

STATE OF WEST VIRGINIA
AUDIT REPORT
OF

WEST VIRGINIA INSTITUTE OF TECHNOLOGY
MONTGOMERY, WEST VIRGINIA

UPWARD BOUND - SPECIAL VETERANS PROGRAM
OE VENDOR NUMBER: 00 3825

FOR THE PERIOD
SEPTEMBER 11, 1972 - JUNE 30, 1976



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 - Special Veterans Program at West Virginia Institute of Technology.

This audit covers the period September 11, 1972 through June 30, 1976. 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 - SPECIAL VETERANS PROGRAM
OE VENDOR NUMBER: 00 3825

FOR THE PERIOD
SEPTEMBER 11, 1972 - JUNE 30, 1976

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 Administrative Controls and Compliance Information</u>	2
<u>Part V - Exhibits</u>	2
Exhibit A - Balance Sheet as of June 30, 1976	3
Exhibit B - Statement of Income and Expense and Fund Balance July 1, 1975 - June 30, 1976	4
Exhibit C - Statement of Income and Expense and Fund Balance July 1, 1974 - June 30, 1975	5
Exhibit D - Statement of Income and Expense and Fund Balance September 11, 1973 - June 30, 1974	6
Exhibit E - Statement of Income and Expense and Fund Balance September 11, 1972 - September 10, 1973	7
<u>Certificate of Legislative Auditor</u>	8

West Virginia Institute of Technology
Montgomery, West Virginia

Report of Audit
Upward Bound - Special Veterans Program

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

For the Period September 11, 1972 - June 30, 1976

Part I - Introduction

An audit has been made of the Upward Bound - Special Veterans Program at West Virginia Institute of Technology, Montgomery, West Virginia, for the period September 11, 1972 through June 30, 1976. The objectives of the audit were to determine whether the college had established and followed:

1. Systems of internal control, accounting and reporting, and had exercised proper controls in the operation of and accounting for funds provided for the program.
2. Policies and procedures which provide that Upward Bound - Special Veterans 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 - Special Veterans Program is authorized under the Higher Education Act of 1965 (P.L. 89-329), as amended. The program was started at West Virginia Institute of Technology on September 11, 1972. The program was administered by Director Sylvester R. Brown, 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, September 11, 1972 through June 30, 1976, federal funds expended under the Upward Bound - Special Veterans Program totaled \$253,027.88.

Part II - Highlights of Audit Results

The audit disclosed that West Virginia Institute of Technology had generally administered the Upward Bound - Special Veterans 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 - Special Veterans Program at West Virginia Institute of Technology, as of June 30, 1976, and the related statements of income and expense and fund balance for the period September 11, 1972 through June 30, 1976. (See Exhibits A through E.) 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 - Special Veterans Program at West Virginia Institute of Technology, and the results of its operations for the period September 11, 1972 through June 30, 1976, 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 September 11, 1972 through June 30, 1976, which were considered relevant to the administration of the Upward Bound - Special Veterans 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 - Special Veterans Program for the period September 11, 1972 through June 30, 1976.

Part V - Exhibits

Included with this report as Exhibits A through E, are a balance sheet of the Upward Bound - Special Veterans Program as of June 30, 1976, and the related statements of income and expense and fund balance for the period September 11, 1972 through June 30, 1976.

UPWARD BOUND - SPECIAL VETERANS PROGRAM

BALANCE SHEET

JUNE 30, 1976

	<u>AS</u> <u>Reported</u>	<u>AS</u> <u>Adjusted</u>
<u>Assets</u>		
Cash on Hand and in Depository <u>1/</u>	<u>\$14,404.88</u>	<u>\$14,404.88</u>
<u>Liabilities and Fund Balance</u>		
Liabilities	\$ -0-	\$ -0-
Fund Balance	<u>14,404.88</u>	<u>14,404.88</u>
Total Liabilities and Fund Balance	<u>\$14,404.88</u>	<u>\$14,404.88</u>

1/ Returned to U.S. Office of Education January 3, 1978.

Exhibit A

UPWARD BOUND - SPECIAL VETERANS PROGRAM
STATEMENT OF INCOME AND EXPENSE AND FUND BALANCE
JULY 1, 1975 - JUNE 30, 1976

	<u>As Reported</u>	<u>As Adjusted</u>
<u>Income</u>		
Funds Provided by Federal Government	<u>\$48,738.21</u>	<u>\$48,738.21</u>
<u>Expenses</u>		
Personnel Costs	\$39,773.71	\$39,773.71
Travel	887.91	887.91
Equipment and Supplies	1,019.37	1,019.37
Room and Board	4,216.04	4,216.04
Services	599.00	599.00
Indirect Costs	2,954.05	2,954.05
Other Costs	<u>761.45</u>	<u>761.45</u>
Total Expenses	<u>\$50,211.53</u>	<u>\$50,211.53</u>
Excess of Income Over Expenses	(\$ 1,473.32)	(\$ 1,473.32)
<u>Fund Balance July 1, 1975</u>	<u>15,878.20</u>	<u>15,878.20</u>
Fund Balance June 30, 1976	<u>\$14,404.88</u>	<u>\$14,404.88</u>

