

**Performance Audit**  
**of the**  
*Thaddeus Stevens College of Technology*  
**of the Commonwealth of Pennsylvania**  
**July 1, 2001, to August 13, 2004**



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**of the**  
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January 31, 2006

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 the Thaddeus Stevens College of Technology for the period July 1, 2001, to August 13, 2004. The audit was conducted under authority provided in Section 402 of The Fiscal Code and in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States.

The report details our audit objectives, scope, methodology, conclusions, and recommendations. The contents of the report were discussed with officials of the institution, and all appropriate comments are reflected in the report. An executive summary is included that provides a brief description of the audit's conclusions and recommendations.

Sincerely,

JACK WAGNER  
Auditor General



# TABLE OF CONTENTS

*Page*

<b>BACKGROUND INFORMATION .....</b>	<b>1</b>
Thaddeus Stevens College of Technology .....	2
Thaddeus Stevens Foundation.....	3
Thaddeus Stevens Housing Corporation .....	3
<b>OBJECTIVES, SCOPE, AND METHODOLOGY .....</b>	<b>5</b>
<b>CHAPTER I - EMERGENCY EVACUATION .....</b>	<b>7</b>
Objectives and Methodology .....	8
Audit Results .....	8
The College did not develop an emergency evacuation plan. ....	8
<b>CHAPTER II - BOARD OF TRUSTEES .....</b>	<b>11</b>
Objectives and Methodology .....	12
Audit Results .....	13
The College’s board of trustees did not provide the most effective oversight and did not maintain sufficient records of its activities.....	13
<b>CHAPTER III - STUDENT SUCCESS.....</b>	<b>17</b>
Objectives and Methodology .....	18
Audit Results .....	18
The College did not have a career services office to help students with job preparation and search efforts. ....	19
<b>STATUS OF PRIOR AUDIT RESULTS AND RECOMMENDATIONS.....</b>	<b>21</b>
Objectives and Methodology .....	22
Prior Audit Results .....	22
Chapter I - Thaddeus Stevens College of Technology has not met its scholarship student enrollment goals.....	22
Chapter II-1 - The College has been ineffective in accounting for endowments, gifts, and donations.....	23
Chapter II-2 - The College lacks a strategic plan for future campus needs. ....	24
Chapter II-3 - The College lacks an active written contract designating duties and responsibilities for the student building project.....	24
Chapter II-4 - Student building projects are completed without adequate insurance protection for participating students.....	24
Chapter III-2 - The fire safety program could be enhanced .....	25
<b>AUDIT REPORT DISTRIBUTION LIST .....</b>	<b>27</b>





**BACKGROUND INFORMATION**

## ***Background Information***

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### **Thaddeus Stevens College of Technology**

Thaddeus Stevens, a prominent U.S. congressman during the Civil War, and a resident of Lancaster County, is credited with the inspiration behind the establishment of Thaddeus Stevens College of Technology. His vision was to establish an industrial trade school in Lancaster for students of all races and national origins. The congressman's will required his estate to provide funding for "a House of Refuge for the education of homeless, indigent orphans." In 1905, the Commonwealth established Stevens Industrial Reform School of Pennsylvania to make Thaddeus Stevens' vision a reality.

Today, Thaddeus Stevens College of Technology (College), formerly Thaddeus Stevens State School of Technology, is a post-secondary school, accredited as a two-year technical college by the Middle States Association of Colleges and Schools and by the Pennsylvania Department of Education. Located in the City of Lancaster, Pennsylvania, the College offers two-year vocational technical associate degrees and certificate programs. The campus, which spans 32.5 acres, comprises 18 buildings, including vocational, technical, and laboratory facilities; a student center; a dining hall; and a library. Five residence halls provide housing for approximately 300 students.

