

**STATE OF WEST VIRGINIA**  
**AUDIT REPORT**  
**OF**

WEST VIRGINIA INSTITUTE OF TECHNOLOGY  
MONTGOMERY, WEST VIRGINIA

UPWARD BOUND PROGRAM  
U.S. OFFICE OF EDUCATION  
VENDOR NUMBER: 00 3825

FOR THE PERIOD  
JULY 1, 1975 - JUNE 30, 1977



**OFFICE OF LEGISLATIVE AUDITOR**

**CAPITOL BUILDING**

**CHARLESTON, WEST VIRGINIA 25305**

*West Virginia*



**LEGISLATIVE AUDITOR**

**CHARLESTON**

The Honorable Encil Bailey  
Legislative Auditor  
State Capitol - Main Unit  
Charleston, West Virginia

Sir:

In compliance with your instructions and the provisions of Article 2, Chapter 4, Code of West Virginia, as amended, Mr. John T. Davis was assigned to audit the Upward Bound Program at West Virginia Institute of Technology.

This audit covers the period July 1, 1975 through June 30, 1977. The results of the examination are set forth on the following pages of this audit.

Respectfully submitted,

*James R. Blake*  
James R. Blake, Supervisor  
Postaudit Division

JRB:nk

WEST VIRGINIA INSTITUTE OF TECHNOLOGY  
MONTGOMERY, WEST VIRGINIA

REPORT OF AUDIT  
UPWARD BOUND PROGRAM

U.S. OFFICE OF EDUCATION  
VENDOR NUMBER: 00 3825

FOR THE PERIOD  
JULY 1, 1975 - JUNE 30, 1977

LEGISLATIVE AUDITOR'S OFFICE  
STATE OF WEST VIRGINIA

TABLE OF CONTENTS

<u>Part I - Introduction</u> . . . . .	1
<u>Part II - Highlights of Audit Results</u> . . . . .	1
<u>Part III - Financial</u>	
Auditor's Report on Financial Statements . . . . .	1
<u>Part IV - Auditor's Conclusions on Internal Accounting and</u> <u>Administrative Controls and Compliance Information</u> . . . . .	2
<u>Part V - Exhibits</u> . . . . .	2
Exhibit A - Balance Sheet as of June 30, 1977 . . . . .	3
Exhibit B - Statement of Income and Expense and Fund Balance September 1, 1976 - June 30, 1977 . . . . .	4
Exhibit C - Statement of Income and Expense and Fund Balance July 1, 1975 - August 31, 1976 . . . . .	5
<u>Certificate of Legislative Auditor</u> . . . . .	6

West Virginia Institute of Technology  
Montgomery, West Virginia

Report of Audit  
Upward Bound Program

U.S. Office of Education Vendor Number: 00 3825

For the Period July 1, 1975 - June 30, 1977

Part I - Introduction

An audit has been made of the Upward Bound Program at West Virginia Institute of Technology, Montgomery, West Virginia, for the period July 1, 1975 through June 30, 1977. The objectives of the audit were to determine whether the college has established and followed:

1. Systems of internal control, accounting and reporting, and had exercised proper controls in the operations of and accounting for funds provided for the program.
2. Policies and procedures which provided that Upward Bound Program funds be expended in accordance with the terms of the applicable acts, Department of Health, Education, and Welfare program guidelines and grant conditions.
3. A control and evaluation system intended to monitor and evaluate the project to determine if its objectives are met.

The Upward Bound Program is authorized under Title IV, Section 408(B)(2) of the Higher Education Act of 1965 (P.L. 89-329), as amended. The program was started at West Virginia Institute of Technology on July 1, 1966. The program is administered by Director Ida Mae Tabit, under the supervision of Ms. Patricia A. Urbas, Coordinator of Trio Programs; and the college's chief fiscal officer is Mr. James L. Duncan, Comptroller and Business Manager.

During the period of this audit, July 1, 1975 through June 30, 1977, funds expended under the Upward Bound Program totaled \$247,432.16, and up to 95 students participated in the program each fiscal year.

Part II - Highlights of Audit Results

The audit disclosed that West Virginia Institute of Technology had generally administered the Upward Bound Program in a satisfactory manner, and in accordance with Department of Health, Education, and Welfare (DHEW) federal regulations and directives pertaining to the program.

Part III - Financial

Auditor's Report on Financial Statements

An examination has been made of the balance sheet of the Upward Bound Program at West Virginia Institute of Technology, as of June 30, 1977, and the related statements of income and expense and fund balance for the period July 1, 1975 through June 30, 1977. (See Exhibits A through C.) The examination was made in accordance with generally accepted auditing standards, and in accordance with instructions from the Legislative Auditor's Office, State of West Virginia, and

included such tests of the accounting records and such other auditing procedures as were considered necessary in the circumstances.

In the auditor's opinion the above mentioned financial statements present fairly the financial position of the Upward Bound Program at West Virginia Institute of Technology, and the results of its operations for the period July 1, 1975 through June 30, 1977, in conformity with generally accepted accounting principles.

Part IV - Auditor's Conclusions on Internal Accounting and Administrative Controls and Compliance Information

The auditor made a study of those internal accounting and administrative control procedures at West Virginia Institute of Technology, during the period July 1, 1975 through June 30, 1977, which were considered relevant to the administration of the Upward Bound Program under instructions and guidelines provided by DHEW.

