

Report on the

University of South Alabama

Mobile, Alabama

October 1, 2016 through September 30, 2017

Filed: November 16, 2018



Department of Examiners of Public Accounts

50 North Ripley Street, Room 3201

P.O. Box 302251

Montgomery, Alabama 36130-2251

Website: www.examiners.alabama.gov

Rachel Laurie Riddle, Chief Examiner



State of Alabama
Department of
Examiners of Public Accounts

P.O. Box 302251, Montgomery, AL 36130-2251
50 North Ripley Street, Room 3201
Montgomery, Alabama 36104-3833
Telephone (334) 242-9200
FAX (334) 242-1775

Rachel Laurie Riddle
Chief Examiner

Honorable Rachel Laurie Riddle
Chief Examiner of Public Accounts
Montgomery, Alabama 36130

Dear Madam:

Under the authority of the *Code of Alabama 1975*, Section 41-5A-19, as added by Act Number 2018-129, I submit this report on the results of the examination of the University of South Alabama, Mobile, Alabama, for the period October 1, 2016 through September 30, 2017.

Sworn to and subscribed before me this
the 30 day of October, 2018.

Kelly D. Matthews
Notary Public

Respectfully submitted,

JoNesia S. Turner
JoNesia S. Turner
Examiner of Public Accounts

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Department of
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SUMMARY

**University of South Alabama
October 1, 2016 through September 30, 2017**

The University of South Alabama (the “University”) is a public institution of higher learning and awards baccalaureate, masters, doctor of business administration, doctor of education, doctor of nursing practice, doctor of systems engineering, doctor of physical therapy, doctor of audiology, doctor of philosophy and doctor of medicine degrees. The University offers studies in ten colleges/schools: Allied Health Professions, Arts and Sciences, Business, Education and Professional Studies, Engineering, Honors, Medicine, Nursing, Computing, and the Graduate School. A joint pharmacy program between the University and Auburn University has also been established. The University owns and operates the University of South Alabama Medical Center, University of South Alabama Children’s and Women’s Hospital, and University of South Alabama Mitchell Cancer Institute. Additional information on the history of the University is included in the Comments section of this report.

The firm of KPMG, LLP conducted the financial audit of the University for the fiscal year ended September 30, 2017.

This report presents the results of an examination of the University and a review of compliance by the University with applicable laws and regulations of the State of Alabama in accordance with the requirements of the Department of Examiners of Public Accounts under the authority of the *Code of Alabama 1975*, Section 41-5A-12, as added by Act Number 2018-129.

STATUS OF PRIOR YEAR FINDING

- ◆ 2015-001 The University has requested an opinion from the Alabama Attorney General’s Office on the applicability of the *Code of Alabama 1975*, Section 31-13-15(b) to all employees. An opinion has not yet been rendered.

Tests performed during the audit did not disclose any significant instances of noncompliance with applicable state laws and regulations.

The following officials/employees were invited to an exit conference: Scott Weldon, Vice-President for Finance and Administration and Polly Stokley, Assistant Vice-President for Finance and Administration. The following individuals attended the exit teleconference: Scott Weldon, Vice-President for Finance and Administration; Polly Stokley, Assistant Vice-President for Finance and Administration; and Kelly Peters, Senior Associate Vice-President for Finance and Administration. Representing the Department of Examiners of Public Accounts was: JoNesia Turner, Examiner.



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COMMENTS

**University of South Alabama
October 1, 2016 through September 30, 2017**

The University of South Alabama (the “University”) was created in May 1963 by act of the Alabama Legislature. The Board of Trustees held their first meeting in October 1963. In April 1964, the University moved from 154 St. Louis Street to its present location at 307 University Boulevard. The first classes began June 1964. In 1968, the University was admitted membership in the Southern Association of Colleges and Schools. The University established a medical school in 1969, which was supported by the Alabama Legislature. Mobile General Hospital was transferred to the University in 1970 and was later renamed University of South Alabama Medical Center. The University’s first doctoral program was established in 1978. The University of South Alabama Children’s and Women’s Hospital was established in 1983. The University established a campus in Baldwin County in 1984. Relocation of the Providence Hospital in 1987 led to the acquisition of the former Providence Hospital, now known as the University of South Alabama Springhill Avenue Campus. The University acquired Doctors Hospital and Knollwood Park Hospital in 1990. The former Doctors Hospital currently houses the University of South Alabama Children’s and Women’s Hospital. In 2002, the University of South Alabama Cancer Research Institute was established. In 2006, the University of South Alabama Cancer Research Institute became the University of South Alabama Mitchell Cancer Institute and in late fiscal year 2008, the Institute moved into a new facility adjacent to the University of South Alabama Children’s and Women’s Hospital. In 2006, the Infirmary Health System began leasing the former Knollwood Park Hospital from the University and purchased the property in 2013.

Additional Information

Board Members and Officials
October 1, 2016 through September 30, 2017

Board Members		Term Expires
Hon. Kay Ivey, Governor	President, Ex-Officio	
Hon. Robert Bentley, Governor	President, Ex-Officio	Resigned April 10, 2017
Hon. Michael Sentance, State Superintendent of Education	Member, Ex-Officio	
Hon. Kenneth O. Simon	Chair Pro Tempore	2019
Hon. James H. Shumock	Vice-Chair	2021
Hon. Arlene Mitchell	Secretary	2021
Hon. Steven P. Furr, M.D.	Member	2017
Hon. Bettye R. Maye	Member	2017
Hon. Bryant Mixon	Member	2017
Hon. John M. Peek	Member	2017
Hon. Steven H. Stokes, M.D.	Member	2017
Hon. Katherine A. Atkins	Member	2019
Hon. Chandra B. Stewart	Member	2019
Hon. Robert D. Jenkins, III	Member	2019
Hon. Michael P. Windom	Member	2019

Board Members and Officials
October 1, 2016 through September 30, 2017

Board Members

Term Expires

Hon. Scott A. Charlton, M.D.	Member	2021
Hon. E. Thomas Corcoran	Member	2021
Hon. James A. Yance	Member	2021

Officials

Dr. Tony G. Waldrop	President
Mr. Scott Weldon	Vice-President for Finance and Administration
Ms. Traci Jones	Health Systems Chief Financial Officer