

Performance Audit

Edinboro University of Pennsylvania

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

July 1, 2006, to January 8, 2010



Performance Audit

Edinboro University of Pennsylvania

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

July 1, 2006, to January 8, 2010

January 29, 2010

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 Edinboro University of Pennsylvania of the State System of Higher Education from July 1, 2006, to January 8, 2010. The audit is authorized by Act 188 of 1982 (24 P.S. §20-2001), which states in part that “Activities of the system under this article shall be subject to the audit of the Department of the Auditor General.” We conducted the audit in accordance with *Government Auditing Standards* as issued by the Comptroller General of the United States.

Our report details our audit objectives, scope, methodology, findings, and recommendations. We report one new finding and one repeat finding. Specifically, we found that the university did not adequately limit employee access to student social security numbers. We also found that the university had not resolved a maintenance work order system deficiency we cited in our prior audit. We discussed these issues and the rest of this report with the management of Edinboro University and have ensured that all appropriate comments are reflected in the report.

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

Sincerely,

JACK WAGNER
Auditor General

January 2010
Pennsylvania Department of the Auditor General
Performance Audit of Edinboro University
Audit Period: July 1, 2006, to January 8, 2010

Table of Contents

Background Information	3
State System of Higher Education	3
Edinboro University of Pennsylvania	4
Objectives, Scope, and Methodology	6
Audit Results	10
Social Security Numbers	10
Finding 1 – Edinboro University did not adequately limit the exposure of student social security numbers.	10
Service Contracts.....	13
Finding 2 – Edinboro University complied with Commonwealth policies and procedures and effectively monitored its contracts between July 1, 2006, and December 15, 2008.....	13
Expenses.....	14
Finding 3 – Edinboro University expenditures were consistent with the university’s mission.	14
Automotive Fleet Management.....	15
Finding 4 – Edinboro University complied with policies and procedures for university vehicles and effectively managed its automotive fleet.	15
Distance Education.....	16
Finding 5 – Edinboro University properly charged tuition and fees to distance education students.....	17
Parking Fines.....	18
Finding 6 – Edinboro University implemented effective controls over its parking fine revenue.	18
Status of Prior Audit Findings and Recommendations.....	19
Prior Finding 1 – Edinboro University did not equip two dormitories with sprinkler systems or smoke detectors in the sleeping rooms.	19
Prior Finding 2 – Fire extinguishers in Scranton and Shafer Halls were not accessible.	20

January 2010
Pennsylvania Department of the Auditor General
Performance Audit of Edinboro University
Audit Period: July 1, 2006, to January 8, 2010

Table of Contents

Prior Finding 3 – Edinboro University’s work order system required
improvement.21
Prior Finding 4 – A review of maintenance department expenditures found
questionable purchasing practices.....23
Audit Report Distribution List25

Background Information

Background Information

State System of Higher Education

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

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

A centrally established 20-member board of governors has overall responsibility for planning and coordinating the operation and development of the State System. Examples of the board's statutory powers include establishing broad fiscal, personnel, and educational policies under which the State System universities operate; appointing university presidents; coordinating, reviewing, amending, and approving university operating and capital budgets; setting tuition and fee levels; creating new undergraduate and graduate degree programs; and promoting cooperation among institutions. Members of the board include legislators, State System university students and trustees, and members of the public. Pennsylvania's governor and the state's secretary of education or their designees also serve on the board. Additionally, the board appoints a chancellor to serve as the chief executive officer of the State System.

At the university level, each president and council of trustees have certain powers and duties unique to their individual institutions.

¹ 24 P.S. § 20-2001.

² Indiana University of Pennsylvania was already known as a university prior to creation of the State System. Effective July 1, 1983, each of the other 13 state colleges became known as the (Name) University of Pennsylvania of the State System of Higher Education.

Background Information

Edinboro University of Pennsylvania

Edinboro University of Pennsylvania is a four-year coeducational public university, located in the borough of Edinboro, Erie County, approximately 20 miles south of Erie.³ Edinboro University originated in 1857.

The Edinboro University main campus consists of more than 40 buildings situated on 585 acres of land. In addition to its main campus, Edinboro University operates the Porreco Center and Edinboro University in Meadville. The Porreco Center, a 27-acre tract of land with 11 buildings located in Erie, serves to centralize and expand outreach programs in the greater Erie area with undergraduate, graduate, and continuing education classes.⁴ Edinboro University opened its Meadville campus, in January 2005 to bring higher education opportunities to Crawford County and neighboring communities.⁵

The Middle States Association of Colleges and Schools academically accredit Edinboro University. Academic programs are also individually accredited by the appropriate professional organizations.⁶

Student enrollment for the fall 2007 semester was 7,686 students, comprised of 6,068 full-time and 1,618 part-time students.⁷ Student enrollment for the fall 2006 semester totaled 7,579 students, comprised of 6,085 full-time and 1,494 part-time students.⁸

For the fall 2007 semester, Edinboro University employed 736 personnel, including 332 faculty and 404 administrative and support personnel.⁹ For the fall 2006 semester, Edinboro University employed 752 personnel, including 373 faculty and 379 administrative and support personnel.¹⁰

³ http://www.edinboro.edu/about_eup/, accessed March 11, 2009.