The mission of the College, to serve needy residents of the Commonwealth, remains unchanged and has been strengthened by several acts. In 1976, Act 266 elevated the institution for a secondary school to a post-secondary school. Act 28 of 1980 and Act 211 of 1990 reaffirmed its mission to serve the needy by prioritizing candidates for admission. Furthermore, Act 187 of 2002, "The Thaddeus Stevens College of Technology Act," further defined the status, authority, and responsibility of the College, most notably expounding on the College's relationship and duties with the Pennsylvania Department of Education.<sup>1</sup> For example, under Act 187 of 2002, the College was removed from the direct control of the Department of Education and was granted authority to reallocate budgeted funds appropriated to the College at its discretion without the necessity of further approval or direction by any executive agency.

A president administers the College with the assistance of appropriate management personnel who are assigned to various divisions within the College. The President, as chief executive officer, is responsible to the Department of Education's commissioner of higher education and to the board of trustees. The president also serves as the liaison between the College and the Department of Education.

The board of trustees includes nine members appointed by the Governor and confirmed by the Senate. These members serve staggered six-year terms to ensure the continuity of the board. The board of trustees, which holds regular meetings, is responsible for the general direction and control of the property and management of the institution, and for developing and/or approving institutional policies.

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<sup>1</sup> 24 P.S. §19-1901-B et seq.

## ***Background Information***

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The following schedule presents selected unaudited operating statistics compiled for the years ended June 30, 2004, 2003, and 2002.

	2004	2003	2002
Total expenditures (rounded in millions)	\$11.6	\$10.7	\$10.9
Employee complement positions at year-end			
Full-time Faculty	51	49	48
Adjunct Faculty	21	8	9
Support Staff and part-time employees	<u>85</u>	<u>104</u>	<u>99</u>
Total employee complement	<u>157</u>	<u>161</u>	<u>156</u>
Student population at enrollment date			
Tuition Students	515	460	451
Scholarship Students	<u>159</u>	<u>201</u>	<u>140</u>
Total Students	<u>674</u>	<u>661</u>	<u>591</u>
Percentage of scholarship students	23.6%	30.4%	23.7%
Average cost per student	\$17,200	\$15,700	\$17,600

### **Thaddeus Stevens Foundation**

Thaddeus Stevens is associated with the Thaddeus Stevens Foundation, an independent non-profit entity, located in a building adjacent to the College campus. Although the Foundation works closely with the College, there is no contractual relationship between the two entities. The Foundation has its own full-time staff and had total assets in excess of \$2.5 million as of March 31, 2003.

### **Thaddeus Stevens Housing Corporation**

Another affiliate of the College is the non-profit Thaddeus Stevens Housing Corporation. According to its articles of incorporation, the purpose of this non-profit corporation is to operate exclusively for charitable and educational purposes, providing opportunities for hands-on training of students at the College. In addition, the corporation functions to acquire and hold properties of strategic interest to the College and provide, as needed, housing for students of the College. A 13-member board of directors, who are elected and serve a three-year term, manages the Housing Corporation.



**OBJECTIVES, SCOPE, AND METHODOLOGY**

## ***Objectives, Scope, And Methodology***

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The audit objectives, which are detailed in the body of the report, were selected from the following general areas: client management, which included efforts to further student success; fixed asset management, which included an examination of the emergency evacuation plans; and a review of board of trustees' efforts to oversee College operations. In addition, we performed audit work to follow up on the conclusions and recommendations for our prior audit.

To accomplish the objectives, we interviewed various College management and staff; obtained and reviewed available records; conducted facility tours and inspections; and analyzed pertinent regulations, policies, procedures and guidelines.

The scope of the audit examined the time from July 1, 2001, to August 15, 2004, unless otherwise indicated in the body of the individual report chapters.

**CHAPTER I - EMERGENCY EVACUATION**

## ***Chapter I - Emergency Evacuation***

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### **Objectives and Methodology**

Approximately 600 students attend classes at the College, with 300 residing in on-campus dormitories. Additionally, the school employs more than 155 full and part-time staff. College administrators are responsible for providing a safe environment for the students, staff, and visitors that attend classes, work, reside or visit the school. In fulfilling this duty, College management assigned staff with the responsibility of developing a campus-wide emergency preparedness program.