The objective of internal accounting controls is to provide reasonable, but not absolute, assurance as to the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a system of internal controls should not exceed the benefits derived and also recognizes that the evaluation of these factors necessarily requires estimates and judgments by management.

There are inherent limitations that should be recognized in considering the potential effectiveness of any system of internal controls. In the performance of most control procedures, errors can result from misunderstanding of instructions, mistakes of judgment, carelessness, or other personal factors. Control procedures whose effectiveness depends upon segregation of duties can be circumvented by collusion. Similarly, control procedures can be circumvented intentionally by management with respect to the estimates and judgments required in the preparation of financial statements. Further, projection of any evaluation of internal controls to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, and that the degree of compliance with the procedures may deteriorate.

Based on the study made, which included tests of compliance with instructions and guidelines provided by DHEW, the auditor believes West Virginia Institute of Technology followed procedures which are adequate for proper administration of the Upward Bound Program for the period July 1, 1975 through June 30, 1977.

Part V - Exhibits

Included with this report as Exhibits A through C, are a balance sheet of the Upward Bound Program as of June 30, 1977, and the related statements of income and expense and fund balance for the period July 1, 1975 through June 30, 1977.

UPWARD BOUND PROGRAM  
BALANCE SHEET  
JUNE 30, 1977

	<u>As</u> <u>Reported</u>	<u>As</u> <u>Adjusted</u>
<u>Assets</u>		
Cash on Hand and in Depository	<u>\$5,232.96</u>	<u>\$5,232.96</u>
<u>Liabilities and Fund Balance</u>		
Liabilities	\$ -0-	\$ -0-
Fund Balance	<u>5,232.96</u>	<u>5,232.96</u>
Total Liabilities and Fund Balance	<u>\$5,232.96</u>	<u>\$5,232.96</u>

Exhibit A

UPWARD BOUND PROGRAM  
STATEMENT OF INCOME AND EXPENSE AND FUND BALANCE  
SEPTEMBER 1, 1976 - JUNE 30, 1977

	<u>As Reported</u>	<u>As Adjusted</u>
<u>Income</u>		
Funds Provided by Federal Government	<u>\$54,584.50</u>	<u>\$54,584.50</u>
<u>Expenses</u>		
Personnel Costs	\$40,579.86	\$40,579.86
Travel	5,531.59	5,531.59
Equipment and Supplies	644.24	644.24
Room and Board	997.86	997.86
Services	700.00	700.00
Indirect Costs	<u>3,990.00</u>	<u>3,990.00</u>
Total Expenses	<u>\$52,443.55</u>	<u>\$52,443.55</u>
Excess of Income Over Expenses	\$ 2,140.95	\$ 2,140.95
<u>Fund Balance September 1, 1976</u>	<u>3,092.01</u>	<u>3,092.01</u>
Fund Balance June 30, 1977	<u>\$ 5,232.96</u>	<u>\$ 5,232.96</u>

Exhibit B



UPWARD BOUND PROGRAM  
STATEMENT OF INCOME AND EXPENSE AND FUND BALANCE  
JULY 1, 1975 - AUGUST 31, 1976

	<u>As</u> <u>Reported</u>	<u>As</u> <u>Adjusted</u>
<u>Income</u>		
Funds Provided by Federal Government	\$189,187.00	\$189,187.00
Non-Federal Funds (Institutional Outlay)	<u>4,064.00</u>	<u>4,064.00</u>
<b>Total Income</b>	<b><u>\$193,251.00</u></b>	<b><u>\$193,251.00</u></b>
<u>Expenses</u>		
Personnel Costs <u>1/</u>	\$ 94,243.51	\$ 94,243.51
Travel <u>2/</u>	10,293.25	10,293.25
Equipment and Supplies	6,853.65	6,853.65
Room and Board	48,147.17	48,147.17
Stipends	14,545.00	14,545.00
Services	2,300.56	2,300.56
Other Costs	6,060.29	6,060.29
Indirect Costs	<u>12,545.18</u>	<u>12,545.18</u>
<b>Total Expenses</b>	<b><u>\$194,988.61</u></b>	<b><u>\$194,988.61</u></b>
<b>Excess of Income Over Expenses</b>	<b>(\$ 1,737.61)</b>	<b>(\$ 1,737.61)</b>
<u>Fund Balance July 1, 1975</u>	<u>4,829.62</u>	<u>4,829.62</u>
<b>Fund Balance August 31, 1976</b>	<b><u>\$ 3,092.01</u></b>	<b><u>\$ 3,092.01</u></b>

1/ Includes institutional personnel costs of \$3,564.00.

2/ Includes institutional travel costs of \$500.00.

Exhibit C

STATE OF WEST VIRGINIA

OFFICE OF LEGISLATIVE AUDITOR, TO WIT:

I, Encil Bailey, Legislative Auditor, do hereby certify that the report of audit appended hereto was made under my direction and supervision, under the provisions of Article 2, Chapter 4, Code of West Virginia, as amended, and that the same is a true and correct copy of said report.

Given under my hand this 3rd day of April, 1979.

Encil Bailey  
Encil Bailey, Legislative Auditor

Copy forwarded to the Commissioner of the Department of Finance and Administration to be filed as a public record. Copies forwarded to the U.S. Department of Health, Education, and Welfare; West Virginia Institute of Technology; West Virginia Board of Regents; Attorney General; Governor; and State Auditor.