Exhibit B

UPWARD BOUND - SPECIAL VETERANS PROGRAM
STATEMENT OF INCOME AND EXPENSE AND FUND BALANCE
JULY 1, 1974 - JUNE 30, 1975

	<u>As Reported</u>	<u>As Adjusted</u>
<u>Income</u>		
Funds Provided by Government	\$59,694.55	\$59,694.55
Federal Funds Transferred from Fiscal Year 1974	<u>2,268.61</u>	<u>2,268.61</u>
 Total Income	 <u>\$61,963.16</u>	 <u>\$61,963.16</u>
<u>Expenses</u>		
Total Personnel Costs	\$48,827.10	\$48,827.10
Travel	893.59	893.59
Consumable Supplies	578.65	578.65
Room and Board	5,176.99	5,176.99
Tuition	481.25	481.25
Services	1,278.26	1,278.26
Indirect Costs	<u>3,254.00</u>	<u>3,254.00</u>
 Total Expenses	 <u>\$60,489.84</u>	 <u>\$60,489.84</u>
 Excess of Income Over Expenses	 \$ 1,473.32	 \$ 1,473.32
 <u>Fund Balance July 1, 1974</u>	 <u>14,404.88</u>	 <u>14,404.88</u>
 Fund Balance June 30, 1975	 <u>\$15,878.20</u>	 <u>\$15,878.20</u>

Exhibit C

UPWARD BOUND - SPECIAL VETERANS PROGRAM
STATEMENT OF INCOME AND EXPENSE AND FUND BALANCE
SEPTEMBER 11, 1973 - JUNE 30, 1974

	<u>As Reported</u>	<u>As Adjusted</u>
<u>Income</u>		
Funds Provided by Government	\$69,000.00	\$69,000.00
Federal Funds Transferred to Fiscal Year 1975	<u>(2,268.61)</u>	<u>(2,268.61)</u>
 Total Income	 <u>\$66,731.39</u>	 <u>\$66,731.39</u>
<u>Expenses</u>		
Total Personnel Costs	\$55,099.00	\$55,098.07
Travel	719.00	719.37
Room and Board	3,621.00	3,621.55
Tuition	671.00	670.80
Other Costs	1,676.00	1,676.60
Indirect Costs	<u>4,945.00</u>	<u>4,945.00</u>
 Total Expenses	 <u>\$66,731.00</u> 1/	 <u>\$66,731.39</u>
 Excess of Income Over Expenses	 \$ -0-	 \$ -0-
 <u>Fund Balance September 11, 1973</u>	 <u>14,404.88</u>	 <u>14,404.88</u>
 Fund Balance June 30, 1974	 <u>\$14,404.88</u>	 <u>\$14,404.88</u>

1/ Amounts rounded to nearest dollar.

Exhibit D

UPWARD BOUND - SPECIAL VETERANS PROGRAM
STATEMENT OF INCOME AND EXPENSE AND FUND BALANCE
SEPTEMBER 11, 1972 - SEPTEMBER 10, 1973

	<u>As</u> <u>Reported</u>	<u>As</u> <u>Adjusted</u>
<u>Income</u>		
Funds Provided by Government	<u>\$90,000.00</u>	<u>\$90,000.00</u>
<u>Expenses</u>		
Salaries and Wages	\$55,719.00	\$55,719.00
Fringe Benefits	5,556.22	5,556.22
Consultant	665.00	665.00
Travel	1,656.26	1,656.26
Equipment	1,441.99	1,441.99
Room and Board	4,440.43	4,440.43
Consumable Supplies	2,248.17	2,248.17
Tuition	549.00	549.00
Other Costs	1,879.05	1,879.05
Indirect Costs	<u>1,440.00</u>	<u>1,440.00</u>
Total Expenses	<u>\$75,595.12</u>	<u>\$75,595.12</u>
Excess of Income Over Expenses	\$14,404.88	\$14,404.88
<u>Fund Balance September 11, 1972</u>	<u>-0-</u>	<u>-0-</u>
Fund Balance September 10, 1973	<u>\$14,404.88</u>	<u>\$14,404.88</u>

Exhibit E

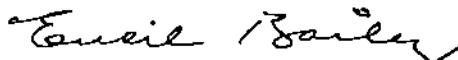
STATE OF WEST VIRGINIA

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 _____ day of

_____, 1979.



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.