



Performance Audit

Cheyney University of Pennsylvania

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

December 2011

December 28, 2011

The Honorable Tom Corbett
Governor
Commonwealth of Pennsylvania
Harrisburg, Pennsylvania 17120

Dear Governor Corbett:

This report contains the results of a performance audit of Cheyney University of Pennsylvania of the Pennsylvania State System of Higher Education from July 1, 2007, to January 8, 2010, unless otherwise noted. We conducted our audit under authority provided in Act 188 of 1982 (24 P.S. § 20-2015-A), which states, “Activities of the system under this article shall be subject to the audit of the Department of the Auditor General.” The audit was also conducted under the authority provided in Section 402 of The Fiscal Code and in accordance with generally accepted government auditing standards.

Our report details our audit objectives, scope, methodology, findings, and recommendations. The report contains findings on Cheyney’s controls over its fire safety program, mechanical and stores inventory control, and fixed assets. We also found a lack of documentation supporting Cheyney’s service purchase contracts, travel expenditures, cancelled and relocated classes, and the Student Government Cooperative Association’s meetings. Cheyney also needs to evaluate its computer needs. Finally, delays and/or deficiencies continued with the posting of parking fines; student academic record-keeping; and mathematics prerequisite requirements. We offered twenty seven recommendations to address the issues we identified.

We discussed the contents of the report with Cheyney officials and all appropriate comments are reflected in the report.

Sincerely,

JACK WAGNER
Auditor General

**Cheyney University of Pennsylvania
State System of Higher Education**

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Jack Wagner, Auditor General
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**Cheyney University of Pennsylvania
State System of Higher Education****Background
Information**

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**Background
Information*****History, mission,
and operating
statistics*****State System of Higher Education**

Pennsylvania's 14 state-owned universities are part of the Pennsylvania State System of Higher Education, referred to as the State System in this report. 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. Finally, 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**

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State System of Higher Education**

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Cheyney University of Pennsylvania

Founded in 1837 as the Institute for Colored Youth, Cheyney University of Pennsylvania, which we refer to in this report as Cheyney or the university, is the oldest of the Historically Black Colleges and Universities in America. The institute began in Philadelphia providing free classical education for qualified young people. In 1902, the institute moved to its current location in Chester and Delaware counties approximately 25 miles west of Philadelphia.

Cheyney University presents the following statements on its website to describe its mission:

Our mission is to prepare confident, competent, reflective, visionary leaders and responsible citizens. We uphold our tradition of academic excellence as we maintain our historical commitment to opportunity and access for students of diverse backgrounds. Cheyney University provides a nurturing, intellectually challenging and socially enriching environment.³

The schedule on the next page presents selected unaudited operating statistics for the fiscal years ended June 30, 2007, June 30, 2008, and June 30, 2009, compiled by the Pennsylvania Joint State Government Commission, a bipartisan and bicameral research agency of the General Assembly.⁴ These statistics provide the reader with comparative information about Cheyney University individually and the State System of Higher Education as a whole.

³ <http://www.cheyney.edu/about-cheyney-university/cheyney-mission-vision.cfm>, accessed April 15, 2010, reverified October 3, 2011.

⁴ <http://jsg.legis.state.pa.us>, accessed March 9, 2010; verified December 8, 2011.

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	Cheyney University			State System of Higher Education		
	<i>Fiscal year ended June 30</i>			<i>Fiscal year ended June 30</i>		
	2007	2008	2009	2007	2008	2009
<i>State instructional appropriations (rounded in millions)</i>	\$12.0	\$14.7	\$15.3	\$463.0	\$479.8	\$473.1
Percentage of State System total	2.6%	3.1%	3.2%	100.0%	100.0%	100.0%
<i>Full-time equivalent students:</i>						
Undergraduate	1,575	1,369	1,360	92,678	93,927	94,770
Graduate	<u>168</u>	<u>127</u>	<u>111</u>	<u>10,366</u>	<u>10,795</u>	<u>11,148</u>
Total	<u>1,743</u>	<u>1,496</u>	<u>1,471</u>	<u>103,044</u>	<u>104,722</u>	<u>105,918</u>
Percentage of State System total	1.7%	1.4%	1.4%	100%	100%	100%
<i>Full-time equivalent instructional faculty:</i>						
	133	102	98	5,366	5,416	5,491
Percentage of State System total	2.5%	1.9%	1.8%	100%	100%	100%
<i>Degrees conferred:</i>						
	199	203	258	21,954	22,157	23,250
Percentage of State System total	0.9%	0.9%	1.1%	100%	100%	100%

Accreditation status

The university is academically accredited by the Middle States Commission on Higher Education, or the Commission. Academic programs are also individually accredited by the appropriate professional organizations.

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On November 19, 2009, the Commission took action warning Cheyney that its accreditation may be in jeopardy because of a lack of evidence that the institution was in compliance with several accreditation standards.⁵

The standards in question pertained to the following:

- Cheyney's lack of planning and resource allocation based on its mission and goals; and the university's development of objectives to achieve them.
- Cheyney's effective and efficient use of its resources.
- Cheyney's adherence to ethical standards and its own stated policies, providing support for academic and intellectual freedom.

The Middle States Commission on Higher Education also requested Cheyney prepare a monitoring report to document its progress toward addressing these deficiencies. The monitoring report was to be completed by September 1, 2010. Cheyney's submission of the report was then to be followed by a visit to campus by the Commission's officials.

On March 3, 2011, Cheyney was visited by the Commission's representatives. The purpose of the visit was to accept the university's monitoring report, remove the warning and to reaffirm the accreditation. As of April 6, 2011, the Commission removed the warning and reaffirmed Cheyney's accreditation.⁶ The Commission also requested the university prepare another monitoring report due November 1, 2011.

⁵ The Middle States Commission on Higher Education standards are available at <http://www.msche.org/documents/SAS/125/Statement%20of%20Accreditation%20Status.htm>. Accessed October 3, 2011, verified December 8, 2011.

⁶ <http://www.msche.org/documents/SAS/125/Statement%20of%20Accreditation%20Status.htm>. Accessed October 3, 2011, verified December 8, 2011.

**Cheyney University of Pennsylvania
State System of Higher Education****Audit Objectives,
Scope, and
Methodology**

*Pennsylvania Department of the Auditor General
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**Audit
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.

Our performance audit of Cheyney University had 12 objectives described below. We selected the objectives from the following general areas: fire safety; financial accounting management, including procurement, travel expenditures, maintenance and storeroom inventory, fixed assets, computers, and parking fine collections; student activities, including academic record-keeping, and student organizations; and personnel management, including the use of employee pay incentives. In addition, we determined the status of recommendations made during the prior audit of Cheyney. The specific objectives were:

- One To assess Cheyney's progress in addressing our prior audit recommendations with respect to deficiencies cited in the fire safety program. (Finding 1)
- Two To determine whether Cheyney has taken corrective action to ensure required documentation was maintained for service purchase contracts. (Finding 2)
- Three To determine whether Cheyney ensured that all required documentation was obtained from the employees who were reimbursed for their travel expenditures, and that such documentation supporting these expenditures was maintained by the university. (Finding 3)
- Four To determine whether Cheyney addressed its mechanical and stores inventory control deficiencies. (Finding 4)

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**Audit Objectives,
Scope, and
Methodology**

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- | | |
|--------|--|
| Five | To determine whether Cheyney addressed deficiencies with its control over fixed assets. (Finding 5) |
| Six | To determine whether Cheyney addressed its need for increased computer security. (Finding 6) |
| Seven | To determine whether Cheyney established sufficient management controls to ensure that all payments for parking citations were remitted to the bursar's office timely and were posted to the student's accounts. (Finding 7) |
| Eight | To determine whether Cheyney addressed an issue with its academic software that allowed students to improperly enroll in repeat courses. (Finding 8) |
| Nine | To determine whether Cheyney corrected deficiencies with respect to the enforcement of all prerequisite math courses. (Finding 9) |
| Ten | To determine whether Cheyney addressed its notification and documentation deficiencies regarding cancelled and relocated classes during the fall 2009 semester. (Finding 10) |
| Eleven | To determine whether Cheyney addressed its lack of documentation supporting student government meetings. (Finding 11) |
| Twelve | To determine the propriety of Cheyney's use of employee pay incentives. (Finding 12) |

Unless otherwise indicated, the scope of our audit was from July 1, 2007, to January 8, 2010.

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State System of Higher Education**

**Audit Objectives,
Scope, and
Methodology**

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To accomplish our objectives, we obtained and reviewed records and analyzed pertinent policies, agreements, and guidelines of the State System, the Commonwealth of Pennsylvania, and Cheyney University. In the course of our audit work, we interviewed various facility management and staff. The audit results section of this report contains the specific inquiries, observations, tests, and analyses conducted and conclusions drawn for each audit objective.

We also performed inquiries and tests as part of, or in conjunction with, our current audit to determine the status of the implementation of the recommendations made during our prior audit related to fire safety, faculty work load, service purchase contracts, credit card purchases, travel expenditures, mechanical and storeroom inventory, fixed assets, computer security, parking fines, academic record keeping, mathematics prerequisite requirements, cancelled and relocated classes, and the Student Government Cooperative Association, Inc.