⁴ *Ibid.*

⁵ http://cms.edinboro.edu/departments/meadville/edinboro_university_in_meadville.dot, accessed March 14, 2009.

⁶ <http://www.edinboro.edu/departments/provost/accreditations.dot>, accessed March 14, 2009.

⁷ <http://departments.edinboro.edu/upirci/custom/FB0708WEB.pdf>, accessed March 11, 2009.

⁸ <http://departments.edinboro.edu/upirci/custom/FB0607.pdf>, accessed March 11, 2009.

⁹ <http://departments.edinboro.edu/upirci/custom/FB0708WEB.pdf>, accessed March 11, 2009.

¹⁰ <http://departments.edinboro.edu/upirci/custom/FB0607.pdf>, accessed March 11, 2009.

January 2010
 Pennsylvania Department of the Auditor General
Performance Audit of Edinboro University
Audit Period: July 1, 2006, to January 8, 2010

Background Information

The Joint State Government Commission compiled the following selected unaudited operating statistics for the 2006-2007¹¹ and 2007-2008¹² academic years for Edinboro University and the State System of Higher Education as a whole.

Location	Edinboro University		State System of Higher Education	
	<i>Fiscal year ended June 30</i> 2007	2008	2007	2008
State Instruction Appropriations (rounded in millions):	\$28.8	\$29.2	\$463.0	\$479.8
Percentage of total	6.2%	6.1%	100.0%	100.0%
Full-Time Equivalent Students:				
Undergraduate	5,933	5,824	92,678	93,927
Graduate	<u>674</u>	<u>776</u>	<u>10,366</u>	<u>10,795</u>
Total	<u>6,607</u>	<u>6,600</u>	<u>103,044</u>	<u>104,722</u>
Percentage of total	6.4%	6.3%	100.0%	100.0%
Full-Time Equivalent Instructional Faculty:				
	396	370	5,366	5,416
Percentage of total	7.4%	6.8%	100.0%	100.0%
Degrees Conferred:				
	1,384	1,410	21,954	22,157
Percentage of total	6.3%	6.4%	100.0%	100.0%

¹¹ <http://jsg.legis.state.pa.us/2008%20instructional%20output.pdf>, accessed March 11, 2009.

¹² <http://jsg.legis.state.pa.us/2009%20instructional%20output.pdf>, accessed March 11, 2009.

Objectives, Scope, and Methodology

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.

We selected the objectives from the following general areas: client management, including a review of protection and confidentiality of student personal information; contract management, including an assessment of the key controls governing service contract implementation and monitoring; expense management, including an evaluation of general expenses; inventory management, including an assessment of the university's management of its automotive fleet, as well as an evaluation of compliance with related university policies; and revenue management, including a review of the pricing structure for the distance education program, as well as the effectiveness of university controls over parking fine revenue. The specific objectives follow:

- To assess the confidentiality/protection of student social security numbers at Edinboro University. (Finding 1)
- To assess compliance with Commonwealth guidelines and to evaluate the efficacy of the university's monitoring of service contracts. (Finding 2)
- To determine whether expenditures were appropriate for the university's mission. (Finding 3)
- To determine compliance with the policies and procedures for university vehicles and to assess the adequacy of automotive fleet management. (Finding 4)
- To evaluate the tuition and fee pricing structure for distance education students, including its compliance with the aforementioned policy. (Finding 5)
- To evaluate the effectiveness of controls over parking fine revenue. (Finding 6)

Objectives, Scope, and Methodology

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

The scope of the audit was from July 1, 2006, to January 8, 2010, unless indicated otherwise in the body of the individual report sections.

To accomplish our objectives, we obtained and reviewed Act 60 of 2006,¹³ as well as the associated legal opinion from the Pennsylvania State System of Higher Education’s Office of Legal Counsel. We reviewed the procurement policies of the Commonwealth¹⁴ and State System,¹⁵ as well as the university’s trial balance and expenditure ledger for the fiscal year ended June 30, 2008. We reviewed Edinboro University policies and procedures regarding the use of university vehicles¹⁶ and examined the university’s list of vehicle assignments as of October 1, 2008. We reviewed the Pennsylvania State System of Higher Education Board of Governors’ tuition policy.¹⁷ We also reviewed university vehicle registration and parking regulations.¹⁸

During the course of our audit work, we interviewed various university management officials and staff, including the coordinator of records, the director of enterprise systems, the director of alumni relations, the assistant vice president for academic support services, the associate athletic director, and the director of the office for students with disabilities. We interviewed the controller, the assistant controller (the former assistant bursar), the director of purchasing and contracts, and accounting personnel. We held discussions with the garage supervisor, the storeroom supervisor, director of admissions, and mailroom supervisor. We also interviewed university employees responsible for monitoring parking citations, including the campus police department secretary and the bursar. Finally, we held discussions with appropriate university personnel regarding the disposition of the prior audit findings and recommendations regarding fire safety and maintenance expenditures.