The objective for this part of the audit was to evaluate the effectiveness of the College's efforts in developing an emergency evacuation plan. To accomplish this objective, audit staff performed the following procedures:

- Interviewed responsible College management and staff.
- Researched and reviewed various policies, procedures, regulations, directives and guidelines relative to emergency evacuation planning.
- Reviewed documents the College provided regarding its emergency evacuation planning efforts.

### **Audit Results**

Our audit disclosed that, while College management was in the process of reviewing campus-wide emergency evacuation procedures, it had not developed a site-specific emergency evacuation plan.

#### **Finding I-1**

##### **The College did not develop an emergency evacuation plan.**

Our audit found that the College did not have a comprehensive consolidated emergency evacuation plan for its campus. College administrators provided documents that showed that the College collected emergency evacuation information from local area high schools and other sources to generate ideas to develop its own emergency evacuation plan. However, due to other organizational issues, such as the development of a new accounting system, administrators did not focus their attention on the development of a college-specific emergency evacuation plan.



## *Chapter I - Emergency Evacuation*

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Emergency evacuation plans are designed to provide direction on what actions are to be taken in the event of a disaster, terrorist attack or other emergencies. Since September 11, 2001, all public institutions, including colleges and universities, have been encouraged to develop such plans. The Pennsylvania Emergency Management Agency (PEMA) issued a disaster planning guideline entitled “Disaster Preparedness Planning Guide For Facilities,” which shows institutions how to develop emergency plans.<sup>2</sup>

Furthermore, Governor’s Management Directive 720.3, for the Commonwealth of Pennsylvania, provides state agencies with guidelines for preparing for, responding to, and reporting emergencies including fires, bombs, terrorist incidents, and other emergency incidents. The directive provides for the development and maintenance of emergency evacuation plans. In addition, the directive defines responsibilities and provides basic instructions for such plans. Since the College did not adopt its own policies and procedures, the College determined it would follow the Commonwealth’s policies.

Although there was not a comprehensive emergency evacuation plan specific to the campus, the college did have a Power Point presentation entitled “Responding to Emergencies,” which College administrators indicated was provided to its faculty and staff. The presentation included some of the elements of an emergency evacuation plan, primarily dealing with responding to bomb threat situations. We were also informed that the College has established an emergency evacuation planning committee that is working to establish an emergency evacuation plan.

An emergency evacuation plan provides a system of structure during a period when the College’s normal structure is interrupted. Taking action now could save lives, prevent injury, and minimize property damage in the event a real emergency were to occur. The development of a disaster plan should include assigning people specific roles of action, from leading the disaster development plan team to establishing local area agencies that can provide assistance. At a minimum, the actual plan should include a purpose statement, a list of people who will be responsible for implementing appropriate emergency responses, communication plans, and evacuation and transportation procedures.

### Recommendation

College officials should continue to organize staff that will be responsible for coordinating the development of a written campus-wide emergency evacuation plan. At the same time, College officials should also meet and consult with federal, state and local officials to assist in the development of a coordinated plan. Finally, the College should implement procedures to conduct disaster drills.

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<sup>2</sup> A copy of this guideline, along with other emergency planning resources, can be obtained from the Pennsylvania Emergency Management Agency’s Web site at [www.pema.state.pa.us](http://www.pema.state.pa.us)

## ***Chapter I - Emergency Evacuation***

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### Response of College Management:

The College provided the following written response to the finding.