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**Audit
Results**

Pennsylvania Department of the Auditor General

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**Audit
Results**

In the pages that follow, we have organized our audit results into twelve sections, one for each objective. Each of the twelve sections is organized as follows:

- Statement of the objective.
- Relevant laws, policies, or agreements.
- Audit scope in terms of period covered, types of transactions reviewed, and other parameters that define the limits of our audit and the methodologies used to gather sufficient evidence to meet our objective.
- Finding(s) and conclusion(s), if applicable.
- Recommendation(s), where applicable.
- Response by Cheyney's management, where applicable.
- Our evaluation of Cheyney's management response, where applicable.

**Cheyney University of Pennsylvania
State System of Higher Education****Audit Results:
Fire Safety**

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**Audit Results
for Objective
One***Fire Safety***The objective**

Objective one for our performance audit was to assess Cheyney's progress in addressing our prior audit recommendations with respect to deficiencies cited in the fire safety program.

Relevant laws, policies, or agreements

The prior three audits conducted by the Department of the Auditor General evaluated Cheyney's fire safety program. Our prior audit report noted that the university appointed an interim safety officer during the 2008 spring semester to assist with safety maintenance. The safety officer is responsible for inspecting fire extinguishers, regularly scheduling and implementing fire drills and recording any violations.

Cheyney responded to our prior audit report finding by stating that the office of residence life and housing maintained a monthly schedule for fire drills in each residence hall. Residents of those halls were informed of evacuation guidelines at mandatory hall information meetings before classes formally began. Resident hall assistants were trained to conduct and document monthly room safety inspections on inventory forms.

Scope and methodologies to meet our objective

To assess Cheyney's progress in addressing our prior audit recommendations with respect to deficiencies cited in the fire safety program, we reviewed Cheyney's fire safety policies and procedures and interviewed the university's chief of police, and residence life assistant director. We also interviewed the facilities director, the assistant facilities director, the residence life administrative assistant, and the administrators from the two local county emergency centers. We toured campus residence halls, academic, administrative buildings, and reviewed fire extinguisher inspection tags and fire drill schedules for residence halls.

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State System of Higher Education****Audit Results:
Fire Safety**

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Finding 1**Cheyney's fire safety program continued to be deficient.**

Our audit testing determined that the following Cheyney fire safety program issues remain deficient.

Fire extinguisher inspections. All building fire equipment, including fire extinguishers, should have routine safety inspections. During our field work, Cheyney's management drafted a fire extinguisher policy requiring all fire extinguishers to be visually inspected on a monthly basis in compliance with the National Fire Protection Association Standards for Portable Fire Extinguishers. Our prior audit determined that 60 percent of the fire extinguishers had not been inspected. During the current audit, we found that 68 of the 87 fire extinguishers, or 78 percent, were not currently inspected. Of the 43 fire extinguishers that we examined in the residence hall on October 29, 2009, 24 had not been inspected in over two months and one was not charged. We also determined that none of the 38 fire extinguishers in the academic building had been inspected since September 2008. Finally, our October 2009 examination found that none of the six fire extinguishers in the administrative building were inspected since September 2008.

Fire drills. Cheyney's policy requires fire drills to be held in residential buildings on a monthly basis and in academic and administrative buildings biannually.⁷ A review of fire drill reports for residence halls for the period of January 2008 through June 2009 revealed that 47 of the 58 scheduled drills, or 81 percent, were not conducted. In addition, Cheyney again failed to schedule or conduct fire drills in the academic and administrative buildings. Cheyney's policy for fire drills identifies the director of public safety as the fire marshal for the university. The fire marshal is responsible for coordinating, planning and scheduling of fire drills in all buildings on campus. When asked about the policy, the director of public safety stated that he was not aware of the responsibility to conduct fire drills in all campus buildings.

⁷ Cheyney University of Pennsylvania, Policies and Procedures Draft, "Fire Alarms and Fire Drills."

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State System of Higher Education****Audit Results:
Fire Safety**

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Emergency call systems and emergency plans. Cheyney's emergency calling system continued to provide emergency responders with only the university's primary mailing address when an emergency call is placed from campus. Cheyney's emergency calling system, as designed, had the potential to hinder the emergency responders' ability to locate and react in a timely manner to critical situations on campus.

Cheyney's policy instructed students and staff to contact the office of public safety in the event of an emergency. The office of public safety is staffed 24 hours a day, seven days a week by police and public safety personnel. A sticker with the phone number for the office of public safety is attached to all campus telephones. When an on-campus emergency call occurs, an officer from the office of public safety is supposed to assess the situation and determine whether any local emergency agencies need to be contacted for additional assistance. University officials indicated that the agreement with the local emergency responders required all emergency response vehicles dispatched to the university to be first directed to the campus entrance where a university public safety officer would meet the responders and direct them to the emergency site. While this agreement provided Cheyney with some assurance of a timely response, greater assurance could be provided by updating the university's current phone system to provide emergency responders with the specific location of where the emergency call originated.

Cheyney's campus is located on grounds within both Chester and Delaware counties. Our discussions with representatives from the two local emergency centers for these counties revealed that an emergency action plan was only in place with Chester County. One emergency center representative stated that should an event occur, emergency responders would utilize the emergency plan in place for the local school district. However, the potential emergency needs of Cheyney significantly differ from those of a school district. A representative from the Delaware County emergency center stated that although a meeting was scheduled with Cheyney officials to work on developing an emergency plan, the meeting never took place. Currently, the local school district's emergency plan is available for emergency responders and for Cheyney officials to follow. Cheyney, however, should develop its own detailed plan to effectively organize and coordinate the resources and responses of emergency responders to on-campus emergencies. The consequences

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Fire Safety**

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could be very serious if an emergency requiring the evacuation of a portion of the campus was to occur within the county where no emergency action plan had been established.

**Recommendations
for Finding 1**

1. Cheyney should inspect all fire extinguishers on a monthly basis and document the inspection.
2. Cheyney should ensure that scheduled fire drills in the residence halls are conducted and documented.
3. Cheyney should schedule and hold fire drills in the academic and administration buildings.
4. Cheyney should enhance the 911 emergency calling system by providing emergency responders with the specific location of where the emergency call originated.
5. Cheyney should develop an emergency plan with the local county emergency responder agencies that addresses the specific requirements of Cheyney's campus community.

Comments from Cheyney University management:

All fire extinguishers for Academic, Administration and Residence Life are inspected on a monthly basis by Cheyney Police. This was a shared responsibility with Facilities, but now is conducted by Cheyney Police. A copy of the report is scanned electronically and is available on the internet. Deficiencies are reported and documented and kept on file in the Cheyney Police files.

Fire Drills continue to take place every month in each Residence Hall. Reports are written and kept on file in the Cheyney Police Department. Fire Drills for Administrative and Academic Buildings take place bi-annually. Reports are written and kept on file in the Cheyney Police Department.

Police Dispatchers have been hired for all shifts. Police Dispatchers notify 911 with the exact specific location of the emergency call.

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State System of Higher Education**

**Audit Results:
Fire Safety**

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Emergency Operating Plan and Crisis Plan is in effect and addresses specific requirements of the Cheyney University's Campus Community. A copy of the Residence Hall Floor Plan is on file with the Concordville Fire Company.

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State System of Higher Education**

**Audit Results:
Service Purchase
Contracts**

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**Audit Results
for Objective
Two**

The objective

Objective two for our performance audit was to determine whether Cheyney has taken corrective action to ensure required documentation was maintained for service purchase contracts.

*Service Purchase
Contracts*

Relevant laws, policies, or agreements

Our two prior audits reported that Cheyney did not maintain supporting documentation for service purchase contracts. For Cheyney to meet its primary mission of providing an affordable education in a secure environment, it must maintain the physical plant. Cheyney is responsible for procuring the necessary supplies and services in the most economical and efficient manner possible. In some cases, Cheyney must contract with outside vendors to obtain certain services.

To assist its member universities, the State System issued general procurement policies.⁸ In addition, Cheyney also implemented its own detailed procurement policies.⁹

Scope and methodologies to meet our objective

We reviewed the procurement policies of the State System and Cheyney University. We randomly selected and examined 54 of the 269 contracts processed by Cheyney during the period of July 1, 2007, through June 30, 2009. We examined the contracts to determine compliance with applicable procurement policies and procedures, bidding requirements, document approvals, and contract monitoring.

In order to determine if the amounts billed by vendors complied with contract payment terms, we randomly selected and reviewed invoices paid for 11 of the 54 contracts selected for testing. Our testing included a review of invoices and other supporting documents to ensure that the invoice amounts were in accordance with contract payment terms, and that the services were received by Cheyney.

⁸ Board of Governors Policy 1998-04, Procurement of Goods, Services, Supplies and Construction, amended April 8, 2004, and Policy 1983-02-A, Purchasing, amended May 14, 1998.

⁹ Cheyney University of Pennsylvania, Procurement Procedures, revised May 2001.

