



**OWEN J. ROBERTS SCHOOL DISTRICT  
CHESTER COUNTY, PENNSYLVANIA  
PERFORMANCE AUDIT REPORT**

**JUNE 2014**

**COMMONWEALTH OF PENNSYLVANIA**  
**EUGENE A. DEPASQUALE - AUDITOR GENERAL**  
**DEPARTMENT OF THE AUDITOR GENERAL**



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**EUGENE A. DePASQUALE**  
**AUDITOR GENERAL**

The Honorable Tom Corbett  
Governor  
Commonwealth of Pennsylvania  
Harrisburg, Pennsylvania 17120

Mr. James B. Frees II, Board President  
Owen J. Roberts School District  
901 Ridge Road  
Pottstown, Pennsylvania 19465

Dear Governor Corbett and Mr. Frees:

We conducted a performance audit of the Owen J. Roberts School District (District) to determine its compliance with certain relevant state laws, regulations, contracts, grant requirements, and administrative procedures (relevant requirements). Our audit covered the period April 27, 2010 through August 27, 2013, except as otherwise indicated in the report. Additionally, compliance specific to state subsidies and reimbursements was determined for the school years ended June 30, 2009, 2010, 2011, and 2012. Our audit was conducted pursuant to Section 403 of The Fiscal Code, 72 P.S. § 403, and in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States.

Our audit found that the District complied, in all significant respects, with relevant requirements, except as detailed in one (1) finding noted in this report. A summary of the results is presented in the Executive Summary section of the audit report.

Our audit finding and recommendations have been discussed with the District's management, and their responses are included in the audit report. We believe the implementation of our recommendations will improve the District's operations and facilitate compliance with legal and administrative requirements. We appreciate the District's cooperation during the conduct of the audit.

Sincerely,

A handwritten signature in black ink, appearing to read "Eugene A. DePasquale".

EUGENE A. DEPASQUALE  
Auditor General

June 19, 2014

cc: **OWEN J. ROBERTS SCHOOL DISTRICT** Board of School Directors

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## **Executive Summary**

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### **Audit Work**

The Pennsylvania Department of the Auditor General conducted a performance audit of the Owen J. Roberts School District (District) in Chester County. Our audit sought to answer certain questions regarding the District's compliance with certain relevant state laws, regulations, contracts, grant requirements, and administrative procedures.

Our audit scope covered the period April 27, 2010 through August 27, 2013, except as otherwise indicated in the audit scope, objectives, and methodology section of the report. Compliance specific to state subsidies and reimbursements was determined for the 2008-09, 2009-10, 2010-11, and 2011-12 school years.

### **District Background**

The District encompasses approximately 111 square miles. According to 2010 federal census data, it serves a resident population of 32,864. According to District officials, the District provided basic educational services to 5,036 pupils through the employment of 404 teachers, 211 full-time and part-time support personnel, and 42 administrators during the 2011-12 school year. The District received \$15 million in state funding in the 2011-12 school year.

### **Audit Conclusion and Results**

Our audit found that the District complied, in all significant respects, with certain relevant state laws, regulations, contracts, grant requirements, and administrative procedures, except for one (1) compliance related matter reported as a finding.

**Finding: Certification Deficiency.** Our audit of the Owen J. Roberts School District's (District) professional employees' certificates and assignments for the period July 1, 2008 to August 8, 2013, found one employee who was assigned as the District's Instructional Technology Coordinator since August 11, 2009, without possessing a required Instructional Technology Specialist certificate. Therefore, the District is subject to subsidy forfeitures totaling \$8,841 for the 2009-10 through 2012-13 school years (see page 5).

**Status of Prior Audit Findings and Observations.** There were no findings or observations in our prior audit report.

## Audit Scope, Objectives, and Methodology

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### Scope

*What is a school performance audit?*

School performance audits allow the Pennsylvania Department of the Auditor General to determine whether state funds, including school subsidies, are being used according to the purposes and guidelines that govern the use of those funds. Additionally, our audits examine the appropriateness of certain administrative and operational practices at each local education agency (LEA). The results of these audits are shared with LEA management, the Governor, the Pennsylvania Department of Education, and other concerned entities.

