06, and 2006-07 academic years for West Chester and the State System.

<u>Data/Location</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>
State Instruction Appropriations (rounded in thousands)			
West Chester University	\$ 47,210	\$ 50,795	\$ 52,539
State System of Higher Education	\$428,866	\$443,295	\$462,955
Full-Time Equivalent Students (FTE's)			
West Chester University			
Undergraduate	10,350	10,921	10,544
Graduate	<u>1,351</u>	<u>1,351</u>	<u>1,307</u>
Total	<u>11,701</u>	<u>12,272</u>	<u>11,851</u>
State System of Higher Education			
Undergraduate	89,650	91,766	92,678
Graduate	<u>9,677</u>	<u>10,446</u>	<u>10,366</u>
Total	<u>99,327</u>	<u>102,212</u>	<u>103,044</u>
Full-Time Equivalent Instructional Faculty			
West Chester University	642	662	671
State System of Higher Education	5,155	5,258	5,366
Degrees Conferred			
West Chester University	2,375	2,589	2,739
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 selected from the following general areas: Client Management, Accreditation, Expense Management, and Revenue Management. The specific audit objectives were:

- To assess the protection and confidentiality of student social security numbers. (Finding 1)
- To assess the efforts to implement the recommendations presented in the accreditation reports. (Finding 2)
- To determine the accuracy of the day care center accounts receivable and to determine what procedures were implemented to collect outstanding balances. (Finding 3)
- To determine if West Chester maintained records to adequately support employee travel reimbursement and if those reimbursement requests were processed in accordance with West Chester procedures in compliance with Board of Governors policy. (Finding 4)
- To determine if West Chester charged tuition rates based on the students domicile. (Finding 5)

We also determined the status of management's implementation of the recommendations presented in our prior audit report covering the period from July 1, 2001, to August 4, 2004.

The scope of the audit covered the period from July 1, 2004, through April 18, 2008, unless indicated otherwise in the individual findings.

To accomplish these objectives, auditors obtained and reviewed State System and West Chester policies regarding the confidentiality of social security numbers, reviewed applicable accreditation documents, and the West Chester's vision, mission and values

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

statement. Auditors also reviewed the applicable West Chester <sup>2</sup> and State System travel policy and procedures,<sup>3</sup> as well as domicile regulations.<sup>4</sup>

Auditors interviewed West Chester management to determine who had access to student social security numbers, and the supervisors from each of the departments in the university who have been given access to social security numbers to determine how the social security numbers were used and how they are protected. Auditors also interviewed the West Chester's Registrar and Bursar, and the Department Heads responsible for implementing the recommendations presented in the accreditation reports. In addition, auditors interviewed the director of the day care center, and West Chester employees responsible for processing and approving employee travel reimbursement.

To assess the protection and confidentiality of student social security numbers, auditors reviewed a list of West Chester employees with access to social security numbers to determine if access is warranted. Auditors also selected six West Chester employees who were not on the list of those with social security number access and visually inspected their computer access to ensure they were unable to view student social security numbers.

To assess the efforts to implement the recommendations presented in the accreditation reports, auditors examined the most recent accreditation reports for the 26 university programs that were accredited.

To determine the accuracy of the day care center accounts receivable and to determine what procedures were implemented to collect outstanding balances, auditors reconciled the "Accounts Receiving Aging Summary" with the "Detail Reports" as of February 1, 2008, and evaluated the procedures for past due accounts receivable collection.

To audit the travel reimbursement expenses, auditors selected and analyzed 64 travel expense transactions from a population of 9,627 processed from July 1, 2004, through December 31, 2007, to test for supporting documentation and compliance with applicable policy and procedures.

To determine if West Chester charged tuition rates based on the students domicile, auditors selected 64 Graduate/Undergraduate students from a student population of 34,129 paying in-state tuition rates for the 2005, 2006, and 2007 fall semesters to determine if these students resided in Pennsylvania. Auditors also selected 64 Graduate/Undergraduate students from a population of 4,427 students paying out of state tuition rates for the 2005, 2006, and 2007 fall semesters to determine if these students were paying the correct tuition rate.

To determine the status of management's implementation of the recommendations presented in our prior audit report, auditors performed tests as necessary as part of, or in conjunction

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<sup>2</sup> "Travel Expense Reimbursement Procedures,"

[http://www/wcupa.edu/\\_information/afa/Fiscal/Acctg/Payables/TC\\_12.htm](http://www/wcupa.edu/_information/afa/Fiscal/Acctg/Payables/TC_12.htm), viewed January 16, 2008.

<sup>3</sup> Board of Governors Policy 1986-07-A, Travel Expense Regulations, effective October 12, 1986.