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**Audit Results:
Service Purchase
Contracts**

Finding 2 Cheyney did not update its procurement policy to reflect the State System's service purchase contract requirements.

Cheyney responded to our prior audit report and stated that it provided training and made changes to improve the university's contract process during the 2007-2008 academic year. We noted improvements in Cheyney's maintenance of its contract documentation and also its processing and management of its service purchase contracts during the current audit. The improvements found during this audit are explained in further detail in Prior Finding 4 in the Status of Prior Year Audit section of this report.

Our current review revealed that Cheyney followed the State System's bidding requirements for obtaining bids starting at the \$10,000 threshold. When we reviewed Cheyney's contract policy we observed that Cheyney still included a \$5,000 threshold for requiring bids in its policy.

Cheyney officials indicated that it was their intention to continue following State System's bidding requirements and amend its own procurement policies to conform to the State System's policy.

- Recommendation for Finding 2**
6. Cheyney's management should review their internal procurement policy and make amendments as necessary to reflect current practices.

Comments from Cheyney University management:

The University's procurement policy has since been updated to reflect the State Systems' service purchase contract policy requirements.

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**Audit Results:
Travel
Expenditures**

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**Audit Results
for Objective
Three**

*Travel
Expenditures*

The objective

Objective three for our performance audit was to determine whether Cheyney ensured that all required documentation was obtained from the employees who were reimbursed for their travel expenditures, and that such documentation supporting these expenditures was maintained by the university.

Relevant laws, policies, or agreements

Our two prior audits reported that Cheyney did not maintain supporting documentation for travel expenditures. For Cheyney to meet its primary mission of providing an affordable education in a secure environment, staff may be required to travel in their official capacities as employees of the university.

The State System's Board of Governors has established policies and procedures for required employee travel.¹⁰ Cheyney also has an internal travel procedures manual in place to ensure that employees are aware of and adhering to the guidelines and requirements.¹¹ Cheyney employees who travel on official business at the university's expense are expected to exercise prudence and economy.

Scope and methodologies to meet our objective

To assess Cheyney's efforts to obtain required supporting documentation from employees prior to their reimbursement for travel expenses, as recommended in our prior two audits, we reviewed the Board of Governors' and Cheyney's travel policies and procedures. We also randomly selected 60 of the 1,671 travel transactions processed during the period of July 1, 2007, through June 30, 2009, and examined travel expense documentation to determine whether travel reimbursement requests were submitted, signed, and approved prior to employee reimbursement.

¹⁰ Board of Governors Policy 1986-07-A, Travel Expense Regulations, section A. General Policy.

¹¹ Cheyney University of Pennsylvania, Travel Procedures, revised June 2009.

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**Audit Results:
Travel
Expenditures**

Finding 3**Cheyney should improve record keeping for travel expenditures.**

Cheyney again failed to maintain supporting documentation for travel expenditures. As a result, we could not determine the propriety of the travel expenditure transactions we tested. For the period of July 1, 2007, through June 30, 2009, Cheyney expended approximately \$532,870 for 1,671 travel transactions. We selected and reviewed 60 of these travel transactions totaling \$29,383 that were processed during this period.

The results of our testing follow:

- Cheyney management was unable to locate documentation for 7 of the 60 transactions totaling \$6,076.
- Of the 53 transactions reviewed, deficiencies were noted in 23 transactions totaling \$18,286.
- Deficiencies included missing documentation such as pre-approved travel forms, travel expense vouchers, and receipts for travel expenditures.
- Employee travel expense vouchers were not submitted in a timely manner.

Cheyney's travel policies require all travel expense vouchers to be submitted within 15 business days after returning from travel.¹² In addition, the State System's policies state that reimbursement to employees for official travel shall be made on the basis of approved travel expense vouchers that shall be audited prior to payment.¹³ The lack of documentation to support travel expenditures precludes a review to ensure the travel was appropriate and justified.

Cheyney management stated that they were unsure why the documentation was not on file. However, according to Cheyney officials, prior to our audit, the State System also reviewed the university's travel expenditures and when that review was completed some of the documents may have

¹² Cheyney University of Pennsylvania, Travel Procedures, revised June 2009.

¹³ Board of Governor's Policy 1986-07-A, Travel Expense Regulations, section A. General Policy.

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State System of Higher Education****Audit Results:
Travel
Expenditures**

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been misplaced either by the State System's staff or by Cheyney. After discussions with Cheyney officials, we were unable to determine who was responsible for the misplaced documents.

**Recommendations
for Finding 3**

7. We again recommend that Cheyney's management should obtain, in a timely manner, all required documentation from employees reimbursed for travel and that such documentation be maintained to support travel expenditures.
8. Cheyney should refuse to make travel reimbursements when the employee does not provide the required documentation.

Comments from Cheyney University management:

Cheyney University Accounts Payable obtains all required documentation from employees and verifies adherence to the University's policy before they are reimbursed for travel expenses. Employee reimbursements are not made to the employee unless the proper documentation is received from an employee such as pre-approved travel forms, travel expense report, and detailed receipts for expenditures. Any exceptions to the policy are documented with specific reasons for any exception.

The filing of employee expense documentation is now consolidated to have all forms filed in one location. During the audit period, check processing was performed by the State System of Higher Education on behalf of Cheyney University and invoices and other supporting documentation had to be remitted to the State System before a check was processed. There were issues with documents that were not returned during the invoice/documentation remittance process. However, check processing is now done by Cheyney University and with the University performing the check processing this should eliminate misplaced documentation.

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**Audit Results:
Inventory**

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**Audit Results
for Objective
Four**

The objective

Objective four for this performance audit was to determine whether Cheyney addressed its mechanical and stores inventory control deficiencies.

Inventory

Relevant laws, policies, or agreements

Our three prior audits of Cheyney reported inventory deficiencies in the university's mechanical and stores inventories. Items maintained in inventory include parts and materials utilized by the maintenance shops and office supplies utilized by faculty and staff.

Our prior audit reports identified inventory control deficiencies that resulted from warehouse employees having the capability to perform the incompatible duties of record keeping and physical control functions over inventory. Also, adjustments were made to inventory records without being reviewed and approved. Finally, periodic spot checks were not conducted of the inventory records.

In its response to our August 15, 2008, audit recommendations, Cheyney indicated the following:

During the 2008-2009 academic year, Cheyney University will review authorized access to the automated inventory system to ensure custodial and record keeping functions are segregated appropriately. It is expected that this review will result in the clarification of policy and personnel changes to more adequately monitor automated inventory controls.

Scope and methodologies to meet our objective

To determine the status of Cheyney's efforts to address the mechanical and stores inventory control deficiencies identified in our three prior audits, we interviewed the university's warehouse supervisor, vice president of finance and administration, the deputy director of facilities

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**Audit Results:
Inventory**

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management, and the State System's assistant director for system human capital management services. We also reviewed the segregation of duties of warehouse personnel, examined inventory records, and randomly selected and conducted a physical count of 20 inventory stores items.

Finding 4

Cheyney's mechanical and stores inventory control deficiencies continued.

During our current audit, we determined that the inventory system's custodial and record keeping functions were still not segregated. As a result, the control weaknesses identified in the prior audits continued to exist.

Segregation of duties. Cheyney utilized an automated inventory system during our current audit. However, the university's inventory clerk, warehouse manager, and other accounting personnel have the ability on the system to post receipts, disbursements, and make adjustments to inventory records, thereby circumventing the segregation of duties internal control.

Access authorization. During our review of the individuals authorized to access the university's automated inventory system, we also identified the name of an individual that left employment at the university in March 2008. Although the employee was terminated, the necessary steps to remove the individual's access to the system had not been taken.

Inventory counts and adjustments. During our current audit, Cheyney officials stated that inventory spot checks were being conducted; however, we learned that the staff did not document the results of their work. The university reported that a physical inventory was conducted for the fiscal year ended June 30, 2009. The director of support services who was responsible for overseeing warehouse operations did not sign off on the inventory adjustments. The director of support services position has been vacant since August 2009.

Our test counts. We selected 20 inventory items and conducted a physical inventory count to compare to warehouse inventory records. Our

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inventory count identified 17 discrepancies with the 20 items counted. The physical count determined that the inventory balances for two items was overstated, while the remaining 15 items were understated. Warehouse management stated that the discrepancies were due in part to mislabeled bins, multiple bins of the same item, and the loss of one employee assigned to the warehouse.

Cheyney management stated that they were in the process of trying to fill the vacant director of support services position. The new director, when hired, will be responsible to work with warehouse staff to correct the existing deficiencies.

**Recommendations
for Finding 4**

9. Cheyney should take appropriate action to remove the terminated employee's access to the automated inventory system. In order to improve the security of the inventory system, Cheyney officials should also conduct ongoing reviews to ensure that computer access for individuals no longer employed by the university has been terminated.
10. Inventory items should be reviewed and mislabeled bin labels should be corrected to accurately account for inventory items. A physical count of all items should be conducted and inventory records should be adjusted to reflect the actual count of inventory items. The director of support services, or their designee, should approve all adjustments to inventory.
11. Until the position of the director of support services is filled, management should designate someone to oversee warehouse operations and review inventory transactions and adjustments to provide additional oversight needed due to the lack of segregation of duties.