Our audit, conducted under authority of Section 403 of The Fiscal Code, 72 P.S. § 403, is not a substitute for the local annual audit required by the Public School Code of 1949, as amended. We conducted our audit in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States.

Our audit covered the period April 27, 2010 through August 27, 2013, except for the verification of professional employee certification, which was performed for the period July 1, 2008 through August 8, 2013.

Regarding state subsidies and reimbursements, our audit covered the 2008-09, 2009-10, 2010-11, 2011-12, and 2012-13 school years.

While all districts have the same school years, some have different fiscal years. Therefore, for the purposes of our audit work and to be consistent with Pennsylvania Department of Education (PDE) reporting guidelines, we use the term *school year* rather than fiscal year throughout this report. A school year covers the period July 1 to June 30.

### Objectives

*What is the difference between a finding and an observation?*

Our performance audits may contain findings and/or observations related to our audit objectives. Findings describe noncompliance with a statute, regulation, policy, contract, grant requirement, or administrative procedure. Observations are reported when we believe corrective action should be taken to remedy a potential problem not rising to the level of noncompliance with specific criteria.

Performance audits draw conclusions based on an evaluation of sufficient, appropriate evidence. Evidence is measured against criteria, such as laws and defined business practices. Our audit focused on assessing the District's compliance with certain relevant state laws, regulations, contracts, grant requirements, and administrative procedures. However, as we conducted our audit procedures, we sought to determine answers to the following questions, which serve as our audit objectives:

- ✓ Were professional employees certified for the positions they held?
- ✓ In areas where the District received state subsidies and reimbursements based on pupil membership (e.g., basic education, special education, and vocational education), did it follow applicable laws and procedures?

- ✓ Did the District, and any contracted vendors, ensure that current bus drivers were properly qualified, and did they have written policies and procedures governing the hiring of new bus drivers?
- ✓ Did the District have sufficient internal controls to ensure that the membership data it reported to PDE through the Pennsylvania Information Management System was complete, accurate, valid, and reliable?
- ✓ Were there any declining fund balances that may pose a risk to the District's fiscal viability?
- ✓ Did the District take appropriate steps to ensure school safety?
- ✓ Did the District have a properly executed and updated Memorandum of Understanding with local law enforcement?
- ✓ Were there any other areas of concern reported by independent auditors, citizens, or other interested parties?

## Methodology

### *What are internal controls?*

Internal controls are processes designed by management to provide reasonable assurance of achieving objectives in areas such as:

- Effectiveness and efficiency of operations.
- Relevance and reliability of operational and financial information.
- Compliance with certain relevant state laws, regulations, contracts, grant requirements, and administrative procedures.

*Government Auditing Standards* require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our results and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our results and conclusions based on our audit objectives.

The District's management is responsible for establishing and maintaining effective internal controls to provide reasonable assurance that the District is in compliance with certain relevant state laws, regulations, contracts, grant requirements, and administrative procedures (relevant requirements). In conducting our audit, we obtained an understanding of the District's internal controls, including any information technology controls, as they relate to the District's compliance with relevant requirements that we consider to be significant within the context of our audit objectives. We assessed whether those controls were properly designed and implemented. Any deficiencies in internal controls that were identified during the conduct of our audit and determined to be significant within the context of our audit objectives are included in this report.

In order to properly plan our audit and to guide us in possible audit areas, we performed analytical procedures in the areas of state subsidies and reimbursements, pupil transportation, pupil membership, and comparative financial information.

Our audit examined the following:

- Records pertaining to pupil transportation, pupil membership, bus driver qualifications, professional employee certification, state ethics compliance, financial stability, reimbursement applications, tuition receipts, and deposited state funds.
- Items such as board meeting minutes and policies and procedures.

Additionally, we interviewed select administrators and support personnel associated with the District's operations.

