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## **EXECUTIVE SUMMARY**

### **ROWAN UNIVERSITY July 1, 2016 to December 17, 2019**

We found the financial transactions included in our testing were related to the university's programs, were reasonable, and were recorded properly in the accounting system. In making these determinations, we identified weaknesses in the internal controls over salary vouchers, faculty release time and sabbaticals, employee health and dental benefits, dependent scholarships, purchasing, athletic team meal money, and relocation expense reimbursements. Additionally, we made observations regarding faculty compensation from external sources and the university's student housing agreement with a developer in the City of Camden.

#### **AUDIT HIGHLIGHTS**

- The lack of formal policies to process salary vouchers, which are used to compensate employees for work performed outside their regular duties, resulted in payments made without proper approvals or support, and some exceeded contractual limits. The potential exists that salary vouchers are paid for work performed during regular work hours.
- Summarized information provided to support faculty adjusted workload lacked information specific to the projects for which the adjusted workload was approved. We were therefore unable to determine if faculty members were compensated both via salary and salary vouchers for the same projects.
- Upon our request, written reports detailing the accomplishments made during paid sabbatical leaves were not in the possession of the Provost, as required. Once the reports were available for our inspection, we found they lacked evidence of being submitted in the required timeframe thereby making it difficult to determine if the paid sabbatical leave was used as intended.
- Our tests of health and dental benefits found 20 individuals who were erroneously enrolled in health benefits, 27 erroneously enrolled in dental benefits, and 8 who did not contribute the required amount during an unpaid leave of absence.
- We found the university's dependent scholarship awarding procedures were not always followed, and the university awarded scholarships to two students in error, three students whose dependency could not be verified, three students whose applications were not maintained for our inspection, and two students who did not meet all of the requirements.
- Our procurement testing disclosed issues with segregation of duties, confirming orders, and contracts. We also found purchase cards that were never used, temporary limits were raised but not subsequently reduced, and overuse of the account sweep feature.
- Unspent athletic team cash was not returned timely, and signature sheets were not completed as required. The university reimbursed employees for unallowable relocation expenses.
- We observed the university can increase cost recovery from external sources, and a 20-year housing agreement is resulting in significant university subsidies.

#### **AUDITEE RESPONSE**

The university generally concurs with our findings and recommendations.

For the complete audit report, click [here](#).