

Report on the

Alabama State University

Montgomery, Alabama

October 1, 2016 through September 30, 2017

Filed: February 8, 2019



Department of Examiners of Public Accounts

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Rachel Laurie Riddle, Chief Examiner



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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, we submit this report on the results of the examination of Alabama State University, Montgomery, Alabama, for the period October 1, 2016 through September 30, 2017.

Sworn to and subscribed before me this
the 28th day of January, 20 19.

Kelly D. Matthews
Notary Public

Sworn to and subscribed before me this
the 28th day of January, 20 19.

Kelly D. Matthews
Notary Public

Respectfully submitted,

Tanesha Richburg

Tanesha Richburg
Examiner of Public Accounts

Byron B. Pickens

Byron B. Pickens
Examiner of Public Accounts

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Department of
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SUMMARY

**Alabama State University
October 1, 2016 through September 30, 2017**

Alabama State University (the “University”) is a corporate body authorized by the *Code of Alabama 1975*, Section 16-50-1 to 16-50-30. The University offers programs of instruction, research and public service at the campus in Montgomery, Alabama and offers 63 degree programs including 35 Bachelors, 18 Masters, 6 Educational Specialists and 4 Doctoral courses of study.

The firm of Warren Averett, LLC, Certified Public Accountants conducted the financial audit 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.

Questionable expenses in the amount of \$1,441.35 were repaid prior to the completion of the examination.

Findings are numbered and reported by the examination period in which the finding originally occurred.

The following instance of noncompliance with state laws and regulations and other matters was found during the examination as shown on the Schedule of State Compliance and Other Findings and is summarized below.

UNRESOLVED PRIOR FINDING

- ◆ 2015-002 The University did not ensure that accountability was established and maintained for all athletic tickets printed or sold and the related receipts.

The following officials/employees were invited to an exit conference to discuss the finding and recommendation appearing in this report: Dr. Quinton Ross, President; Bill Hopper, Interim Vice-President of Business and Finance and Alondrea Pritchett, Associate Vice-President for Business and Finance/Comptroller. The following individuals attended the exit conference: Dr. Quinton Ross, President; Bill Hopper, Interim Vice-President for Business and Finance and Alondrea Pritchett, Associate Vice-President for Business and Finance/Comptroller. Representing the Department of Examiners of Public Accounts was Annette G. Williams, Audit Manager.



Department of
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COMMENTS

**Alabama State University
October 1, 2016 through September 30, 2017**

Alabama State University (the “University”) was founded in 1867 as the Lincoln School of Marion in Marion, Alabama, a private institution for blacks, by nine former slaves. The founders and original trustees were: Joey P. Pinch, Thomas Speed, Nicholas Dale, James Childs, Thomas Lee, John Freeman, Nathan Levert, David Harris and Alexander H. Curtis. The Lincoln School was incorporated on July 18, 1867 and opened November 13, 1867 with 113 students. In 1868, the Alabama State Board of Education designated the school a Normal School and it became known as Lincoln Normal School. In December 1873, the Alabama State Board of Education accepted the transfer of title to the school after a legislative act was passed authorizing the state to fund a Normal School and George N. Card was named President. Thus, in 1874, this predecessor of Alabama State University became the first state supported educational institution for blacks.

In 1878, the second president, William Paterson was appointed. He is honored as a founder of Alabama State University and was the president for thirty-seven of the first forty-eight years of its existence. Paterson was instrumental in the move from Marion to Montgomery in 1887. In the decades that followed, Lincoln Normal School became a junior college and in 1928 became a full four-year institution. In 1929, it became State Teachers College, Alabama State College for Negroes in 1948 and Alabama State College in 1954. In 1969, the State Board of Education, then the governing body of the University, approved a name change; the institution became Alabama State University. Since 1975, the University has operated under a Board of Trustees. Trustees are appointed by the Governor, by and with the advice and consent of the Senate.

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*Schedule of State Compliance
and Other Findings*

Schedule of State Compliance and Other Findings
For the Year Ended September 30, 2017

Ref. No.	Finding/Noncompliance
2015-002	<p><u>Finding:</u></p> <p>Control procedures should ensure that accountability is established and maintained for all athletic tickets printed as well as the related receipts. The University utilizes ticket production software (TPS) to print tickets and track revenue for athletic events. The system provides cumulative reports of ticket sales for each event. The general ledger is updated based on actual ticket proceeds deposited. The two football games, Miles and Tuskegee, tested indicated the following:</p> <ul style="list-style-type: none">✓ Season tickets sales reflected on the TPS was \$2,431.43 and \$3,946.25 less than the general ledger for both games.✓ Advance and day of game tickets sales reflected on the TPS were \$65.10 and \$3,744.00 more than the general ledger for both games. <p>No explanation was given for these differences. As a result of these items, we were unable to verify that accountability was established and maintained for all athletic tickets printed and the related cash receipts.</p> <p><u>Recommendation:</u></p> <p>The University should develop controls to ensure that accountability is established and maintained for all athletic tickets printed and the related receipts.</p>

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

Board Members	Term Expires
Hon. Kay Ivey, Governor (Beginning April 10, 2017)	Ex-Officio
Hon. Robert Bentley, Governor (Resigned April 10, 2017)	Ex-Officio
Hon. Fred E. Frost (Until September 29, 2017)	2020
Hon. George Gore (Beginning September 29, 2017)	2023
Hon. Robert Gilpin	2020
Hon. Alfreda Green	2020
Hon. Taylor H. Hodge (Until January 31, 2017)	2017
Hon. Napoleon Bracy, Jr. (Beginning May 12, 2017)	2023
Hon. Darrell Hudson	2026
Hon. Brenda B. Hunter	2022
Hon. Claudine R. James (Until September 29, 2017)	2021
Hon. Robert Barnett, M.D. (Beginning September 29, 2017)	2023
Hon. Angela McKenzie	2026

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

Board Members	Term Expires
Hon. Larry Means	2023
Hon. Ralph Ruggs (Until January 31, 2017)	2017
Hon. Eddie Hardaway (Beginning May 12, 2017)	2023
Hon. Pamela J. Ware	2023
Hon. Joe Whitt, Sr.	2026
Hon. Herbert Young (Until January 31, 2017)	2017
Hon. Mario Lumzy (Beginning May 12, 2017)	2023

Officials

Dr. Leon Wilson,
Interim President
(Beginning November 4, 2016)

Dr. Gwendolyn E. Boyd,
President
(Until November 4, 2016)

Alondrea Pritchett,
Acting Vice-President for Business and Finance
(Beginning March 27, 2017)

Wanda Smith,
Vice-President for Business and Finance
(Until April 6, 2017)