<sup>4</sup> Board of Governors, State System of Higher Education, Student Domicile Regulations, Section 507.3, "Determination of Domicile."

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

with, the current audit, and had discussions with appropriate West Chester personnel to substantiate their understanding of progress University management made in resolving the prior audit findings.

## **Audit Results**

### **Student Social Security Number Access**

Historically, colleges and universities have utilized social security numbers for student identification cards and to generate grade and student payroll reports. In an effort to protect the confidentiality of employee and student social security numbers, the State System issued a memorandum in August 2005 instructing all university presidents on the appropriate protection of social security numbers. Additionally, West Chester departments issued their own policies and procedures for maintaining student social security numbers.

#### **Finding 1 – Employees had limited access to social security numbers to protect student privacy.**

West Chester limited use of student social security numbers and implemented procedures to protect this information. Reports listing social security numbers were kept in locked file cabinets, computer access to the numbers were password protected, and all employees who were granted access to the information must sign a Confidentiality Statement.

Additionally, West Chester revised its forms not to request social security numbers routinely. All students are now issued a unique university number rather than using social security numbers for student identification.

The use of a student's social security number cannot be completely eliminated due to federal and state requirements to use these numbers as identifiers for tax and financial aid purposes. However, West Chester has made efforts in reducing both the use and access to student social security numbers.

### **Accreditation Reports**

West Chester, a member of the Pennsylvania State System of Higher Education, is a public, regional, comprehensive institution committed to providing access and offering high-quality undergraduate education, select post-baccalaureate and graduate programs and a variety of educational and cultural resources for its students.<sup>5</sup> As part of meeting this commitment, West Chester is an approved and fully accredited member of 13 accrediting agencies, which accredit various West Chester programs.<sup>6</sup>

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<sup>5</sup> WCU Vision, Mission & Values Statements "The West Chester University Mission Statement."

<sup>6</sup> West Chester University Provost Office "Accreditations."

According to the United States Department of Education, the goal of accreditation is to ensure that the education provided by institutions of higher education meets acceptable levels of quality.<sup>7</sup>

**Finding 2 – West Chester complied with and implemented the recommendations that were presented in previous accreditation reports.**

An examination of 26 accreditation reports disclosed 22 programs met all standards of the accrediting agency with no additional response or follow-up required. The following chart presents the school or department, status and issues, and course of action for the four programs that did not initially meet all accrediting standards.

<b>School / Department</b>	<b>Status/Issue</b>	<b>Course of Action</b>
College of Education-English Department	The English Language Arts Teachers program is not nationally recognized due to inadequate data reporting.	A revised report separating the data for the undergraduate program from the graduate program was submitted to the National Council of Teachers of English on April 15, 2008.
College of Health Sciences-Communicative Disorders	The Master’s program in speech-language pathology was placed on probation. Two of the reasons cited were: 1) the Council was unable to verify that the program could effectively track student progress and that the program had established student learning outcomes for all knowledge and skills areas and 2) the amount of teaching credit for clinical supervision does not appear to be congruent with the actual workload. <sup>8</sup>	A response report addressing the non-compliance of accreditation standards was submitted to the Chair, Council on Academic Accreditation in Audio and Speech Language Pathology (CAA) on February 25, 2008. In a letter dated March 31, 2008, the council chair informed West Chester that all concerns were addressed and the probationary status was removed from the graduate education program in speech and language pathology. <sup>9</sup>
College of Health Sciences-Masters of Public Health	The Council on Education for Public Health (CEPH) accredited the program for a seven-year term but stipulated that an interim report addressing the criteria that was partially met be submitted in Fall 2007. Examples of areas that West Chester had to address were regular review of performance against targets goals and	The interim report, addressing the criteria that were partially met, was submitted to the Council on Education for Public Health (CEPH) in Fall 2007.

<sup>7</sup> US Department of Education “College Accreditation in the United States-Overview of Accreditation.”

<sup>8</sup> Letter to West Chester University’s Department of Communication Disorders from the Chair of the Council on Academic Accreditation in Audiology and Speech-Language Pathology, American Speech-Language-Hearing Association, dated March 16, 2007.

<sup>9</sup> Letter to West Chester University’s Department of Communication Disorders from the Chair of the Council on Academic Accreditation in Audiology and Speech-Language Pathology, American Speech-Language-Hearing Association, dated March 31, 2008.

## **Audit Results**

	objectives and functioning processes to effect change based on evaluation results. <sup>10</sup>	
College of Visual and Performing Arts-School of Music-Applied Music, Music History, Music Theory, Music Education	The National Association of Schools of Music (NASM) discovered during the most recent examination that the West Chester's music program did not comply with 11 standards. For example, the Program, Degrees and Curricula standard was not followed. It was not clear that the School was compliant with the Published Materials and Websites standard since the University Catalogue, the Music Handbook and the website information were not uniformly current with the latest in curricular reforms and changes in the School. <sup>11</sup>	The School is presently working on the optional response, which will address the standards that were not in compliance to be submitted to the National Association of Schools of Music (NASM) by May 1, 2008.