¹³ P.L. 281, No.60, “An act relating to the confidentiality of Social Security numbers.”

¹⁴ Commonwealth of Pennsylvania, Governor’s Office, Field Procurement Handbook, M215.3, Revision No. 4, April 17, 2003.

¹⁵ <http://www.passhe.edu/governors/pages/policies.aspx>, accessed November 24, 2008.

¹⁶ Edinboro University of Pennsylvania, Policy CO22, “Transportation,” August 1, 2001.

¹⁷ PA State System of Higher Education, Board of Governors, Policy 1999-02-A, “Tuition,” amended July 17, 2008.

¹⁸ http://departments.edinboro.edu/univpolice/parking_2007-2008.pdf, and <http://www.edinboro.edu/departments/police/ParkingRegulations.pdf>, accessed January 9, 2008.

Objectives, Scope, and Methodology

To determine if the university safeguarded student social security numbers, we observed employees at their daily activities, which included accessing social security numbers in the online student information system at various university offices, including accounting, alumni relations, athletics, office for students with disabilities, university police, records and registration, and technology and communications. We also analyzed a list of computer screens in the online student information system that documented student social security numbers. Finally, we analyzed internally prepared lists of university personnel and offices with access to social security numbers in the online student information system.

To assess Edinboro University's compliance with Commonwealth guidelines and to evaluate the efficacy of service contract monitoring, we examined the bid documentation, sole source authorizations, terms, invoices, check vouchers, and receiving documentation for 42 of 400 service contracts in effect between July 1, 2006, and December 15, 2008.

To determine whether Edinboro University expenditures were appropriate for the university's mission, we examined the supporting documentation for 122 non-payroll transactions from 38 different vendors during the fiscal year ended June 30, 2008.

To determine whether Edinboro University complied with the policies and procedures for university vehicles and to assess the adequacy of automotive fleet management, we examined the inspection stickers on the 70 vehicles in the university's automotive fleet. We analyzed the purchasing card statements for the university garage from July 2007 through November 2008, as well as the university's summary of garage expenditures for the fiscal years ended June 30, 2007, and June 30, 2008. We reviewed the university's database of individual trips for its central pool vehicles from July 1, 2006, to August 31, 2008. We also examined the travel authorization forms, payroll records, and trip logs associated with 42 of 1,782 trips between July 1, 2006, and August 31, 2008. Finally, we reviewed the university's driver license verification for 23 student employees during the fall 2008 semester.

To evaluate the tuition and fee pricing structure for Edinboro University's distance education students, including its compliance with policy, we examined the listing of online degrees offered by Edinboro University as of September 9, 2008, and the university's tuition and fee schedules for undergraduate and graduate students for the 2007-2008 academic year and the fall 2008 semester. We also reviewed the tuition and fees charged to 44 of 1,322 distance education students enrolled at Edinboro University for the fall 2007, spring 2008, and fall 2008 semesters.

January 2010
Pennsylvania Department of the Auditor General
Performance Audit of Edinboro University
Audit Period: July 1, 2006, to January 8, 2010

Objectives, Scope, and Methodology

To evaluate the effectiveness of Edinboro University's controls over its parking fine revenue, we examined parking fine revenue recorded in the general ledger and parking ticket status reports for the fiscal years ended June 30, 2007, and June 30, 2008. We also analyzed the supporting documentation for 99 of 4,014 citations issued between April 10, 2008, and October 31, 2008.

Audit Results

Audit Results

Social Security Numbers

Historically, most colleges and universities relied upon social security numbers as unique identifiers for students, faculty, and staff to generate reports on grades, payroll information, and employee benefits.¹⁹ However, the use of social security numbers for identification purposes creates substantial risks. Identity thieves can abuse social security numbers to commit fraud.

Act 60 of 2006, effective on December 26, 2006, limits the use of social security numbers as student or employee identifiers.²⁰ According to an internal memorandum from the Pennsylvania State System of Higher Education's Office of Legal Counsel, this legislation creates an affirmative duty for the university to establish specific security measures to ensure that identity theft does not occur when the university is the custodian of a social security number.

Finding 1 – Edinboro University did not adequately limit the exposure of student social security numbers.

In January 1999, Edinboro University discontinued its use of the student social security number as the primary identifier for university-related transactions. Instead, each student received a unique, eight-digit, campus-wide identification number upon application for admission. In March 2006, the university reviewed its student identification system to ensure the confidentiality of student social security numbers. Because the university's review noted that the student identification system did not sufficiently restrict access to student social security numbers, the university requested corrective updates from the system's vendor. According to university management personnel, the university subsequently tested but did not implement a corrective update developed by the vendor.

