



UNIVERSITY OF ARKANSAS SYSTEM

Internal Audit Report

University of Arkansas at Pine Bluff Harrold Dorm Complex and Living Learning Center Report on Loss 10-10

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Background

On April 20, 2010, Internal Audit began an audit of the Harrold Dorm Complex and Living Learning Center located on the University of Arkansas at Pine Bluff's campus to investigate allegations of waste and abuse related to the operations of the Harrold Dorm Complex and Living Learning Center.

The Living Learning Center of the Harrold Dorm Complex was designed and implemented by the Vice Chancellor for Academic Affairs and the Dean of University College during the 2007-2008 school year. The Living Learning Center was modeled after the Prairie View A&M University Living Learning Center in Texas and was established to help first year students succeed in college. In fiscal year 2009, the Harrold Dorm Complex and Living Learning Center operations were assigned to Mrs. Rita Ticey, Assistant to the Chancellor. Mrs. Ticey was appointed to a concurrent employment role as the Director of the Harrold Dorm Complex and Assistant to the Chancellor.

As referenced in the Harrold Dorm Complex and Living Learning Center Internal Audit Report (10-09), Internal Audit was unable to verify payroll expenses totaling \$497,532 and vendor disbursements totaling \$239,348 related to the operations of the Harrold Dorm Complex and Living Learning Center. However, through certain tests, Internal Audit determined that the University incurred a loss of \$4,219.22 unsupported disbursements.

Findings

Unsupported Disbursements

Internal Audit reviewed expenses related to the Harrold Dorm Complex and Living Learning Center paid between July 1, 2008 and June 30, 2010. In our examination, we noted that payments made from the University's Title III Endowment Agency Account were not processed through the Purchasing or Accounts Payable Departments and therefore the established control structure to ensure proper supporting documents existed for all payments was not utilized.

The University's Title III Endowment Agency Account is held by Simmons First Trust Company and was established through a Federal grant awarded to UAPB in 1986 and 1987 by the US Department of Education for the purpose of building the University's endowment funds.

Internal Audit requested but did not receive supporting documents for seven disbursements totaling \$4,219.22 paid from the University's Title III Endowment Agency Account. The disbursements included vendor payments and personal reimbursements. The checks were processed by the bank at the request of the Chancellor or on behalf of the Chancellor by Mrs. Ticey. Mrs. Ticey received five payments for unsupported personal reimbursements totaling \$3,619.22 and requested and approved unsupported vendor payments totaling \$600 for a total loss of \$4,219.22.

Recommendation: 1) We recommend repayment of \$4,219.22 for checks disbursed from the Title III Endowment Agency Account without supporting invoices and receipts.

Management's Response: 1) Chancellor will ensure compliance on or before June 30, 2012.

Conclusion

Based on the examination of UAPB's financial records in Harrold Dorm Complex and Living Learning Center Internal Audit Report 10-09, we determined a loss of \$4,219.22 to the University.

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02/27/2012

Date

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02/27/2012

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