*The College agrees with the recommendation. To date the College has: hired a Director of Safety; and established a Safety Committee with Sub-committees. The Director of Safety working with the Committee will complete development of a Disaster Preparedness and Emergency Evacuation Plan.*

**CHAPTER II - BOARD OF TRUSTEES**

### **Objectives and Methodology**

Act 187 of 2002, the “Thaddeus Stevens College of Technology Act” (Act),<sup>3</sup> mandated that the College maintain a board of trustees consisting of nine members. The Governor with the consent of the Senate appoints these trustees, who serve without compensation. Prior to passage of the Act, the board served only in an advisory capacity to the Department of Education and to the College’s management; now, however, because the Act provides the College with independence accompanied by new powers and duties, the board’s members fill a role that is greatly expanded. The board’s expanded powers and duties include, but are not limited to, the following:

- Maintaining general control of the property and management of the institution.
- Developing institutional policy, bylaws and regulations.
- Acquiring and retaining property and assets needed in the operation of the College.
- Electing the College’s president, setting the salary and delineating the duties and responsibilities of the president.
- Coordinating, reviewing, and approving the annual capital and operating budgets for the College.

Finally, board of trustee members are required by the Pennsylvania Public Official and Employee Ethics Act to file annual financial disclosure statements.

The objectives of this part of the audit were to determine if the College’s board of trustees operated in accord with the general mandates of the Act, and if its members complied with the Code of Conduct requirement of being free from conflicts of interest. To meet these objectives, the following procedures were performed:

- Reviewed Act 187 of 2002 and the board of trustee bylaws.
- Interviewed the vice president of finance and administration.
- Reviewed board meeting minutes and other support documents.

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<sup>3</sup> 24 P.S. §19-1901-B et seq.

- Verified compliance with the Act's provisions relating to board of trustee composition, elections, meeting frequency, quorum and external reporting.
- Obtained and reviewed the statement of financial interests from the Pennsylvania State Ethics Commission for each board member to verify that outside interests by members did not influence decisions made by the trustees.

## **Audit Results**

### **Finding II-1**

#### **The College's board of trustees did not provide the most effective oversight and did not maintain sufficient records of its activities.**

On July 1, 2003, the Act granted the College operational independence by removing the College from the day-to-day jurisdiction of the Pennsylvania Department of Education. With this change, the College and its board of trustees were granted additional operating authority and responsibility. The College has undergone substantial organizational authority and responsibility changes with the enactment of the Act. The audit disclosed that the College's board of trustees did not maintain sufficient records to document fulfillment of all of the boards' enhanced responsibilities.

One of the powers and duties of the board is to develop policy and make necessary bylaws and regulations. The audit disclosed that the board did not update its bylaws to govern and direct its actions in a timely manner. The board established draft bylaws on February 24, 1998, which were then listed as amended on April 28, 1998. However, the board did not officially adopt new bylaws until October 28, 2003.

Previous bylaws of the board included an order of business for trustee meetings, with topics that were to be discussed during the meeting. Additionally, the topics reviewed were subsequently included in the written minutes of the meetings.

The Board's October 28, 2003, bylaws did not include a section that addressed the format of its meetings, areas to be discussed, or how meeting minutes were to be written to document actions taken. For example, the written meeting minutes did not include sufficient detail to address the board's expanded responsibilities, such as the coordination, review, and approval of the College's annual capital and operating budgets.

The absence of a section that stipulates the order of business and the topics to be discussed could subject the board to criticism that it overlooked important mandated responsibilities. Additionally, the failure of the board to sufficiently document its actions in the minutes of

## ***Chapter II - Board Of Trustees***

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its meetings provided little documentation to itself and to the public that the day-to-day operations of the College were being monitored.

The Act further defined the status, authority, and responsibility of the College, most notably expounding on the College's relationship and duties with the Department of Education. For example, under the Act, the College was removed from the direct control of the Department of Education and was granted authority to reallocate budgeted funds appropriated to the College at its discretion without the necessity of further approval or direction by any Commonwealth executive agency. Accordingly, the College's board of trustees now has the responsibility to ensure that necessary modifications and updates are made to organizational policies, procedures and regulations, to account for these changes.

The October 28, 2003, board of trustee bylaws also required the board treasurer to chair the audit committee or other such committees as the board so directs. The bylaws also stipulated that designated members of committees "keep minutes at all meetings of the committees and report to the Board" during regular meetings, or when otherwise required by the board. The audit disclosed that the board did not maintain committee meeting minutes. The absence of such minutes hinders the board's ability to monitor and document important business and program activities pertinent to the College. The audit also disclosed that the board chose not to have an audit committee.