Comments from Cheyney University management:

Employees who are no longer employed by the University have been deleted from the system.

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For the 2010 fiscal year, staff was required to properly label each item in inventory with new labels. A barcode system will be installed this fiscal year to track inventory in the warehouse, which will enable better tracking of items. Inventory will be completed on a biannual basis along with the fixed asset inventory. Inventory will be completed in June and November of each year.

Quarterly reviews and reports will be completed to assess the inventory transactions and will be matched with the biannual inventory reports.

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**Audit Results:
Fixed Assets**

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**Audit Results
for Objective
Five**

The objective

Objective five for this performance audit was to determine whether Cheyney addressed deficiencies with its control over fixed assets.

Fixed Assets

Relevant laws, policies, or agreements

Our two prior Cheyney audits reported that Cheyney did not maintain controls over fixed assets. Cheyney's management is responsible for ensuring that all assets are adequately safeguarded, utilized, and maintained.

The State System has issued a policy to assist the individual universities in meeting some of their asset control responsibilities.¹⁴ This policy includes defining a fixed asset as an item that has a value of at least \$5,000.

Scope and methodologies to meet our objective

To assess whether Cheyney implemented our prior audit recommendations regarding the maintenance of an accurate fixed asset tracking system, we reviewed applicable State System policies and procedures. We interviewed the controller and the facilities manager to obtain an understanding of the university fixed asset procedures and also obtained a list of current fixed assets.

Finding 5

Cheyney's control over fixed assets continued to be inadequate.

As we documented in our past two audits, Cheyney has again failed to conduct a biennial physical inventory of fixed assets during the current audit period.

Cheyney's director of business support is responsible for managing the university's fixed assets, however this position has been vacant since August 2009. Because of the vacancy, the university's fixed asset

¹⁴ State System of Higher Education Fiscal Accounting Policy 2002-01, "Capitalization of Fixed Assets."

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inventory report, containing detailed information such as an identification number and the location of each asset has also not been updated since August 2009.

Finally, existing university policies were not revised to require reporting lost, missing, or stolen assets to campus security or the reporting of transferred assets to the fixed asset coordinator so that fixed asset records could be updated. Our prior two audits also identified these same fixed asset deficiencies.

The following is Cheyney management's response to our prior audit finding and recommendations:

During the 2008-2009 academic year, Cheyney University will design a fixed asset tracking system for monitoring fixed asset which will include conducting a physical inventory, logging in the items, and affixing an identification mark on all assets to deter losing or missing these items. Additionally, during the 2008-2009 academic year, management will surplus excess items.

Our current audit found that the university had not implemented any of the corrective actions contained in the above response. Consequently, the deficiencies noted in our prior audit still require corrective action to be taken by Cheyney.

The position of the director of business support, which is designated as the fixed asset coordinator at Cheyney, was vacated in August 2009 and remained vacant through the end of our audit work at the university. Cheyney had posted, but not filled, the position of the director of business support.

The State System requires member universities to conduct a fixed asset physical inventory biennially. Cheyney has not conducted a physical inventory since 2002. We planned to physically examine a sample of fixed assets. When we requested a current list of fixed assets, we were informed that although Cheyney has a list of fixed assets with identification numbers, it did not list the specific location of the assets. The previous director of business support maintained a list with this

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information; however, management was unable to locate and provide auditors with a copy of the list.

Based on the results of our current and prior audits, we concluded that Cheyney still did not monitor and control fixed assets.

**Recommendations
for Finding 5**

12. Cheyney's management should ensure an accurate fixed asset tracking system is established and maintained.
13. Cheyney's management should conduct a physical inventory of fixed assets at least once every two years in accordance with State System policies.
14. Cheyney's management should also require that fixed assets permanently transferred between campus locations should be reported and the asset's new location entered into the fixed asset tracking system.
15. Cheyney's management should also require that assets that are lost, stolen, surplus, or disposed, be so designated in the fixed asset system.

Comments from Cheyney University management:

The Cheyney University Storeroom shuts down at the end of every fiscal year to perform an inventory for one to two weeks if necessary. Generally inventory is completed one week before the end of the fiscal year. (Note: In this comment, Cheyney management is referring to the inventory in their storeroom, not their fixed assets.)

For the 2012 fiscal year we will implement an inventory shut down in November to comply with the biannual inventory requirement. In addition, we will be implementing a bar code system which will enable better tracking of inventory received and delivered.

For the 2013 fiscal year, we are looking at software that will integrate with SAP that will enable sufficient tracking of fixed assets.

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*Audit Results:
Computers*

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**Audit Results
for Objective
Six**

The objective

Objective six for this performance audit was to determine whether Cheyney addressed its need for increased computer security.

Computers

Relevant laws, policies, or agreements

Cheyney management is responsible for ensuring that computers and equipment are adequately safeguarded. Our prior Cheyney audit reported that during the period from January 29, 2007, through April 30, 2007, 76 Central Processor Units and 63 monitors were stolen from Cheyney computer labs and the warehouse. These computers were valued at approximately \$80,900. We also reported that computer theft was not a new issue at Cheyney. A report submitted to Cheyney by a technology consultant dated September 22, 2005, cited 50 computer systems stolen during the 2005 school year.

The consultant's report recommended that Cheyney develop a strategy to prevent further theft while upgrading existing computer inventory. In addition, an undated internal report citing computer thefts, staffing and usage issues recommended consolidating computer labs. Our previous audit also reported that Cheyney did not inventory assets with a value of \$5,000 or less, which included most computers. Based upon discussions with Cheyney management during that prior audit, we found out that Cheyney had not acted on the recommendations made in any of the reports. As a result, computer thefts continued unabated.

Our prior audit report recommended that Cheyney management should implement the recommendations from our earlier audit report and those from the technology consultant's report.

Scope and methodologies to meet our objective

To determine the status of our prior audit recommendation regarding the need for increased computer security, we interviewed Cheyney's provost, the controller, and an officer of the Office of Public Safety, which we will refer to as Public Safety in this report. We examined university police incident investigation reports on computers stolen from campus during the

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period July 1, 2007, through September 23, 2009, and reviewed the report, "Cheyney University Information Technology Infrastructure Assessment."

Finding 6**Cheyney's computer needs should be evaluated.**

Since the prior year audit, Cheyney implemented security measures to reduce the number of computer thefts on campus. Cheyney installed cameras in the warehouse where computers were temporarily maintained prior to installation. Cheyney also installed software to track faculty computers.

However, our examination of the university's computers and computer labs on campus revealed that changes are warranted. As of October 6, 2009, Cheyney had 19 locations or "labs" where computers were available for student use. The 19 labs were broken down into three general categories: three general use labs, three tutorial or study labs, and 13 classroom instruction labs.

In January 2009, at the request of Cheyney, the State System conducted an information technology infrastructure assessment of the university. The assessment included a section on general and teaching computer labs and included visits to 14 of the labs. The report noted that "the majority of the computer labs were locked or unoccupied and most labs contained personal computers that were 6 to 8 years old."

Some of the recommendations made in the assessment included closing computer labs where equipment was missing or no longer working, and consolidating the computers into one general use lab and four classroom labs. The reorganization of computer assets would assist the university in maintaining cost-effective computer labs and provide students with access to current technologies. Also, by reducing the number of computer labs on campus, Cheyney would be able to improve its monitoring and security controls over the labs remaining in operation. An additional recommendation was made for the university to consider leasing computers to ensure that technology is kept up to date.

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Computers*

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Cheyney management stated that although they had reviewed the State System's assessment, the recommendations regarding the computer labs had not been implemented.

**Recommendation
for Finding 6**

16. Cheyney's management should determine what recommendations from the January 2009 information technology infrastructure assessment can be implemented to improve the computer labs for use by university students.

Comments from Cheyney University management:

The University is currently without a Director of Information Technology. However, when the new director is hired they will be tasked with reviewing and implementing the recommendations in the January 2009 Information Technology Infrastructure Assessment.

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Parking**

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**Audit Results
for Objective
Seven*****Parking*****The objective**

Objective seven for this performance audit was to determine if Cheyney established sufficient management controls to ensure that all payments for parking citations were remitted to the bursar's office timely and were posted to the student's accounts.

Relevant laws, policies, or agreements

Cheyney's public safety office is responsible for enforcing motor vehicle regulations. Five of our prior audits reported that Cheyney failed to post parking fines to student accounts timely. As a result, the likelihood of collecting fines issued to students greatly diminished and the probability of a student graduating and receiving a diploma while owing parking fines increased.

Cheyney policy requires that all vehicles on campus must be registered with the public safety office. The parking decal must be displayed on the vehicle, and must be purchased annually for a cost of \$25 for each vehicle.¹⁵ When a public safety officer observes a parking violation, a parking citation notice is issued to the driver of the vehicle. The bursar's office is responsible for collecting parking fines with most violations resulting in a \$20 fine. The parking citation states that all fines must be paid within 72 hours or late fees and court costs will be assessed. Also, if a student has outstanding charges on their account such as an unpaid parking fine, and he or she is scheduled to graduate, the student receives notification that he or she will not be able to receive a diploma or a transcript until all balances due Cheyney University are paid in full.