Additionally, the university did not establish its own formal policy regarding the protection of student social security numbers.

¹⁹ http://www.upenn.edu/computing/da/privacy/SSN_restriction.html, accessed March 12, 2009.

²⁰ P.L. 281, No.60, "An act relating to the confidentiality of Social Security numbers."

January 2010
 Pennsylvania Department of the Auditor General
Performance Audit of Edinboro University
Audit Period: July 1, 2006, to January 8, 2010

Audit Results

As of December 2008, the vendor for the university’s online student information system showed 17 computer screens from which university employees were able to view student social security numbers. Edinboro University’s corresponding lists of employees with access to the 17 screens revealed that at least 326 of the university’s 800 full-time and part-time employees had access to student social security numbers.

This access meant that university employees with a wide range of job titles and positions could view student social security numbers. At the same time, the need for some of these employees to possess such access was questionable. For example, the system granted this access to the following employees: clerk typists in the facilities’ and alumni offices, a contract specialist in the purchasing office, a storekeeper in the maintenance storeroom, a library assistant, and a football coach.

The following table details the number of employees with access to the 17 computer screens. Please note that employees with access to one screen may also have had access to other screens.

Screen	Use	No. of Employees with Access
1	General	326
2	General	11
3	General	11
4	Student Records	233
5	Student Records	230
6	Student Records	51
7	Student Records	36
8	Finance	27
9	Finance	23
10	Financial Aid	27
11	Financial Aid	20
12	Financial Aid	20
13	Financial Aid	3
14	Admissions	23
15	Admissions	23
16	Admissions	21
17	Admissions	11

January 2010
Pennsylvania Department of the Auditor General
Performance Audit of Edinboro University
Audit Period: July 1, 2006, to January 8, 2010

Audit Results

In an internal memorandum dated February 5, 2007, the chief counsel for the Pennsylvania State System of Higher Education urged each university to review all aspects of its document practices concerning both students and employees. The chief counsel further recommended that the universities confer with all campus offices to take the necessary steps to ensure that social security numbers are safeguarded.

Access to an individual's social security number may allow an identity thief to obtain personal information of that individual, thereby potentially causing significant financial difficulties for the victim. Additionally, the harm to an individual caused by the availability of confidential information can lead to civil liability for Edinboro University and its employees.

Recommendations:

Edinboro University should immediately review all aspects of all student information systems, limit employee access to student social security numbers, and adopt the necessary security measures to ensure the confidentiality of personal information. These measures should include the establishment of relevant policy and procedures.

Comments of Edinboro University Management:

The University did not request corrective updates from the system vendor. Rather, a newer release of the Banner Student module than Edinboro has in production was tested for its ability to hide the SSN. It was not put into production as it was found to not be sufficiently corrective because it only enabled masking by class rather than by individual employee. Edinboro University intends to implement the new version of the Banner system, version 8, by the end of May 2009. This version enables masking of specific fields down to the individual level. This will enable Edinboro University to limit exposure of the SSN to only those employees who have a business purposes in having that access.

Edinboro University follows the requirements of the Family Educational Rights and Privacy Act, with Social Security Numbers as protected information. Also, the University Information Security Policy for Administrative Information describes the methods used to secure all data, by authorizing access through data custodians. The need for employees to access the forms that show the SSN was not necessarily because they needed access to the Social Security Number, but needed access to other information found on the same form. Again, Banner (version 8) implementation will enable us to mask the SSN but still provide access to the other fields on the same form on a per user basis, thus improving security.

Audit Results

Service Contracts

Universities frequently contract with vendors instead of providing services in-house because the services may not warrant full-time positions or because university personnel may not possess the required expertise. Contracted services include but are not limited to equipment rental or maintenance, advertising, and transportation services. Between July 1, 2006, and December 15, 2008, Edinboro University was responsible for 400 service contracts with an estimated value of \$6.9 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.²¹ The State System's policies and procedures for the purchase of goods, services, supplies, and construction are designed to implement the Commonwealth's guidelines.²² The university is responsible for effectively monitoring its contracted services.

Finding 2 – Edinboro University complied with Commonwealth policies and procedures and effectively monitored its contracts between July 1, 2006, and December 15, 2008.

Our audit entailed the review of 42 of 400 Edinboro University contracts in effect between July 1, 2006, and December 15, 2008. The \$3.4 million value of the 42 sampled contracts represented 49.3 percent of the \$6.9 million total for the 400 contracts. The following table provides a description of the cost center and approximate dollar value for the 42 sampled contracts:

Service Description	Contract Value
Athletics	\$ 366,100
Development and Marketing	2,655,300
Support Operations	228,200
Education	141,500
Total sample	<u>\$3,391,100</u>

²¹Commonwealth of Pennsylvania, Governor's Office, Field Procurement Handbook, M215.3, Revision No. 4, April 17, 2003.

²²PA State System of Higher Education, Board of Governors, 1998-04-A, "Procurement of Goods, Services, Supplies, and Construction," amended April 8, 2004.