Finally, the audit noted that relevant factors such as the turnover in board members and the exhaustive process of implementing the Act's provisions may have been the causes of why the board did not focus sufficient attention to ensure its expanded responsibilities were documented.

### **Recommendation**

The College's board of trustees should ensure that it employs a process to monitor and assure that bylaws are followed and updated timely, and that the frequency in which board meetings are to be held is defined in the bylaws. In addition, the minutes of Board meetings and committee meetings should be sufficiently detailed to document items presented and actions taken at each meeting.

### **Response of College Management:**

The College provided the following written response to the finding.

*The Board of Trustees rejects this finding in its entirety.*

*Responsibility – Thaddeus Stevens College of Technology is a post-secondary, educational institution with its origin in an Act of the Pennsylvania Legislature signed into law by Governor Samuel Pennypacker on May 11, 1905. The*

*institutional responsibility placed upon the Board of Trustees has neither increased nor decreased under any subsequent Act of the Commonwealth of Pennsylvania, Act 2002-187 included, during the subsequent one-hundred years.*

*Authority – Throughout the history of the institution, prior to 2002, there was a migration of authority away from the institution and its Board of Trustees to the Harrisburg offices of the Department of Education. The office of Auditor General noted this erosion of authority and suggested that it was improper in its performance audit issued in the mid 1990’s. In response to this finding, the Board of Trustees established a policy which the Administration executed in the form of ACT 2002-187, to restore its balance of responsibility and authority.*

*Bylaw Revisions – The Board has regularly reviewed and amended its bylaws as it has seen fit and necessary. It did so on April 28, 1998, and it did so again on October 28, 2003.*

*Meeting Schedule – During the audit period, and continuing to this day, the Board holds approximately ten regular, advertised monthly meetings, and ten advertised public work sessions each year. But for scale, the most analogous body to the Stevens Board of Trustees is the governing board of the State System of Higher Education (SSHE). The SSHE Board meets four times each year for its regular meetings and also reserves four additional dates per year for, “special meetings of the Board, committee meetings, conferences, or workshops.” The Thaddeus Stevens College Board of Trustees which serves a student body .006 the size of SSHE’s, currently meets two and a half times for each meeting of the SSHE Board. Were the Stevens Board to meet more frequently, or to be more involved in the day-to-day operation of the College, its behavior would be outside the norms observed by post-secondary governing boards across the country. Deviance from these norms would raise legitimate questions from the Middle States Association of Colleges and Schools, which accredits the College.*

*Use of Committees – In 1997, after several years of membership in and participation with the Association of Community College Trustees, the Stevens Board adopted a new operating model known as Policy Governance. This model was heavily promoted by the Association of Community College Trustees and adopted by many of its member colleges around the United States and beyond. The model was also promoted by the Pennsylvania Governor’s Office of Public Liaison. The Policy Governance model strongly discourages the use of standing committees. From 1997 until it established an Audit Committee on November 25, 2005, in response to concerns about [Sarbanes-Oxley] Act compliance, the Stevens Board had no standing committees because it operated as a committee of the whole, consistent with the Policy Governance model. The Board does create ad hoc issue specific committees as appropriate, for example Presidential Evaluation and Bylaw Reviews.*

## ***Chapter II - Board Of Trustees***

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*Order of Business* – The Policy Governance model changes the conduct of Board meetings. Many boards of trustees, prior to instituting Policy Governance, routinely received the same series of reports at each meeting and reacted to the contents of those reports. Subsequent to adopting Policy Governance, boards are likely to require the old reports be submitted in writing prior to each meeting, with access to the chief executive for questions as a mode for monitoring institutional performance. Regular meetings focus on particular areas of interest and address policy issues. The order of business for meetings under Policy Governance can vary. The decision to remove a set order of business from the bylaws was both deliberate and proper.