The office of public safety must forward citation information to the bursar's office to enable the bursar to record and collect parking fines. Once the bursar's office receives the citation information, a clerk posts the citation fines to each student's account.

¹⁵ <http://www.cheyney.edu/public-safety/Parking-Transportation.cfm>, as viewed on April 15, 2010, reverified October 3, 2011.

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Scope and methodologies to meet our objective

To assess whether Cheyney established sufficient management controls to ensure that all payments for citations are remitted to the bursar's office timely and are posted to the student's account, we interviewed the bursar, the registrar, and the director of the public safety office. We also examined the bursar's report of parking fines collected during the period of July 1, 2007, through September 15, 2009, and reviewed the office of public safety's report titled "Detailed Report of Tickets Issued" for the period of July 1, 2007, through September 17, 2009.

To determine if outstanding parking citations had been properly posted to student accounts, we obtained a report from the public safety office as of September 16, 2009, identifying 99 individuals that had been issued parking tickets. From these records, we randomly selected 19 individuals that had been issued 62 parking tickets to determine whether the university's collection efforts were adequate.

Finding 7

Cheyney's collection of parking fines continued to be deficient.

Five of our prior audits reported that Cheyney failed to post parking fines to student accounts timely.

The bursar's records show \$7,855 was collected in parking fines during the period of July 1, 2007, to September 15, 2009. However, we were unable to compare this amount to the office of public safety's records of the total fines issued because the office of public safety was unable to provide us with accurate totals of parking fines issued. Although the office of public safety maintains electronic files of parking fines, we noted during our audit that incorrect fine amounts were posted to the system. Therefore, the public safety office's records were inaccurate and overstated the amount of fines issued.

In order to determine if the tickets were posted to the students' accounts timely, which aid the university in its efforts to collect fines, we asked the public safety office to provide a report identifying the individuals who had

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Parking**

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outstanding parking tickets as of September 16, 2009. The report identified 99 individuals. From this report, we selected 19 individuals who were issued a total of 62 tickets. Our review of Cheyney's parking citation records determined the following issues:

- Six ticket recipients were identified as students, but there was no record of outstanding tickets on their accounts.
- Four ticket recipients were identified as students, and outstanding tickets were posted to their accounts. However, since the ticket number was not on record, we could not determine whether the tickets selected for audit corresponded to the posted tickets.
- One unpaid ticket was issued to a current employee.
- One unpaid ticket was issued to a former employee.
- Seven unpaid tickets were issued to individuals who were neither students nor employees of Cheyney.

We determined that the public safety office did not pursue the collection of parking fines from the nine non-students that received parking citations.

Our discussions with the bursar revealed that the office of public safety forwarded parking ticket information to the bursar every few months. Consequently, the bursar was unable to post parking fine information to student accounts in a timely manner. As a result of the posting delay, the likelihood of the university collecting parking fines from students decreased. When a student graduates or is no longer enrolled, the university loses its leverage to compel students to pay all fees and fines due to the university.

**Recommendations
for Finding 7**

17. Cheyney's public safety office should forward information on all parking tickets issued to the Bursar's Office for posting to the appropriate student's account in a timely manner. In addition, the bursar should consider posting the ticket number for each parking citation entry so that student payments can be associated with specific citations and thus easier to identify.

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**Recommendations
for Finding 7
(Continued)**

18. For those tickets issued to non-students, the public safety office should begin efforts to collect parking fines by notifying individuals of their outstanding balances. If parking fines continue to go unpaid, the outstanding balances should be forwarded to the Attorney General for further collection efforts. Also, the public safety office should make improvements to the program used to record parking citations and ensure accurate parking fine amounts are recorded for each individual.

Comments from Cheyney University management:

Cheyney Police revamped the entire Parking System and removed the Bursar's Office from the process of putting the stop on the student's account. Cheyney Police has a designated Parking Enforcement Officer who maintains all parking records. The Parking Enforcement Officer puts the stop on the student's account when the ticket is not paid to the Bursar's office within the specified time limit.

For those tickets issued to non-students, tickets are written in the name of the owner of the vehicle. The registration of the vehicle is then run through the University system of registered vehicles and through the National Crime Information Center or NCIC. If the vehicle is not on the list and the ticket is not paid, it is then immediately forwarded to the Concordville Magisterial District Court for processing through the Commonwealth of Pennsylvania.

Cheyney Police now inputs and maintains all parking information within the Visual Alert Police Software system. This was not done during the period of the audit. Records are consistent and fines are updated within the system.

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**Audit Results:
Repeat Courses**

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**Audit Results
for Objective
Eight**

Repeat Courses

The objective

Objective eight for this performance audit was to determine whether Cheyney addressed an issue with its academic software that allowed students to improperly enroll in repeat courses.

Relevant laws, policies, or agreements

During the course of a student's academic career, it is sometimes necessary to repeat a course in order to obtain a passing grade. Cheyney has a policy in place that restricts students from repeating a course when a grade of "C" or better has been earned.¹⁶ Our prior two audits reported that Cheyney students repeated courses when a grade of "C" or better had been earned.

Scope and methodologies to meet our objective

To assess whether Cheyney had addressed our prior audit recommendation regarding student academic record deficiencies regarding academic software that allowed students to enroll in repeat courses, we interviewed Cheyney's registrar. We also examined the spring 2009 repetitive class enrollment data, and reviewed transcripts for seven students who repeated courses in spring 2009 for which they had already received a grade of "C" or better.

Finding 8

Students continued to repeat courses for which they previously received a grade of "C" or better in violation of university policy.

Cheyney's software for tracking and monitoring student academic records remained deficient. Students with a grade of "C" or better were allowed to repeat courses, also the students who had received transfer credits for a course were allowed to repeat a course similar to the transfer course completed at another institution.

¹⁶ Academic Catalog 2008-2010, www.cheyney.edu/provost/documents/2008_2010_academiccatalog.pdf, accessed November 18, 2009; verified October 3, 2011.

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We reviewed the spring 2009 repetitive class enrollment data report that listed seven students that had repeated nine courses that they had either previously earned a grade of “C” or better or that they had already received credit from another institution. Of the seven students that were identified as repeating nine courses, two “A’s” and two “C’s” were earned. The remaining five courses were transfer credits from another institution.

These students were permitted to repeat courses in violation of Cheyney’s policy. This situation occurred because of Cheyney’s failure to review the repeat course report and also because the university’s “PowerCampus” software program, which processes student class scheduling, did not generate an alert that would trigger a review of the student’s course selection by university officials.

Allowing students to repeat courses they already passed takes up class space and prolongs the individual’s progress toward graduation. Furthermore, allowing students to repeatedly enroll in the same course is an inefficient use of Commonwealth funds as well as Cheyney’s resources.

Cheyney’s response to our prior audit report stated:

It is our belief that the next update of PowerCampus will not allow students to re-enter courses already completed with “C” grade or better. However, internal audits will be conducted during the 2008-2009 year to assure that the situation has been appropriately rectified.

Although the number of exceptions noted during our current audit was less than that identified in the prior audits, the “PowerCampus” system has not been updated to ensure that unnecessary repeat courses do not occur.

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Repeat Courses**

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| Recommendations
for Finding 8 | 19. Cheyney’s management should ensure that controls are in place to prohibit students from repeating a course with a previous grade of “C” or better, or from enrolling in a course for which they have already received transfer credit. |
| | 20. Until this issue is addressed by an update of the “PowerCampus” system, Cheyney’s officials should investigate those students listed on the repeat course report to determine whether the university’s repeat course policy has been violated. |

Comments from Cheyney University management:

The University runs weekly reports during the registration period and all students identified as having passed a course with a grade of “C” or higher are deleted. Prior to the implementation of this new policy notification was forwarded to all students indicating the implementation date of the policy.

Students have stops placed on their course registration until they have been advised by the academic advisor.

The updates to our student information system (PowerCampus) have not yet covered this requirement, it has however been addressed through a different procedure.

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**Audit Results:
Mathematics**

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**Audit Results
for Objective
Nine**

The objective

Objective nine for this performance audit was to determine whether Cheyney corrected deficiencies with respect to the enforcement of all prerequisite math courses.

Mathematics

Relevant laws, policies, or agreements

To ensure students are placed into the correct entry-level courses, Cheyney administers reading, writing and mathematics placement tests to all incoming freshman. Based on their placement scores, students are placed in either a developmental course or a freshman level course. University policy requires students enrolled in the developmental courses to obtain a “C” or higher in order to move into college level English and math courses¹⁷ Our prior two Cheyney audits reported that students were not always properly placed in math courses. Therefore, students were permitted to take a higher-level math course without meeting the prerequisites for the course and subsequently failed to pass the course.