Audit Results

Overall, we found that Edinboro University bid and awarded the 42 sampled contracts according to Commonwealth policies. Moreover, the reviewed service contracts did not duplicate, overlap, or conflict with university efforts to provide similar or related services. Justifications for the above contracts documented athletic bus transportation, marketing, facility maintenance, lab equipment maintenance, copier maintenance, and visiting speakers. Finally, the university ensured compliance with contract terms and verified the accuracy of vendor invoices.

Expenses

The mission of Edinboro University is to create and share knowledge by providing access to education and learning experiences for the academic, cultural, and personal growth of the students and larger community.²³ To accomplish its mission, Edinboro University provides various education, maintenance, health, and administrative services. During the fiscal year ended June 30, 2007, Edinboro University expended approximately \$98.9 million for its operations, including about \$71.2 million in payroll expenses. During the fiscal year ended June 30, 2008, Edinboro University expended approximately \$104.4 million for its operations, including about \$74.1 million in payroll expenses.

Finding 3 – Edinboro University expenditures were consistent with the university’s mission.

Our review of the supporting documentation for 122 transactions from 38 different vendors during the fiscal year ended June 30, 2008, did not disclose any excessive expenditures. The sampled transactions included expenditures for food service for summer camps, printing and copying services, recruitment advertising, video equipment, and refunds to scholarship grantors due to student withdrawals. The sampled expenditures, which totaled approximately \$1.1 million, were properly approved by management, necessary for operations, and consistent with the mission of the university.

²³ http://cms.edinboro.edu/about_eup/mission_statement.dot, accessed January 5, 2009.

Audit Results

Automotive Fleet Management

At the time of our audit work, Edinboro University owned/leased and operated 70 licensed motor vehicles, including sedans, station wagons, vans, pick-up trucks, and specialty trucks. The university's automotive fleet consisted of 19 central pool vehicles and 51 vehicles permanently assigned to various university departments. The garage subdivision of the facilities department is responsible for the maintenance and repair of all vehicles in the fleet, as well as for the schedule and disbursement of the university's central pool vehicles. Edinboro University reported that the garage subdivision expended approximately \$260,200 for equipment, maintenance, repairs, supplies, and fuel during the fiscal year ended June 30, 2008.

Edinboro University has established policies and procedures to govern the assignment and use of university vehicles. Each driver of an Edinboro University vehicle must be a university employee and possess a valid Pennsylvania driver's license. The appropriate division dean or director must authorize all travel in order for the university garage to release a university vehicle. The driver must be acting within the scope of his/her employment while operating a university vehicle.²⁴ Finally, each university-owned vehicle must be inspected at least annually to ensure safe operation in accordance with current state inspection laws.

Finding 4 – Edinboro University complied with policies and procedures for university vehicles and effectively managed its automotive fleet.

Edinboro University followed its policies and procedures regarding the assignment and use of university vehicles. The university verified that its student employee drivers possessed documented histories appropriate for vehicle usage. Furthermore, our audit of the travel authorization forms, payroll records, and mileage logs associated with 42 university trips revealed that appropriate personnel approved all 42 trips and that the drivers were active employees of the university.

Edinboro University also inspected and adequately utilized its automotive fleet. A visual inspection of the university's 70 vehicles revealed that the vehicles possessed current state inspection stickers. Additionally, Edinboro University's internally prepared summary of central pool vehicle mileage reported that the university's 19 central pool vehicles were driven an average of approximately 14,600 miles during the fiscal year ended June 30, 2008.

²⁴ Edinboro University of Pennsylvania, Policy CO22, "Transportation," August 1, 2001.

Audit Results

This average mileage compared favorably to the U. S. Energy Information Administration's report that the mileage for all types of motor vehicles in the United States averaged 11,910 for the 2007 calendar year.²⁵

Distance Education

The technological advances that make quality distance education possible require institutions of higher education to become global, and geographic boundaries to become less meaningful.

The board of governors of the Pennsylvania State System of Higher Education defines distance education as follows:

...instruction where the faculty member(s) and the student(s) are separated geographically so that face-to-face communication is absent; communication is accomplished instead by one or more technological media.... Examples of technological methods that can be used singly or in combination include live or recorded visual presentations and material using direct signal or cable transmission by telephone line, fiber-optic line, video-conferencing using compressed video, digital and/or analog video, audiotape, CDROM, computer or Internet technology, email, or other electronic means now known or hereafter developed, utilized to teach any course approved by one of the State System universities. On-line/web-based courses must have 80 percent of the course instruction delivered online.²⁶

During the fall 2008 semester, Edinboro University offered 12 distance education degree programs in several fields of study, including elementary education, special education, nursing, and social work. The 12 programs included one undergraduate program (a collaborative effort with Slippery Rock and Clarion Universities), seven master's degree programs, two graduate certificate programs, and two post-master's certificate programs.

