

Report on the

University of Alabama in Huntsville

Huntsville, Alabama

October 1, 2017 through September 30, 2019

Filed: December 4, 2020



Department of Examiners of Public Accounts

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Rachel Laurie Riddle, Chief Examiner



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

Dear Madam:

An examination was conducted on the University of Alabama in Huntsville, Huntsville, Alabama, for the period October 1, 2017 through September 30, 2019, by Examiners Tiffany L. Mason and Danelle A. Cook. I, Tiffany L. Mason, served as Examiner-in-Charge on the engagement, and under the authority of the *Code of Alabama 1975*, Section 41-5A-19, I hereby swear to and submit this report to you on the results and finding of the examination.

Respectfully submitted,

A handwritten signature in blue ink that reads "Tiffany L. Mason". The signature is written in a cursive style.

Tiffany L. Mason
Examiner of Public Accounts

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Department of
Examiners of Public Accounts

SUMMARY

**University of Alabama in Huntsville
October 1, 2017 through September 30, 2019**

The University of Alabama in Huntsville (the “University” or UAH) is a doctoral-granting research institution with approximately 9,900 students. The University prepares students for demanding positions in engineering, the sciences, business, education, nursing, as well as the arts, humanities and social sciences. Approximately half of the university's graduates earn a degree in engineering or science making UAH the top producer of engineers and physical scientists in Alabama. The Carnegie Foundation for the Advancement of Teaching ranks UAH as a “high research activity” institution with five programs ranked in the top 20 in the nation in federally financed research. UAH is the anchor tenant in Cummings Research Park, the second largest research park in the United States.

The firm of PricewaterhouseCoopers LLP, Certified Public Accountants, conducted the financial audits for the fiscal years ending September 30, 2018, and September 30, 2019.

This report presents the results of an examination of UAH and a review of compliance by UAH 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.

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 it is summarized below.

UNRESOLVED PRIOR FINDING

The prior year Finding 2017-001 was not resolved and is summarized below as Finding 2019-001. All other findings in the prior examination have been resolved.

- ◆ 2019-001 The University did not ensure that accountability was established and maintained for all athletic tickets printed.

The following officials/employees were invited to an exit conference to discuss the results of the examination: Dr. Darren Dawson, President; Todd Barre`, Vice-President for Finance and Administration; and Robert Leonard, Associate Vice-President for Finance and Business Services. The following individuals attended the exit conference via teleconference: Todd Barre`, Vice-President for Finance and Administration; Robert Leonard, Associate Vice-President for Finance and Business Services; Tharane Ravindran, Director of Internal Audit; Terri Couch, Accounts Payable Assistant; Janice Clack, Senior Accounts Payable Clerk; Chih Loo, Associate Vice-President of Budgets and Financial Planning; and Melanie Newby, Director of Accounting and Financial Reporting. Representing the Department of Examiners of Public Accounts were: Melissa Knepper, Audit Manager; Tiffany Mason, Examiner and Danelle Cook, Examiner.



Department of
Examiners of Public Accounts

COMMENTS

**University of Alabama in Huntsville
October 1, 2017 through September 30, 2019**

The University of Alabama in Huntsville (the “University” or UAH) began in January 1950 as the Huntsville Center, a branch of the University of Alabama located in Tuscaloosa, Alabama. The first classes were held in West Huntsville High School for the original 137 students.

Before this center was established, efforts were underway to place major portions of the U. S. Army’s rocket research and development activities as well as NASA’s Marshall Space Flight Center in the Huntsville area. NASA wanted to provide educational opportunities for their employees, and major aerospace corporations began to locate in the area that was fast becoming a hub of the American space program. The need for advanced education in science and technology was acknowledged and supported by individual citizens and organizations.

Rocket scientist Dr. Wernher von Braun traveled to Tuscaloosa along with NASA and Army officials on a mission to encourage the University of Alabama to establish a research institute in Huntsville. The purpose of such an institute would be to accelerate the educational program in Huntsville and to provide theoretical and experimental research pertinent to aerospace science and missile fields. Dr. von Braun made a persuasive presentation before the Alabama Legislature in June 1961 requesting a \$3 million bond issue to support the institute. Both houses of the Alabama Legislature unanimously passed the bill and the bond issue was approved by the citizens of Alabama later that year. The City of Huntsville and Madison County purchased an additional 200 acres and the Research Institute was constructed.

Master’s level degrees were offered in 1963 and the baccalaureate level in 1964. By 1969, UAH was made an autonomous university, part of the University of Alabama System with campuses in Tuscaloosa, Birmingham and Huntsville. Each campus had their own president, and Dr. Benjamin Graves served as UAH’s first president from 1970 to 1978.

Though its roots were planted firmly in the space program, UAH included study in the humanities as an important part of its undergraduate programs. English and history were among the first programs offered at the baccalaureate level. Early enrollments in the humanities and liberal arts kept pace with, and sometimes exceeded, those in science and engineering during the 1970s.