Scope and methodologies to meet our objective

To determine if Cheyney corrected deficiencies with respect to the enforcement of all prerequisite math courses, we interviewed the registrar, the chairperson of the department of mathematics and computer information science, and the director of the department of guidance and counseling. We reviewed the university’s academic catalog for 2008-2010 to determine the prerequisites for entry-level math courses and examined the university’s computer system to determine what prerequisite information had been input for entry-level math courses. We also examined transcripts from 53 of the 246 students who received a grade of “D” or “F” in five of the entry-level math courses¹⁸ during the fall 2007, spring 2008, fall 2008, and spring 2009 semesters.

¹⁷ Cheyney University of Pennsylvania Academic Catalog, 2008-2010.

¹⁸ MAT 104 - Survey of College Mathematics (formally Finite Math), MAT 105 – Mathematics for Teachers I (formerly Survey of Mathematics I), MAT 106 – Mathematics for Teachers II (Formerly Survey of Mathematics II), MAT 111 – Intermediate Algebra, and MAT 150 – Elementary Functions.

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Mathematics**

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Finding 9**Cheyney again failed to enforce its mathematics prerequisite.**

Our audit testing during the current audit revealed that although there was a decrease in the number of occurrences, students continued to receive failing grades in courses for which they had not completed the prerequisite math requirements.

We determined that for 42 of the 53 students selected for testing, there were no exceptions noted with meeting the prerequisite course requirements. The remaining 11 students were still permitted to take a higher-level math course without first obtaining a grade of “C” or better in a prerequisite course. Records were also not on file for 2 of the 11 students to determine if the students had taken the required placement exam, or if the exam had been waived for one reason or another by Cheyney officials.

We examined the university’s class registration software, and determined that students were able to register and enroll in math classes for which they did not meet the math prerequisites. This situation occurred because the prerequisite criteria, such as the required courses as well as the minimum required grade necessary to successfully complete a course, had not been entered in the class registration software. Consequently, the university was not utilizing the class registration software’s controls to prevent students from taking courses with prerequisite requirements.

Discussions with Cheyney’s chairperson of the department of mathematics and computer information science revealed that the department of guidance and counseling requested that the prerequisite component of the class registration software, responsible for verifying whether students have met the prerequisites for courses being offered, be turned off during the registration process. According to university officials, the prerequisite component was turned off in order to maximize the number of students registering within the two-day course registration period.

Discussions with management in the department of guidance and counseling subsequent to our examination revealed that management agreed with the need for prerequisite information to be in the computer

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Mathematics**

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system to ensure students were not able to enroll in math courses with prerequisites that they had not satisfied. Without this prerequisite information, there was no mechanism within the computer system to prevent students from taking courses for which they did not meet the prerequisite.

**Recommendations
for Finding 9**

21. Cheyney's management should ensure that all prerequisite courses and minimum grade requirements are entered into the class registration system.
22. Cheyney's management should continually monitor the class registration software to ensure that the prerequisite information remains in the system and is updated when necessary.
23. Cheyney's management should ensure that students are taking the required prerequisite courses and placement exams.

Comments from Cheyney University management:

Pre-requisites will be strictly enforced: The University has implemented a new process: the ability to create/modify pre-requisites has been removed from the departments and now rest[s] solely in the Office of the Registrar. The Office of the Registrar creates/modifies pre-requisites after the Department notifies their respective Dean in writing with the request; the Dean requires minutes from the department authorizing the request, if approved the directive is forwarded to the Office of the Registrar for implementation.

Pre-requisites may not be waived. The University's system prohibits registration for courses until pre-requisites and grade requirements have been satisfied.

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**Audit Results:
Cancelled Classes**

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**Audit Results
for Objective
Ten**

The objective

Objective ten for this performance audit was to determine whether Cheyney addressed its notification to documentation deficiencies regarding cancelled and relocated classes during the fall 2009 semester.

Cancelled Classes

Relevant laws, policies, or agreements

Cheyney establishes class schedules and locations so participating students and faculty can plan daily schedules prior to the beginning of each semester. In addition, the class schedule allows administrators to be aware of class locations in case of emergencies.

In our prior audit, we found that the university did not document cancelled and relocated classes. Our prior audit also reported that Cheyney had not established a written policy addressing procedures and protocol for professors to cancel or move individual classes. We noted that the chairpersons of the respective departments could not provide an explanation as to why 23 of the 184 classes we visited were not held in their scheduled locations.

We recommended that Cheyney management establish a written policy outlining the procedures for professors to follow when cancelling or changing class locations. We also recommended that department chairpersons should be responsible for tracking cancelled classes and monitoring the number of classes held to ensure that sufficient instructional hours are offered to students.

On October 9, 2008, in response to our prior audit finding, Cheyney established a policy regarding the cancellation and relocation of classes. The policy states:

If the instructor wants to move their class just for one class meeting, there must be proper signage posted at the assigned location verifying where the class has been relocated. If the instructor can't attend class due to an emergency, the instructor must contact the department secretary, department chair and/or Dean's office.

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Management response to our prior audit also stated:

*Cancelled classes will be tracked and monitored.
Department chairpersons will be responsible for ensuring
that cancelled classes are covered to provide students
appropriate instructional time during the semester. As
indicated earlier, the addition of a new academic dean and
a new provost and vice president for academic affairs in
the 2008-2009 will help ameliorate these situations.*

The labor contract in place between the Association of Pennsylvania State College and University Faculties and the State System also provided guidance on the responsibilities of faculty to notify students of any changes in class hours.

Scope and methodologies to meet our objective

To assess Cheyney's progress in addressing our prior audit recommendations with respect to documenting cancelled and relocated classes, we interviewed the deans and chairpersons of the departments whose courses were selected for testing regarding cancelled classes. To accomplish our objective, we randomly selected 66 of the 328 courses scheduled for the fall 2009 semester. For the courses selected, we visited 167 classes during the period from October 23, 2009, through December 2, 2009.

Finding 10

Cheyney did not enforce policies in place for cancelling classes.

Our current audit revealed that although Cheyney developed a policy regarding professors cancelling classes, it was not distributed or enforced. Of the six departments that we attempted to contact, only one department was aware that there was a policy and the department did not have a copy of the policy. Two departments were not aware of a policy and three did not respond to our inquiry. Those departments that responded stated that the common practice followed by professors cancelling a class was to call and notify their department office of their intention to cancel the class. A

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State System of Higher Education**

**Audit Results:
Cancelled Classes**

*Pennsylvania Department of the Auditor General
Jack Wagner, Auditor General
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department representative would then post a notice cancelling the class. The university did not maintain a permanent record of the classes cancelled. The only record currently existing is kept in the form of a professor’s leave slip and a leave slip only exists when a professor utilizes leave and cancels all of their classes for that day.

Our visits to the 167 classes selected for testing at their scheduled times found these issues:

Results of visiting classes	Number of classes
Classes were held either as scheduled or in an approved alternate location.	160
Classes were not held; appropriate chairpersons were unsure why the class was cancelled, and leave slips were not on file with human resources.	5
Class was cancelled and the department chairperson was properly notified.	1
Class was cancelled but our follow up discovered that the professor met students individually to work on a project.	<u>1</u>
Total	<u>167</u>

According to the Union Contract:

A proper academic climate can be maintained only when members of the faculty meet their fundamental duties and responsibilities regularly. These duties and responsibilities include but are not limited to: reporting promptly, and in advance if possible, any changes in class hours or classrooms assigned; preparing for and meeting their assignments, which would include timely notification of the proper authority and making a reasonable effort to insure that assignments can be covered in case of absences; making a reasonable effort to notify students of any changes in class hours or classrooms assigned.¹⁹

¹⁹ Agreement between the Association of Pennsylvania State College and University Faculties (APSCUF) and the Pennsylvania State System of Higher Education (State System) for July 1, 2007 to June 30, 2011, Article 4.

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State System of Higher Education**

**Audit Results:
Cancelled Classes**

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The contract also outlines the duties of the department chairpersons. Those duties include:

Directing the activities of the department, subject to the approval of the Dean/Director. He/she is responsible to the Dean/Director for the development of department plans, guidelines and internal office operation.²⁰

The university should be aware of class locations at all times. There are many legitimate reasons for changing a class location; however, the change should be documented and reported to the appropriate officials as required by union contract. Professors should also submit their leave slips before all leave is taken.

**Recommendations
for Finding 10**

24. Cheyney's management should distribute and require professors to comply with the university's class cancellation policies and procedures.
25. As stated in their audit response, management should make department chairpersons responsible for ensuring that cancelled classes are covered to provide students appropriate instructional time during the semester and to ensure that leave slips are submitted by professors when classes are cancelled and leave is taken.

Comments from Cheyney University management:

The Office of the Provost will charge the Deans of each school with the responsibility of notifying, in writing, each faculty member in their school of the approved process for cancelling classes for the day and/or re-location of classes. The faculty members will be held responsible by their Dean for failure to follow the approved process. The Department Secretary and faculty will work jointly to ensure processing of leave slips in a timely manner.

²⁰ Agreement between the Association of Pennsylvania State College and University Faculties (APSCUF) and the Pennsylvania State System of Higher Education (State System) for July 1, 2007 to June 30, 2011, Article 6.