The tuition policy of the board of governors of the Pennsylvania State System of Higher Education requires its universities to charge both its undergraduate and graduate resident

²⁵ <http://tonto.eia.doe.gov/FTP/ROOT/multifuel/mer/00350901.pdf>, accessed January 8, 2010.

²⁶ PA State System of Higher Education, Board of Governors, Policy 1999-02-A, "Tuition," amended July 17, 2008.

Audit Results

distance education students “the appropriate prevailing per-credit resident rate.” The policy requires the universities to charge its nonresident distance education students “per-credit tuition within the range of 102 to 250 percent of the prevailing resident per-credit tuition rate.” The policy offers university presidents the “discretion of setting the nonresident distance education per-credit tuition rate on a course-by-course or program-by-program basis.”²⁷

Finding 5 – Edinboro University properly charged tuition and fees to distance education students.

Edinboro University properly charged tuition and fees to its distance education students during the tested semesters. Our review of billing records for 44 distance education students revealed that Edinboro University’s tuition rates complied with the guidelines established by the board of governors tuition policy. Edinboro University accurately charged the 34 sampled resident online students the per-credit rate applied to all other Pennsylvania residents. The university accurately charged the remaining 10 nonresident distance education students a tuition rate that equaled 105 percent of the resident per-credit tuition rate. This rate, although less than the tuition rate charged to nonresident students on the main campus, was within the range specified by the board of governors policy as well.

Edinboro University also assessed the appropriate fees to all 44 sampled students. The university charged each of the 44 students an instructional technology fee and an instructional service fee that corresponded to the individual student’s enrollment status and residency status. The university did not charge 38 of the sampled online students fees associated with the main campus (such as the university center fee, health services fee, and activity fee). On the other hand, the university properly charged the remaining six sampled online students these campus fees because the six students were also enrolled in classes offered on the main campus or the Porreco campus.

²⁷ PA State System of Higher Education, Board of Governors, Policy 1999-02-A, “Tuition,” amended July 17, 2008.

Audit Results

Parking Fines

Edinboro University has established vehicle registration and parking regulations in order to manage its parking resources on the main campus. University policy requires each employee (including contracted employees) and each student who operates a vehicle on campus to register the vehicle with the campus police. The campus police verify the identity of employees, students, and auxiliary staff members and then issue parking decals for the school year. All vehicles parked on campus must display current parking decals or permits. Edinboro University issues parking tickets to vehicles that are in violation of its parking regulations.²⁸ Edinboro University reported approximately \$192,000 and \$155,000 in parking fine revenue for the fiscal years ended June 30, 2007, and June 30, 2008, respectively.

Finding 6 – Edinboro University implemented effective controls over its parking fine revenue.

Edinboro University effectively controlled its parking fine revenue. Our analysis of the general ledger and parking ticket status reports for the fiscal years ended June 30, 2007, and June 30, 2008, showed that parking fine revenues were consistent with the number and type of reported citations. Our review of the supporting documentation for the 99 sampled citations revealed that the university issued parking citations in accordance with its parking regulations and accurately recorded all sampled citation and corresponding payment amounts. Additionally, the university deposited the collected funds in a timely manner.

²⁸ http://departments.edinboro.edu/univpolice/parking_2007-2008.pdf and <http://www.edinboro.edu/departments/police/ParkingRegulations.pdf>, accessed January 9, 2008.

Status of Prior Audit Findings and Recommendations

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 28, 2006, along with a description of the disposition of each recommendation by Edinboro University.

Prior Finding 1 – Edinboro University did not equip two dormitories with sprinkler systems or smoke detectors in the sleeping rooms.

The prior audit reported that in April 2000, the board of governors of the State System of Higher Education approved a five-year plan to install sprinklers and hard-wired smoke detectors in all campus dormitory rooms. However, as of July 2006, Edinboro University had not installed either sprinkler systems or smoke detectors in the individual sleeping rooms in Scranton and Shafer Halls. In a June 6, 2006, letter to the chancellor of the State System of Higher Education, the university indicated its intention to discontinue residential use and demolish Shafer Hall. The university also requested permission to use Scranton Hall for overflow student housing for the 2006-2007 and 2007-2008 school years. On June 21, 2006, the chancellor approved Edinboro University's request to use Scranton Hall for student housing beyond the previous deadline for sprinkler installation for one year only. The approval was contingent upon Edinboro University's installation/maintenance of a working addressable fire alarm system in Scranton Hall's common areas and individual smoke detectors in each of the building's sleeping rooms.

We recommended that Edinboro University develop and implement its new housing master plan as soon as possible. We also recommended that the university equip all dormitory rooms with smoke detection and sprinkler systems.

Status:

To follow up on the above fire safety deficiency noted in the prior report, our audit team toured Scranton Hall, interviewed the director of environmental health and safety, and reviewed the student housing master plan and written communications between the chancellor of the State System of Higher Education and Edinboro University's president.