*Detail of minutes* – In 1995, the College was involved with a personnel issue that required the expenditure of significant Commonwealth resources to resolve. At that time, the Board was advised to sharply reduce the level of detail contained in its minutes. It has done so. Since 1997, it has been stated policy of the Board of Trustees that it will use *The Modern Rules of Order*, published by the Pennsylvania Bar Institute, as its operating reference. The minutes' contents conform to those guidelines. In 2003, as the Board reviewed all of its processes, it sought legal advice. At the September 9, 2003, meeting, legal counsel for the College briefed the Board on what should be contained in its minutes. Her reference was the *Open Meetings/Open Records* document published in 2003, by the Pennsylvania Department of Community and Economic Development. Stevens' minutes reflect that advice. In recording the minutes, it is the intent of the Board to meet its legal duty, and to minimize exposure of the College and the Commonwealth to possible legal jeopardy.

### Comments of the Department of the Auditor General:

Our finding was not intended to convey that the board of trustees did not meet with enough frequency. Indeed, the board of trustees should be commended for scheduling and advertising ten regular monthly meetings and ten advertised public work sessions each year, particularly in light of the fact that the members are volunteers.

With respect to the board's operating model, we recognize Policy Governance and the board's operating as a "committee of the whole." The board's decision to make a slight departure from the Policy Governance model by establishing an audit committee on November 5, 2005, in response to the "concerns about [Sarbanes-Oxley] Act compliance," should be commended as well.

Our fundamental concern remains with the detail of the board's minutes. We found that some minutes during the audit period did not exist in detail sufficient enough for us to document the oversight that the board explained in its written response to this finding.



**CHAPTER III - STUDENT SUCCESS**

### **Objectives and Methodology**

The College offers 17 two-year technical programs that lead to an associate degree or certification. All of the degree programs include a general education component. The College's faculty and staff provide various services to assist student growth and development. There are approximately 50 full-time technical and general education faculty members available to advise and counsel students on academic and career-related matters. The College also provides counseling, career planning and placement, and tutorial services. A wide range of co-curricular and extracurricular activities and cultural events is also offered for all students.

The objective of this portion of the audit was to evaluate if students were receiving adequate assistance from the College to ensure academic success. To accomplish this objective, we performed the following audit procedures:

- Gathered background information on programs designed to enhance student success.
- Reviewed success rates and trend analyses completed for the T-STEP (Thaddeus Stevens Technical Enrichment Program) Program.
- Reviewed the College's math class lists and math placement test results for 2003 incoming freshmen to determine if students were being placed in proper math courses based on placement test results.
- Examined student surveys used to evaluate academic programs.
- Obtained a list of services that addressed student needs provided by the College related to career services.

### **Audit Results**

The audit disclosed that the College is providing adequate assistance to its students to help them achieve academic success. For example, the College has been effective in ensuring that student and program needs are periodically monitored using numerous surveys and standardized tests to elicit relative information to improve students' learning experiences.

Furthermore, with its T-STEP program that strengthens students' reading, writing, math, and computer skills, the College was able to enhance the academic, social and work skills of students who did not score well on entrance exams,.

However, the College could improve its aid to students with respect to their employment preparation and search activities.

**Finding III-1**

**The College did not have a career services office to help students with job preparation and search efforts.**

The College provided students with several career services resources. At the same time, the audit disclosed that the College had not established a career services office dedicated to act as the primary resource for its students when preparing for employment opportunities. Instead, through the efforts of other College offices, the College provided career services such as resume writing workshops, career fairs, and an online job network center.

Management did indicate that the College was working to have a career services office open for the fall semester of 2004, to be located in the College's learning resource center. Furthermore, College management also asserted that the College was in the process of creating a part-time position for monitoring career services.

To further aid students in their employment efforts, the College should ensure that dedicated resources are available to students to assist them in their career opportunities. A career services office better provides students with the resources necessary to enhance and improve their employment search efforts.