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State System of Higher Education**

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**Audit Results:
Student
Government
Cooperative
Association, Inc.**

**Audit Results
for Objective
Eleven**

*Student
Government
Cooperative
Association, Inc.*

The objective

Objective eleven for this performance audit was to determine whether Cheyney addressed its lack of documentation supporting student government meetings.

Relevant laws, policies, or agreements

The Student Government Cooperative Association, Inc. was formed to benefit students of Cheyney. It was organized to manage and coordinate the university's student services in accordance with the student government's constitution and State System Board of Governors' policies. Our prior audit reported that the Student Government Cooperative Association, Inc. failed to maintain documentation to support that all required meetings were held or budgets were prepared. Management indicated that student government officers would be reminded to document all meetings with minutes.

Each year the student government cooperative association provides activities to enhance students' cultural, social, and political awareness. Recreation and leisure time activities are also provided to give students opportunities to participate in leadership training and personal development seminars.²¹ Officers of the association are elected for a one-year term. The officers include president, vice president, treasurer, governor for social affairs, recording secretary, corresponding secretary, resident councilpersons, and a parliamentarian.²²

A mandatory \$65 student activity fee charged to all students each semester primarily funds the Student Government Cooperative Association, Inc. For the fiscal years ended June 30, 2008 and 2009, the association reported student activity fee revenues of \$188,750 and \$173,228, respectively.

²¹ <http://www.cheyney.edu/student-life/Student-Government-SGCA.cfm>, accessed on April 19, 2010; verified October 3, 2011.

²² Cheyney University of Pennsylvania Student Handbook 2008-2010.

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Scope and methodologies to meet our objective

To determine the status of Cheyney's efforts to ensure that student government meetings were properly documented, we obtained and reviewed the minutes for the Student Government Cooperative Association, Inc. during the period of July 1, 2007, to October 19, 2009, and verified that the meetings were conducted. We also reviewed the Student Government Cooperative Association, Inc.'s financial budgets and financial audits of the organization conducted by an independent certified public accounting firm during our audit period. We verified that the audits were conducted annually as required.

Finding 11**The Student Government Cooperative Association, Inc. could not provide documentation to support that all required meetings were held.**

Cheyney's Student Government Cooperative Association, Inc. prepared and maintained copies of their annual budget; however, they failed to retain documentation to support that all required meetings were held during our audit period. Minutes for the Student Government Cooperative Association, Inc. were available for each month during the 2007-2008 academic year. During the 2008-2009 academic year, minutes were not available for October 2008, February 2009, March 2009, and May 2009. As a result, the Student Government Cooperative Association, Inc. could not provide evidence that they complied with their bylaws requiring monthly meetings during the academic year.²³

Cheyney's director of student activities stated that the Student Government Cooperative Association, Inc. holds weekly meetings in addition to the required monthly meetings. The director did not know why the monthly minutes were not available for certain months. Also according to university officials, the turnover of student members participating in the Student Government Cooperative Association, Inc. from one academic year to the next makes it difficult sometimes to

²³ Constitution of Student Government Cooperative Association, Inc., Revised March 29, 2005, Article IX, Section 1, "Meetings."

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**Audit Results:
Student
Government
Cooperative
Association, Inc.**

communicate organizational policies on how documents are prepared and maintained.

**Recommendations
for Finding 11**

26. Cheyney's Student Government Cooperative Association, Inc. should prepare minutes documenting all meetings held.
27. Copies of the meeting minutes should be forwarded to the director of Cheyney's student activities to maintain on file.

Comments from Cheyney University management:

SGCA meeting minutes will be closely monitored and filed on a monthly basis. Both SGCA advisors and the Director of Student Activities will work closely with the Recording Secretary to ensure that minutes are accurately recorded and filed. Additionally, the maintenance of meeting minutes will be placed on the agenda for the August 2011 and January 2012 training of New SGCA officers.

**Cheyney University of Pennsylvania
State System of Higher Education**

Audit Results:**Employee
Incentives**

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**Audit Results
for Objective
Twelve**

The objective

Objective twelve for this performance audit was to determine the propriety of Cheyney's use of employee pay incentives.

*Employee
Incentives*

Relevant laws, policies, or agreements

The State System of Higher Education has established a number of incentive programs to help recruit and retain certain positions that are deemed critical. In addition, certain employees are entitled to an employee incentive based upon contractual agreements. Examples of some of the incentive programs follow:

- Management Cash Payment – An action on October 11, 2007, by the Board of Governors of the State System to pay all eligible managers a one-time lump sum cash payment of \$1,250. Eligibility requirements include completion of their probationary period and a minimum performance rating of satisfactory.
- Union Cash Payment - A contractual agreement to pay permanent full-time employees, in active pay status on July 1, 2007, a one-time lump sum cash payment of either \$1,000, \$1,250 or \$1,750, in accordance with the applicable bargaining agreement.²⁴

²⁴ Master Agreement between the Commonwealth of Pennsylvania and Council 13, American Federation of State, County and Municipal Employees, AFL-CIO, effective July 1, 2007 to June 30, 2011;
Agreement between the Association of Pennsylvania State College and University Faculties (APSCUF) and the Pennsylvania State System of Higher Education (State System), effective July 1, 2007 through June 30, 2011;
Agreement between the Association of Pennsylvania State College and University Faculties (APSCUF) and the Pennsylvania State System of Higher Education (State System) for the Non-Faculty Athletic Coaches, effective July 1, 2007 through June 30, 2011;
Agreement between the Pennsylvania State System of Higher Education and OPEIU Healthcare Pennsylvania Local 112, effective July 1, 2004 to June 30, 2008;
Agreement between the Pennsylvania State System of Higher Education and International Union, Security, Policy, and Fire Professionals of America and Locals 502 and 506, effective September 1, 2007 – August 31, 2011;
Agreement between Pennsylvania State System of Higher Education and State College and University Professional Association/Pennsylvania State Education Association The National Education Association, effective July 1, 2007 to June 30, 2011.

**Cheyney University of Pennsylvania
State System of Higher Education**

**Audit Results:
Employee
Incentives**

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Scope and methodologies to meet our objective

To assess Cheyney's use of employee pay incentives we interviewed the controller, payroll manager, and the State System's assistant director for human capital management services. We reviewed the applicable State System policies and contractual agreements. We also determined that employee incentive payments complied with applicable State System policies and contractual agreements.

Finding 12 Cheyney's employee incentive payments were made in accordance with the applicable State System or contractual agreements.

For the fiscal years ended June 30, 2008, and June 30, 2009, Cheyney expended \$302,371 and \$24,750, respectively, for employee incentive payments. As discussed above, the amount expended in fiscal year ended June 30, 2008, was increased due to cash payments made to employees who were in active pay status as of July 1, 2007. The following chart illustrates the breakdown of employee incentive payments by fiscal year.

Employee incentives	Fiscal year ended June 30,	
	2008	2009
Management cash payments	\$ 48,125	\$ 0
Union cash payments	<u>254,246</u>	<u>24,750</u>
Total awards and incentives paid	<u>\$302,371</u>	<u>\$24,750</u>

For the period under audit, we determined that Cheyney employees received incentive payments either in accordance with the State System policies or in accordance with applicable contractual agreements.

**Cheyney University of Pennsylvania
State System of Higher Education**

**Status of
Prior Audit**

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**Status of
Prior Audit**

Our prior audit report of Cheyney University covered the period of July 1, 2004, to August 23, 2007, and contained fifteen findings. Two of the findings (Findings 3 and 14) were positive and thus had no recommendations. The status of the remaining findings (Findings 1, 2, 4 through 13, and 15) and their accompanying recommendations is presented below.

Scope and methodologies to update the status

To determine the status of the implementation of the recommendations made during the prior audit, we held discussions with appropriate institution personnel and performed tests as part of, or in conjunction with, the current audit.

Prior Finding 1 Deficiencies continued with Cheyney's fire safety program. (Unresolved).

Our prior audit reported that deficiencies continued with Cheyney's fire extinguisher inspections, fire drills, residential hall room safety inspections, and the 911 emergency call systems. We recommended that Cheyney's management inspect all fire extinguishers on a monthly basis and document the inspection; regularly schedule and hold fire drills in all of the residence halls, academic, and administration buildings; inspect all dorm rooms, document those inspections, and, if applicable, record any action taken for noted violations; and enhance the 911 emergency calling system.

Status as of this audit. Our current audit revealed that Cheyney was conducting inspections of all dorm rooms. We confirmed this through a review of records and our actual observations of room inspections being conducted by Cheyney staff. However, deficiencies continued with respect to inspection of fire extinguishers; fire drills; and enhancements to the 911 emergency calling system. These issues are discussed further in current Finding 1.

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Prior Finding 2 One faculty member did not meet the workload requirements. (Resolved).

Our prior audit reported that one professor was under loaded by three hours during the 2006-2007 academic year. We recommended that Cheyney's management should either seek a refund for the portion of the professor's unearned salary or, if possible, assign the professor extra credit hours to compensate the university for the amount under loaded. We also recommended that, in the future, schedules should be reviewed to ensure that all faculty members are assigned at least the minimum amount of workload hours in compliance with the union contract.