Based on this examination, West Chester strives to meet all standards of accrediting agencies to maintain program accreditation.

### **Day Care Center**

West Chester's day care center provides low-cost day care for children of students, faculty, and staff. The day care center offers a multiple-child discount rate of 20 percent per child. The program accepts children between three and six years of age and tuition is based on a sliding fee schedule, determined by income levels. The day care center has a capacity of 40 children.

#### **Finding 3 – Day care accounts receivable balances were accurate and current.**

West Chester's day care accounts receivable balances were accurate. This was accomplished with the updating of the day care center's financial software, which includes tracking tuition charged, payments collected, and outstanding balances.

For faculty and staff members, payments are required to be made through a payroll deduction. For students using the facility, the day care director takes a proactive roll in unpaid balances through timely mailing of past due notices and personal contact. Therefore, the changes in the financial software package, payroll deductions, and timely follow-up of

<sup>10</sup> Letter to the Program Director of West Chester University's MPH Program in the Department of Health, from the President of the Council on Education for Public Health, dated October 16, 2006.

<sup>11</sup> National Association of Schools of Music, Visitor's Report, Dates of Visitation: September 16–18, 2007, distributed December 17, 2007.



outstanding balances have minimized accounts receivable balances and improved tuition collections.

### **Employee Travel**

West Chester employees who are required to travel as part of their official job responsibilities do so at West Chester's expense but must submit a travel expense voucher to receive expense reimbursement. The State System's Board of Governors established policy that details allowable expenses.<sup>12</sup> This policy states that reimbursement to employees shall be made based on approved travel expense vouchers and that the travel expense vouchers shall be audited by the respective university prior to payment. In addition, West Chester has established procedures implementing the Board of Governors policy.<sup>13</sup>

#### **Finding 4 – West Chester maintained travel expense records adequately and complied with applicable policies and procedures.**

West Chester maintained records sufficient to support all of the travel expense transactions examined. In addition, those transactions were processed according to West Chester established procedures and complied with the Board of Governors' travel policy.

### **Student Residency Classifications**

State System's Board of Governors annually establishes tuition rates for its member universities. These rates are for graduate and undergraduate students and in-state and out-of-state residents. The determining factor that governs what tuition rate a student pays is based on the student's domicile which is defined as the place where one intends to reside either permanently or indefinitely and does, in fact, reside. Students with a domicile in Pennsylvania pay a lower tuition rate than students with a domicile not in Pennsylvania.

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

<sup>13</sup> "Travel Expense Reimbursement Procedures,"

[http://www/wcupa.edu/\\_information/afa/Fiscal/Acctg/Payables/TC\\_12.htm](http://www/wcupa.edu/_information/afa/Fiscal/Acctg/Payables/TC_12.htm), viewed January 16, 2008.

## **Audit Results**

### **Finding 5 – Students were charged the correct tuition rate based on domicile.**

All 128 students tested were charged the correct tuition rate based on the student's domicile. For the 64 students tested that were assessed the in-state tuition rate, sufficient documentation was available to support Pennsylvania residence. Additionally, the 64 students tested that were charged out-of-state tuition rates were correctly charged based on residency documentation on file with West Chester.

## *Status of Prior Audit Findings and Recommendations*

### **Objectives and Methodology**

The following is a summary of the findings and recommendations presented in our audit report for the period July 1, 2001, to August 4, 2004, along with a description of West Chester's disposition of the recommendations.

### **Prior Audit Results**

#### **Prior Finding I-1 – West Chester did not meet all fire safety program requirements.**

The previous audit identified areas where West Chester's fire safety program could be strengthened to enhance the protection of the students, staff, and physical plant. Those areas included:

#### *Fire Drills*

Although West Chester conducted fire drills in academic and administrative buildings, the frequency of the drills was not in accordance with the Pennsylvania Fire and Panic Regulations which requires all buildings undergo fire drills at least every six months and West Chester's Fire Prevention and Protection Policy which mandates that fire drills be conducted in all residence halls on a monthly basis. We recommended West Chester comply with both the state regulations and West Chester policies by conducting semiannual fire drills of all buildings and monthly fire drills at all resident halls.

#### Status:

The current audit disclosed that for the last six months of 2004, West Chester showed improved fire drill performance by completing 67 of a possible 119 fire drills. This completion rate improved further during the 2005, 2006, and 2007 calendar years when out of 531 required fire drills only three were not conducted. Therefore, West Chester implemented our recommendation.