Status of Prior Audit Findings and Recommendations

Our work revealed that Edinboro University substantially complied with the recommendations of the prior report. The university released its student housing master plan in January 2007 and had largely implemented the first phase of the construction project as of January 2009. In 2007, the university demolished Shafer Hall. In March 2007 and again in September 2008, the chancellor of the State System of Higher Education approved the continued use of Scranton Hall for overflow student housing, and the university continued to house students in Scranton Hall through December 2008. Although the university did not install a sprinkler system in Scranton Hall, it equipped the residence hall with a working addressable fire alarm system and individual smoke detectors in each sleeping room. Before the start of the spring 2009 semester, the university completed the construction of two new residence halls equipped with both sprinkler and smoke detection systems. Students vacated Scranton Hall and moved into the two new residence halls in January 2009.

Prior Finding 2 – Fire extinguishers in Scranton and Shafer Halls were not accessible.

Our prior audit reported that Edinboro University's fire safety program did not ensure that all fire extinguishers were readily accessible to students, staff, or visitors. Audit tours of Scranton and Shafer Halls revealed that the hammer to each of ten observed fire extinguishers was missing. The ten extinguishers were housed in metal cabinets with glass access panels.

We recommended that Edinboro University officials revise the university's fire safety program to require the routine inspection of all fire extinguishers to ensure immediate accessibility at all times.

Status:

To follow up on the fire extinguisher deficiency noted in the prior report, we toured Scranton Hall in September 2008 and interviewed the director of environmental health and safety. (Shafer Hall was demolished in 2007.)

We found that Edinboro University remedied the deficiency noted in the prior audit. The audit tour of Scranton Hall showed that the university removed the glass door from the panel of each of nine observed fire extinguisher cabinets in order to ensure accessibility in the event of an emergency.

Status of Prior Audit Findings and Recommendations

Prior Finding 3 – Edinboro University’s work order system required improvement.

Our prior audit reported that Edinboro University did not effectively administer its maintenance work order system. Edinboro University had not developed comprehensive written policies and procedures to govern its maintenance operations. Our review of 29 work orders open on March 6, 2006, revealed that maintenance management did not monitor all work orders to ensure timely completion. Additionally, maintenance employees did not document the priority level or foreman approval for any of the 29 sampled work orders. Moreover, 91 percent of the completed work orders did not include the cost of materials or supplies. Finally, the university’s electronic work order software did not distinguish between recurring preventive maintenance and unique repair jobs.

We recommended that Edinboro University management develop and enforce comprehensive policies and procedures to govern its maintenance operations. We further recommended that these guidelines require maintenance employees to document job priorities, approvals, inspections, and material costs. We recommended that management consistently monitor open work orders to ensure timely completion. Finally, we recommended that maintenance management routinely update the computerized work order system to reflect the accurate status of all work orders, including those for recurring preventive maintenance.

Status:

To follow up on the work order deficiencies noted in our prior report, we interviewed Edinboro University’s director of maintenance operations, its energy management specialist, and maintenance clerical staff. We also reviewed the university’s November 2008 draft of a new maintenance policy. Finally, we examined the supporting documentation for 71 of 1,339 non-recurring work orders designated as open by the work order software system on October 23, 2008.

As a result of our work, we found that Edinboro University did not implement the recommendations of our prior report. Although the university completed a draft of its maintenance work order policy in November 2008, it had not approved a formal policy as of January 2009. Moreover, the draft policy was not comprehensive. The proposed guidelines did not require maintenance employees to document job priorities, approvals, inspections, or labor hours and material costs.

Edinboro University continued to use the same electronic work order software noted in our previous audit. Thus, the work order system still did not distinguish between preventive maintenance and non-recurring repair jobs. Although facility

Status of Prior Audit Findings and Recommendations

management personnel researched the pricing and feasibility of alternative work order software as early as March 2008, Edinboro University had not purchased new software as of January 2009.

Our review of the supporting documentation for 71 work orders showed that management did not monitor the work orders to ensure thorough documentation or timely completion. None of the 71 sampled work orders documented a priority level. Although maintenance management stated that employees actually completed 53 of the 71 sampled work orders, only 21 work orders included a completion date on the work order software system. None of these 21 work orders, which were concluded an average of 30 days after issuance, documented supervisory inspection, labor hours, or material costs. Finally, Edinboro University could not provide the status of nine of the remaining 18 sampled work orders, which maintenance management verbally categorized as incomplete. These nine work orders involved ceiling leaks, a sprinkler head obstruction, emergency exit door problems, and electrical issues.

A well-managed work order system supports efficient and effective maintenance operations essential to a safe university environment. Management's failure to monitor all work orders increased the risk that maintenance employees delayed or overlooked necessary maintenance work. The failure to perform necessary repairs on time could result in more costly work or in dangers to the safety or security of students, employees, or visitors in the future.

The documentation of job specifics could also support the efficiency and effectiveness of maintenance operations. When maintenance employees document the usage of parts and supplies, management is able to evaluate the propriety and amounts of the materials used and to take necessary corrective action to control future costs. When supervisors document individual job approval/inspection, they ensure that jobs are completed and that work quality is appropriate.