Status as of this audit. Our current audit revealed that the professor cited in our prior audit did in fact have release time granted to compensate for the amount under loaded. Faculty workload testing conducted during the current audit did not reveal any instances of faculty members being under loaded. As a result, this issue has been resolved.

Prior Finding 4 Supporting documentation for service purchase contracts still was not maintained. (Resolved).

Our prior audit reported that Cheyney did not comply with the State System's internal contract requirements. The university did not maintain required documents, and approvals for contracts were not evidenced. As a result, the university entered into contracts with vendors without obtaining the required supporting documents or approvals.

We recommended that Cheyney's management ensure that all contracts are processed in accordance with requirements established by the State System and Cheyney. In addition, documentation must be maintained to provide evidence that required approvals were obtained and payments were properly made for services and goods received.

Status as of this audit. Cheyney stated in its response to our prior audit that the university provided training and made changes to improve the contract process at the university during the 2007-2008 academic year.

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For our current audit, Cheyney was able to provide documentation on 21 of 24 contracts that we selected for review and that were in effect during the period of July 1, 2007, through June 30, 2008. In accordance with State System policies, 5 of the 24 contracts selected for testing should have been competitively bid, but Cheyney only competitively bid 3 of the 5 contracts. Cheyney was not able to provide procurement related documentation on 2 of the 24 contracts.

Regarding Cheyney's maintenance of contract documentation, we noted improvement for the 30 contracts that we selected for review that were in effect during the period of July 1, 2008, through June 30, 2009. Only one contract was missing documentation. As a result of these changes, this issue has been resolved.

Prior Finding 5 Cheyney should improve record keeping of credit card purchases. (Resolved).

Our prior audit reported that Cheyney's management again failed to maintain adequate records supporting credit card transactions, and noted that signatures were not present verifying that a reconciliation of the account was performed. We recommended that management ensure that all transactions and reconciliations are documented, reviewed, and approved. We also recommended that documentation should be maintained supporting each step of the process. Finally, management should revoke credit card usage authority from any employee who does not provide documentation supporting charges.

Status as of this audit. Our current audit revealed that Cheyney cancelled all of its purchasing cards. Therefore, purchasing card controls are no longer an issue and this matter has been resolved.

Prior Finding 6 Cheyney should improve record keeping for travel expenditures. (Unresolved).

Our prior audit found that Cheyney's management did not maintain adequate records to support all travel expenditures. The lack of documentation prohibited management from reviewing and determining

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State System of Higher Education****Status of
Prior Audit**

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the appropriateness and the justification of the travel expenditures. Cheyney's management was unable to locate documentation for 50 of the 64 travel expenditures selected for testing. Of the remaining travel expenditures reviewed by us, deficiencies were noted in 7 of the 14 travel expenditures, or 50 percent.

We recommended that Cheyney's management ensure that all required documentation is obtained from employees who are reimbursed for travel, and that such documentation should be maintained to support travel expenditures. Finally, Cheyney should refuse to make travel reimbursements to any employee who does not provide the required documentation.

Status as of this audit. Our current audit found that deficiencies continued in maintaining support documentation for travel reimbursements. This issue is further discussed in current Finding 3.

Prior Finding 7 Mechanical and stores inventory control deficiencies continued. (Unresolved).

Our prior audit showed that access to various features of the inventory system allowed warehouse employees to perform incompatible duties. Also, Cheyney's management did not review and approve adjustments made to inventory prior to posting. Finally, periodic spot checks were not conducted on the inventory records.

We recommended that management revise authorized access to the automated inventory system to ensure that custodial and record keeping functions are segregated. We also recommended that the director of support services should increase his/her review of warehouse operations and review all adjustments to inventory records.

Status as of this audit. We found that the previously identified deficiencies continued. We noted the continued lack of segregation of custodial and record-keeping functions, and we identified inventory records whose balances did not match actual inventory on hand. This issue is further discussed in current Finding 4.

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**Prior Finding 8 Cheyney’s fixed assets were not adequately controlled.
(Unresolved).**

Our prior audit found that Cheyney again failed to conduct a biennial physical inventory. We also determined that existing policies were not revised to require reporting of lost, missing, or stolen assets. Finally, we noted that fixed assets no longer found on the university’s campus still remained on its fixed asset records.

We recommended that management ensure that an accurate fixed asset tracking system is maintained. We also recommended that management conduct a physical inventory of fixed assets at least once every two years in accordance with State System policies. We also recommended that management should require fixed assets permanently transferred between locations to be reported and the new locations entered into the fixed assets tracking system. Finally, our prior audit recommended that management should also require that assets that are lost, stolen, designated as surplus, or disposed be so designated in the fixed asset records.

Status as of this audit. Our current audit revealed that deficiencies continue to exist in tracking fixed assets and a physical inventory had not been conducted. This issue is discussed further in current Finding 5.

Prior Finding 9 Computer security should be increased. (Unresolved).

Our prior audit noted that during the period from January 29, 2007, through April 30, 2007, 76 Central Processor Units and 63 monitors valued at approximately \$80,900 were stolen from Cheyney’s computer labs and warehouse. We also cited the university for the lack of a strategic technology plan.

We recommended that management implement the recommendations from our prior audit report and those recommendations from a technology consultant’s report to form an effective technology council and develop a strategic technology plan.

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Status as of this audit. Our current audit revealed that although there was a decrease in the number of computers stolen, Cheyney has not implemented recommendations from our audit report, the technology consultant's report, or a 2009 State System information technology infrastructure assessment conducted to improve the computer technology offered to students on campus. This issue is discussed further in current Finding 6.

**Prior
Finding 10****Delays continued in posting parking fines to student accounts. (Unresolved).**

Our prior audit found that Cheyney again failed to post parking fines to student accounts timely. As a result, the likelihood of collecting fines issued to students greatly diminished and the possibility of students graduating and receiving their diploma while owing parking fines increased.

We recommended that Cheyney's management ensure that Public Safety forwards all parking fines to the Bursar's Office in a timely manner and that the Bursar's Office posts the fines to student accounts upon receipt.

Status as of this audit. Our current audit found that parking citations were still not posted to students' accounts on a timely basis, and Cheyney's management did not pursue outstanding parking fines issued to faculty and visitors. This issue is discussed further in current Finding 7.

**Prior
Finding 11****Student academic record keeping was deficient. (Unresolved).**

Our prior audit reported that Cheyney's software for tracking and monitoring student academic records did not prevent students with a grade of "C" or better to repeat courses. The software also contained duplicate course numbers for different courses. In addition, students were erroneously listed as taking repeat courses.

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We recommended that management ensure that students are not permitted to repeat a course with a previous grade of “C” or better. Until this issue is addressed through the implementation of a new computer system, Cheyney should investigate those students listed on the repeat course report that are in violation of Cheyney’s policy.

Status as of this audit. The current audit found that students continued to have the ability to repeat courses in violation of Cheyney’s policy. This issue is discussed further in current Finding 8.

Prior Finding 12

Cheyney again failed to enforce its mathematics prerequisite requirements. (Unresolved).

Our prior audit reported that students were not always placed in the proper mathematics courses and that students were permitted to take higher-level mathematics courses without meeting the prerequisites for the courses. Faculty members had also not reported 479 grades from the fall 2005 semester through spring 2007.

We recommended that Cheyney’s management ensure that all prerequisite courses and student grades be entered into the system. We also recommended that management reemphasize the importance of reporting grades within the established timeframes and sanction those that do not comply. Finally, management should take appropriate steps to ensure that students are not permitted to take courses for which they have not met the prerequisite requirements.

Status as of this audit. Our current audit found that although improvements were made in requiring Cheyney’s faculty members to report grades in a timely manner, university management continued to allow students to take higher-level mathematics courses without having met the prerequisite. This issue is discussed further in current Finding 9.

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**Prior
Finding 13****Cheyney did not document cancelled and relocated classes.
(Unresolved).**

Our prior audit reported that Cheyney did not have a written policy addressing procedures and protocol for a professor to cancel or move individual classes. As a result, the chairpersons of the respective departments could not provide us with an explanation as to why 23 of the 184 classes were not held in their scheduled locations.

We recommended that Cheyney's management establish a written policy outlining the procedures for professors to follow when cancelling or changing class locations. Department chairpersons should also be responsible for tracking cancelled classes and monitoring the number of classes held to ensure that sufficient instructional hours are offered to students.

Status as of this audit. Our current audit found that classes continued to be cancelled without the knowledge of department chairpersons. This issue is discussed further in current Finding 10.

**Prior
Finding 15****The Student Government Cooperative Association could not provide documentation to support that all meetings were held and all budgets were prepared. (Unresolved).**

Our prior audit reported that Cheyney's Student Government Cooperative Association, Inc. failed to maintain documentation to support that all required meetings were held or budgets were prepared. As a result, student members could not provide evidence that they complied with all Student Government Cooperative Association, Inc. bylaws.

We recommended that the Student Government Cooperative Association, Inc. ensure that documentation, including minutes of meetings and budgets are prepared and maintained as required.

Status as of this audit. Our current audit found that although budgets were prepared and maintained as required, the minutes of meetings were not prepared. This issue is discussed further in current Finding 11.

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