**Recommendation**

College officials should continue to pursue their efforts for implementing career services activities to better serve their students in their career opportunities.

**Response of College Management:**

The College provided the following written response to the finding.

*The College agrees with this recommendation. The College has created a Career Services Office and hired a Director.*



**STATUS OF PRIOR AUDIT RESULTS AND**  
**RECOMMENDATIONS**

# ***Status Of Prior Audit Results And Recommendations***

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## **Objectives and Methodology**

The following is a summary of the results and recommendations presented in our audit report for the period from July 1, 1998, to October 9, 2001, along with a description of the College's disposition of the recommendations. One or more of the following procedures determined the status of each recommendation:

- A review of the Department of Education's written response, dated May 8, 2003, replying to the Auditor General's audit report.
- Review of the College's responses to the prior audit at the exit conference.
- Tests performed as part of, or in conjunction with, the current audit.
- Discussions with appropriate College personnel during the current audit on prior audit findings and recommendations.

## **Prior Audit Results**

### **Chapter I - Thaddeus Stevens College of Technology has not met its scholarship student enrollment goals.**

Our prior audit found that the College had not met its scholarship student enrollment goals. The College established a goal of 70 percent for scholarship student enrollment, and the scholarship-student enrollment percentage had declined from 71 percent in the 1995-96 academic year to 33.7 percent in 2000-2001.

We recommended that the College:

- Hire a full-time, traveling coordinator for multi-cultural student recruitment.
- Establish recruiting regions based on the number of counselors in order to have more dedicated regional recruiters.
- Expand current marketing strategies to use other media as a means to identify potential targeted students.

## *Status Of Prior Audit Results And Recommendations*

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We also recommended that the college implement a tracking system to identify those students granted scholarship exceptions, and establish a common set of criteria for granting exceptions.

### Status

College management indicated that a full-time recruitment coordinator was not hired due to budget limitations, but the College has taken other steps to increase scholarship student enrollment. These steps included increased advertising, offering off-campus testing sites at high schools to allow the participation of more potential scholarship students, and increased recruiting efforts. Additionally, the College has implemented a policy for granting exceptions for needy students who do not meet all of the scholarship requirements.

While these efforts have attracted additional students, the College has still not reached established scholarship goals. The Department of the Auditor General will continue to monitor the scholarship program.

### **Chapter II-1 - The College has been ineffective in accounting for endowments, gifts, and donations.**

The prior audit found that the College was ineffective in accounting for endowments, gifts, and donations. Issues included a lack of policies and procedures to track and account for these items. Auditors previously recommended that the College establish written policies and procedures, formalize its relationship with the affiliated Thaddeus Stevens Foundation, and establish increased monitoring over the accounting of endowments, gifts, and donations.

### Status

Since the previous audit, the College formalized its relationship with the Thaddeus Stevens Foundation by creating and adopting a memorandum of understanding that outlines and defines the relationship, duties, and responsibilities between the College and the Foundation. Furthermore, management controls have been implemented to monitor Foundation activities pertinent to the College.

## ***Status Of Prior Audit Results And Recommendations***

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### **Chapter II-2 - The College lacks a strategic plan for future campus needs.**

The prior audit found that the College lacked a strategic plan for future campus needs. We recommended that the College establish a strategic plan and that the College's board of trustees approve the plan.

#### **Status**

With the approval of the board of trustees, the College adopted a strategic plan. Review of this plan disclosed that the College has complied with the previous report recommendation.

### **Chapter II-3 - The College lacks an active written contract designating duties and responsibilities for the student building project.**

The prior audit found that the College lacked an active written contract designating duties and responsibilities between the College and the Thaddeus Stevens Foundation for the student building project. Auditors recommended that College administrators assess the costs and benefits of student building projects and ensure that rights and responsibilities of the Commonwealth, the College, the students and the Thaddeus Stevens Foundation are clearly defined in a written agreement.