Recommendations:

We again recommend that Edinboro University management develop and enforce comprehensive policies and procedures to govern maintenance operations. We emphasize that the guidelines should require maintenance employees to document job priorities, approvals, inspections, and material costs. Finally, we repeat the prior report's recommendation that maintenance management consistently monitor open work orders to ensure timely completion.

Status of Prior Audit Findings and Recommendations

Comments of Edinboro University Management:

The University has ordered a web-based (hosted) maintenance management system containing features and functionality necessary to track, manage, and maintain assets and facilities. Utilizing a web browser, we expect to have the ability to access data from any location on campus at any time. The system is expected to include tools for managing work orders; a preventive maintenance program; and the ability to allow requestors to submit requests online and receive automatic e-mail responses notifying them of the status of these requests. If converted to a work order, automatic e-mail messages notify requestors of status changes throughout the entire work order process. In addition, dispatchers are notified via e-mail when a new request is in the request log waiting for validation.

Prior Finding 4 – A review of maintenance department expenditures found questionable purchasing practices.

In our prior audit, our review of 38 maintenance purchases revealed 4 direct pay transactions. Direct pay transactions allowed Edinboro University employees to make a purchase and then submit the invoice to the university's accounts payable department. The direct pay transactions circumvented the university's purchasing approval, encumbrance, and budgetary review processes. Interviews with Edinboro University financial and purchasing personnel revealed that the practice was not limited to maintenance department purchases. An analysis of 4 of 52 accounts payable check runs for the fiscal year ended June 30, 2006, disclosed that 185, or 23 percent, of 820 checks prepared by various university departments were direct payments. The 185 direct payments ranged from \$4 to \$8,669, with an average value of \$610.

Edinboro University had not developed a formal, written purchasing policy and procedures manual to establish an approval process for purchases.

We recommended that Edinboro University management develop and enforce a formal and comprehensive purchasing policy that governs all aspects of purchasing. This policy should explicitly restrict direct pay transactions to emergency purchases, as well as outline the acceptable dollar values and circumstances for such emergency purchases.

Status of Prior Audit Findings and Recommendations

Status:

To follow up on the purchasing deficiencies noted in the prior audit, we interviewed Edinboro University's director of maintenance operations, director of purchasing and contracts, and accounts payable personnel. We also reviewed the procedures manual from the university's office of purchasing and contracts.²⁹ Finally, we examined the supporting documentation for 61 of the 284 direct pay purchases transacted between July 1, 2008, and September 5, 2008.

Our work showed that Edinboro University substantially complied with the recommendations in our prior report. Edinboro University developed a formal and comprehensive purchasing policy and procedures manual in April 2007. Although this policy did not restrict direct pay transactions to emergency purchases only, it did limit direct pay transactions to purchases under \$250. Furthermore, the policy required employees who made direct pay purchases to submit a standard request form to the university's accounting office and to obtain the written approval of the appropriate department head.

Our review of 61 direct pay transactions between July 1, 2008, and September 5, 2008, found that Edinboro University enforced the above purchasing policy. The sampled direct pay transactions were limited to purchases under \$250. Additionally, employees submitted direct pay request forms with the signatures/approvals of the appropriate department heads.

²⁹ <http://www.edinboro.edu/departments/purchasing/PurchasingProceduresManual.pdf>, accessed January 14, 2009.

January 2010
Pennsylvania Department of the Auditor General
Performance Audit of Edinboro University
Audit Period: July 1, 2006, to January 8, 2010

Audit Report Distribution List

Audit Report Distribution List

The Honorable Edward G. Rendell
Governor

The Honorable Jeffrey E. Piccola
Chair
Senate Education Committee
Senate of Pennsylvania

The Honorable Andrew E. Dinniman
Democratic Chair
Senate Education Committee
Senate of Pennsylvania

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

The Honorable Paul I. Clymer
Republican Chair
House Education Committee
Pennsylvania House of Representatives

The Honorable Jake Corman
Chair
Senate Appropriations Committee
Senate of Pennsylvania

The Honorable Jay Costa
Democratic Chair
Senate Appropriations Committee
Senate of Pennsylvania

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

The Honorable William F. Adolph, Jr.
Republican Chair
House Appropriations Committee
Pennsylvania House of Representatives

The Honorable Robert M. McCord
State Treasurer
Pennsylvania Treasury Department

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

Kenneth M. Jarin
Chairman
Board of Governors

Leonidas Pandeladis
Chief Counsel

Edinboro University of Pennsylvania
Jeremy D. Brown, Ph.D.
President

John Kaschak
Director of Audits
Office of Comptroller Operations
Office of the Budget

This report is a matter of public record and is accessible at www.auditorgen.state.pa.us or by contacting the Pennsylvania Department of the Auditor General, Office of Communications, 318 Finance Building, Harrisburg, Pennsylvania 17120. Telephone: 717-787-1381.