During the 1980s, UAH capitalized on its ties with Huntsville business and technology communities, and research centers in optics, microgravity, robotics, and space plasma were founded. In 1989, UAH's first eminent scholar joined the university in computer engineering. The University has also established eminent scholars in electrical and computer engineering, systems engineering, propulsion, administrative sciences, physics, global understanding, biological sciences, and humanities to further enrich the academic, cultural and research environment of the campus.

Robert Altenkirch, president of the New Jersey Institute of Technology, became the University's sixth president in October 2011. Since Dr. Altenkirch's arrival, he has constructed a new student union building and student services building, in addition to establishing a department of space science, an honors college, a college of education and a college of professional and continuing studies. He also established a technology-based business incubator and built a new 400-bed residence hall that opened in the fall of 2018. In June 2019, Dr. Darren M. Dawson became the University's seventh president.

*Schedule of State Compliance
and Other Findings*

Schedule of State Compliance and Other Findings
For the Years Ended September 30, 2018 and 2019

Ref. No.	Finding/Noncompliance
2019-001	<p><u>Finding:</u> Prior year Findings 2015-001 and 2017-001 are brought forward to the current fiscal year as follows:</p> <p>Proper controls should ensure that accountability is established and maintained for all athletic tickets printed and sold or provided to individuals as complimentary tickets. According to the UAH Intercollegiate Athletics and Procedures Manual, Section 5.1, student-athletes are allowed two complimentary tickets per date in the respective sport. The student-athlete list is submitted for approval prior to the game, and recipients must provide identification to receive the tickets. The policy also allows complimentary tickets to UAH athletic staff for all home contests. Athletic staff members may get additional tickets for their spouse and children, or one guest per contest. A staff pass list is retained at the ticket booth for each contest, and the staff member must sign for their tickets. The ticket system used by the University tracks the number of complimentary tickets printed for each event.</p> <p>During the examination, documentation of complimentary tickets was requested for fourteen contests. The University was unable to provide documentation for all of the complimentary tickets provided for twelve of the contests. The complimentary ticket lists for these contests did not agree with the total number of complimentary tickets printed for these twelve contests.</p> <p><u>Recommendation:</u> The University should develop controls to ensure that accountability is established and maintained for all athletic tickets printed and sold or provided to individuals as complimentary tickets.</p>

Additional Information

Board Members and Officials
October 1, 2017 through September 30, 2019

Board Members		Term Expires
Hon. Kay Ivey	Governor of Alabama	Ex-Officio
Dr. Ed Richardson	State Superintendent of Education (Until 01/01/2018)	Ex-Officio
Hon. Harris V. Morrissett	First District	2021
Hon. Marietta M. Urquhart	First District	2024
Hon. Joseph C. Espy, III	Second District	2019
Hon. W. Davis Malone, III	Second District	2022
Hon. Kenneth L. Vandervoort, M.D.	Third District	2023
Hon. James W. Wilson, III	Third District	2020
Hon. Scott M. Phelps	Fourth District	2022
Hon. Finis E. St. John, IV	Fourth District (Until 07/31/2018)	2019
Hon. Evelyn VanSant Mauldin	Fourth District (Effective 06/07/2019)	2025
Hon. Ronald W. Gray	Fifth District	2020
Hon. William Britt Sexton	Fifth District	2023
Hon. W. Stancil Starnes	Sixth District	2022
Hon. Vanessa Leonard	Sixth District	2019
Hon. Karen P. Brooks	Seventh District	2021
Judge John H. England, Jr.	Seventh District	2021
Hon. Barbara Humphrey	Seventh District	2024

Board Members and Officials
October 1, 2017 through September 30, 2019

Officials

**Chief Administrative and
Fiscal Officials**

Dr. Darren M. Dawson	President (Effective 06/24/2019)
Dr. Robert A. Altenkirch	President (Until 06/21/2019) Interim Vice-President for Finance and Administration (Until 12/01/2017)
Todd Barre'	Vice-President for Finance and Administration (Effective 12/01/2017)

**The University of Alabama
System Administration**

Mr. Finis E. St. John IV	Interim Chancellor (Effective 08/01/2018)
Mr. C. Ray Hayes	Chancellor (Until 07/31/2018)
Ms. Dana Keith	Vice-Chancellor for Finance and Administration
Mr. Clay Ryan	Vice-Chancellor for Governmental Affairs and Economic/Workforce Development (Effective 08/01/2018)
Mr. Jo Bonner	Vice-Chancellor for Economic Development (Until 09/30/2018)

Board Members and Officials
October 1, 2017 through September 30, 2019

Officials

Dr. Charles R. Nash	Vice-Chancellor for Academic and Student Affairs
Ms. Kellee Reinhart	Vice-Chancellor for Communications and Community Relations
Mr. Chip Bivins	Chief Audit Officer
Mr. Sid J. Trant	General Counsel and Senior Vice-Chancellor (Effective 09/16/2019)
	General Counsel and Secretary of the Board of Trustees (Until 09/15/2019)
Mr. Mark D. Foley, Jr.	Secretary of the Board of Trustee (Effective 09/16/2019)