#### **Status**

Since the time of the last audit, the College developed and adopted a new housing agreement. The new agreement allows the College to track the expenses incurred by the Thaddeus Stevens Foundation during the construction of the houses built by the students, more closely. The College is also able to track the revenues brought in from the sale of the houses more closely. Additionally, the agreement provides additional detail on the rights and responsibilities of the Thaddeus Stevens Foundation and the College.

### **Chapter II-4 - Student building projects are completed without adequate insurance protection for participating students.**

The prior audit found that student building projects were completed without adequate insurance protection for participating students. Auditors previously recommended that College administrators ensure that all students participating on a building project are covered by necessary liability insurance.



## ***Status Of Prior Audit Results And Recommendations***

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### Status

The current audit found that the College was still relying on a legal opinion issued in a January 1985 letter by the Pennsylvania Department of Education's Office of Chief Counsel. In that letter, sovereign immunity is given as a key reason why the College would not be required to provide insurance for its students. However, the letter does not address the insurance issue specifically for the student building project; instead, it addresses student insurance for student accidents in general. Furthermore, since the issuance of this letter, the College underwent an administrative organizational change whereby it no longer operates under the arm of the Department of Education. For the reasons noted above, a new legal opinion should be obtained from the College's current legal counsel, and appropriate action should be taken as necessary.

### **Chapter III-2 - The fire safety program could be enhanced**

The prior audit found that the College's fire safety program contained deficiencies and the fire safety program could be enhanced. Deficiencies were noted with the College's fire drills, fire extinguisher inspections and fire safety training. The audit recommended that the College:

- Institute a uniform fire safety policy, which clearly delegates responsibility and establishes accountability for fire safety.
- Create a central control location where fire drill records can be collected and stored for review.
- Assign sufficient personnel to complete required inspections and maintenance of fire extinguishers.
- Adopt formal fire safety training programs for new student orientation.

### Status

The College developed a comprehensive fire safety plan, which includes a uniform fire safety policy delegating responsibilities and establishing accountability for fire safety. A central location for the collection of reports has also been established. Sufficient personnel have been assigned to complete fire extinguisher inspections, and both resident directors and maintenance personnel complete monthly inspections. In addition, the comprehensive fire safety plan is stored in a central location and maintained in a formal manual. Furthermore, the College has incorporated fire safety standards and procedures into student orientation. Because of these changes, the College has complied with the prior audit's recommendations.

## ***Status Of Prior Audit Results And Recommendations***

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### Response of College Management:

The College provided the following written response to the status of prior audit results and recommendations.

*The College is in agreement with all of the status determinations for all of the prior Audit Results.*

## *Audit Report Distribution List*

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This report was initially distributed to the following:

### Commonwealth of Pennsylvania

The Honorable Edward G. Rendell  
Governor

The Honorable Robert P. Casey, Jr.  
State Treasurer

The Honorable James J. Rhoades  
Majority Chairman  
Senate Education Committee  
Senate of Pennsylvania

The Honorable Raphael J. Musto  
Minority Chairman  
Senate Education Committee  
Senate of Pennsylvania

The Honorable Jess M. Stairs  
Chairman  
House Education Committee  
Pennsylvania House of Representatives

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

The Honorable Robert J. Thompson  
Majority Chairman  
Senate Appropriations Committee  
Senate of Pennsylvania

The Honorable Vincent J. Fumo  
Minority Chairman  
Senate Appropriations Committee  
Senate of Pennsylvania

The Honorable Gibson E. Armstrong  
Senate of Pennsylvania

The Honorable Brett Feese  
Majority Chairman  
House Appropriations Committee  
Pennsylvania House of Representatives

The Honorable Dwight Evans  
Minority Chairman  
House Appropriations Committee  
Pennsylvania House of Representatives

The Honorable Gerald L. Zahorchak, D.Ed.  
Acting Secretary of Education  
Pennsylvania Department of Education

Connie Huber  
Comptroller  
Labor, Education and Community Services  
Office of the Budget

Thaddeus Stevens College of Technology  
William Griscom, Ed.D.  
President  
Members, Board of Trustees

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