## Findings and Observations

### Finding

*Criteria relevant to the finding:*

Section 1202 of the Public School Code (PSC) provides, in part:

*No teacher shall teach, in any public school, any branch which he has not been properly certificated to teach.*

Section 2518 of the PSC mandates any school district that:

*. . . has in its employ any person in a position that is subject to the certification requirements of the Pennsylvania Department of Education (PDE) but who has not been certificated for his position by PDE . . . shall forfeit an amount equal to six thousand dollars (\$6,000) less the product of six thousand dollars (\$6,000) and the district's market value/income aid ratio.*

In addition, according to the Pennsylvania Department of Education's Certification Staffing Policy and Guidelines, No. 78, an employee providing "curricular advisement on the application of instructional technology into curricular planning and instructional design to the curriculum supervisor and other school administrative staff" is required to have a valid Instructional Technology Specialist certificate.

### Certification Deficiency

Our audit of the Owen J. Roberts School District's (District) professional employees' certificates and assignments for the period July 1, 2008 through August 8, 2013, was conducted to determine compliance with the Public School Code and the Pennsylvania Department of Education's (PDE) Certification Staffing Policy and Guidelines (CSPG). We found one (1) employee who was assigned as the District's Instructional Technology Coordinator since August 11, 2009, without possessing an Instructional Technology Specialist certificate.

According to the Instructional Technology Specialist position description, specific duties that appear reserved to the Instructional Technology Specialist certificate, include:

- Facilitate the integration of technology into the teaching of district-approved curriculum.
- Work with Curriculum Task Force Committee as needed to assist with appropriate strategies and resources for online curricular materials.
- Support teachers and convey best practices for integration of technology into lesson plans and instructional materials.

Information pertaining to the assignment in question was submitted to PDE's Bureau of School Leadership and Teacher Quality (BSLTQ) for its review. On February 14, 2014, BSLTQ confirmed the certification deficiency. Therefore, the District is subject to the following subsidy forfeitures:

<u>School Year</u>	<u>Subsidy Forfeitures</u>
2009-10	\$ 2,300
2010-11	2,184
2011-12	2,181
2012-13	<u>2,176</u>
<b>Total</b>	<b>\$8,841</b>



The certification deficiency occurred because District administration was not aware that some of the position's duties were reserved to the Instructional Technology Specialist certificate.

It is the responsibility of District management to have internal policies and procedures in place to ensure that employees are properly certified for the positions they are assigned. Failure to confirm that professional employees maintain proper certifications jeopardizes the District's ability to ensure that students receive instruction from qualified employees and that the District is not subject to a forfeiture of its State subsidy.

### **Recommendations**

The *Owen J. Roberts School District* should:

1. Implement internal controls to ensure that employee assignments are compared with approved position description duties and PDE's CSPGs to ensure that all employees possess the appropriate certificate for their assigned position.
2. Assign an appropriately certified individual to the Instructional Technology Coordinator position.

The *Pennsylvania Department of Education* should:

3. Adjust the District's allocations to recover the subsidy forfeitures.

### **Management Response**

Management waived the opportunity to reply.

### **Auditor Conclusion**

We will follow up on the status of our recommendations during our next cyclical audit of the District.

## **Status of Prior Audit Findings and Observations**

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**O**ur prior audit of the Owen J. Roberts School District resulted in no findings or observations.

## **Distribution List**

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This report was initially distributed to the Superintendent of the District, the Board of School Directors, our website at [www.auditorgen.state.pa.us](http://www.auditorgen.state.pa.us), and the following stakeholders:

The Honorable Tom Corbett  
Governor  
Commonwealth of Pennsylvania  
Harrisburg, PA 17120

The Honorable Carolyn Dumaesq  
Acting Secretary of Education  
1010 Harristown Building #2  
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Harrisburg, PA 17126

The Honorable Robert M. McCord  
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This report is a matter of public record and is available online at [www.auditorgen.state.pa.us](http://www.auditorgen.state.pa.us). Media questions about the report can be directed to the Pennsylvania Department of the Auditor General, Office of Communications, 231 Finance Building, Harrisburg, PA 17120; via email to: [news@auditorgen.state.pa.us](mailto:news@auditorgen.state.pa.us).