#### *Fire Extinguisher Inspections*

Fire extinguishers in academic and administrative buildings were not inspected in accordance with regulations. The regulations require fire extinguishers to be inspected when placed into service and thereafter at approximately 30-day intervals. Additionally, the date the inspection was performed and the initials of the person performing the inspection are to be recorded on a tag or label attached to the fire extinguisher. We recommended West

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

Chester officials ensure that all fire extinguishers are inspected monthly and tags updated in accordance with state regulations.

### Status:

Our current audit disclosed that of the 76 fire extinguishers examined in five buildings, one extinguisher did not have the January 2008 inspection and another extinguisher had not been inspected since October 2007. Therefore, West Chester implemented our recommendation.

### **Prior Finding II-1 – Management could not account for a shortage of \$2,688 in summer swimming camp fees.**

Our prior audit revealed a \$2,688 revenue shortage for the 2003 summer swimming camp. Management was unable to determine the cause of the shortage due to the lack of records maintained by the summer camp coordinator. This occurred in spite of a previous audit noting a lack of segregation of duties for summer camp revenue collections. The athletic department implemented corrective action by requiring all registrations and fees for summer camps be sent directly to the bursar's office. However, the corrective action was not implemented for the summer swimming camp.

We recommended that West Chester management reevaluate its swimming camp collection procedures and determine a method to ensure the segregation of duties between revenue collections and recordkeeping. We also recommended that West Chester management ensure the reconciliations are performed on each summer camp account and that any discrepancies are immediately investigated.

### Status:

The current audit revealed that West Chester had revised its swimming camp collection procedures to involve two individuals in the revenue collections and recordkeeping. However, a reconciliation of camp collections to bursar office deposits was still not performed. A reconciliation performed during our review disclosed a \$9,389 revenue overage for the 2007 swimming camp. Management stated that due to computer issues and the swimming pool closure, which resulted in refunds being issued to camp participants, records were not complete. These issues could be the cause of the difference in amounts between camp records and the amount deposited with West Chester bursar.

During the audit period, West Chester entered into a contract with a vendor to provide online camp registrations for the swimming camps beginning with the 2008 camps. As a result, West Chester employees are no longer involved in the revenue collection procedure. The new online registration procedure will be reviewed during the next audit of West Chester.

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

### **Prior Finding III-1 – West Chester’s human resources office did not always maintain adequate records for new employees.**

Our previous audit disclosed that West Chester did not maintain records documenting the hiring process of all employees in a central location. Some files could not be located; therefore, we could not verify the reliability of the hiring process for those employees. We recommended that West Chester management should ensure that the human resources department maintains all files pertaining to the recruitment and hiring of employees.

#### Status:

The current audit revealed that all files pertaining to the recruitment and hiring of staff employees are maintained in the human resources department. Additionally, a systematic hiring procedure manual was implemented as a guide for the hiring process. As a result of these actions, the issue has been resolved.

## *Audit Report Distribution List*

This report was initially distributed to the following:

### Commonwealth of Pennsylvania

The Honorable Edward G. Rendell Governor	The Honorable Dwight Evans Chair House Appropriations Committee Pennsylvania House of Representatives
The Honorable Jeffrey E. Piccola Chair Senate Education Committee Senate of Pennsylvania	The Honorable Mario J. Civera, Jr. Republican Chair House Appropriations Committee Pennsylvania House of Representatives
The Honorable Andrew E. Dinniman Democratic Chair Senate Education Committee Senate of Pennsylvania	The Honorable Robert M. McCord State Treasurer Pennsylvania Treasury Department
The Honorable James R. Roebuck, Jr. Chair House Education Committee Pennsylvania House of Representatives	State System of Higher Education The Honorable John C. Cavanaugh Chancellor
The Honorable Paul I. Clymer Republican Chair House Education Committee Pennsylvania House of Representatives	Kenneth M. Jarin Chairman Board of Governors
The Honorable Jake Corman Chair Senate Appropriations Committee Senate of Pennsylvania	Leonidas Pandeladis Chief Counsel
The Honorable Jay Costa Democratic Chair Senate Appropriations Committee Senate of Pennsylvania	Connie Huber Comptroller Labor, Education and Community Services Office of the Budget
	West Chester University of Pennsylvania Dr. Greg R. Weisenstein President

This report is a matter of public record. Copies of this report may be obtained from the Pennsylvania Department of the Auditor General, Office of Communications, 318 Finance Building, Harrisburg, Pennsylvania 17120. If you have any questions regarding this report or any other matter, you may contact the Department of the Auditor General by accessing our Web site at [www.auditorgen.state.pa.us](http://www.auditorgen.state.pa.us).