

LIMITED PROCEDURES ENGAGEMENT

Northeastern Educational Intermediate Unit 19 Lackawanna County, Pennsylvania

December 2015



Commonwealth of Pennsylvania
Department of the Auditor General
Eugene A. DePasquale • Auditor General



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EUGENE A. DePASQUALE
AUDITOR GENERAL

Mr. Robert McTiernan, Executive Director
Northeastern Educational Intermediate
Unit 19
1200 Line Street
Archbald, Pennsylvania 18403

Mr. Joseph Muracco, Board President
Northeastern Educational Intermediate
Unit 19
1200 Line Street
Archbald, Pennsylvania 18403

Dear Mr. McTiernan and Mr. Muracco:

We conducted a Limited Procedures Engagement (LPE) of the Northeastern Educational Intermediate Unit 19 (Intermediate Unit) to determine its compliance with certain relevant state laws, regulations, policies, and administrative procedures (relevant requirements). The LPE covers the period July 1, 2012 through June 30, 2015, except for any areas of compliance that may have required an alternative to this period. The engagement was conducted pursuant to authority derived from Article VIII, Section 10 of the Constitution of the Commonwealth of Pennsylvania and The Fiscal Code, 72 P.S. § 403, but was not conducted in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States.

As we conducted our LPE procedures, we sought to determine answers to the following questions, which serve as our LPE objectives:

- Did the Intermediate Unit have documented board policies and administrative procedures related to the following?
 - Internal controls
 - Budgeting practices
 - The Right-to-Know Law
 - The Sunshine Law
- Were the policies and procedures adequate and appropriate, and have they been properly implemented?
- Did the Intermediate Unit comply with the relevant requirements in the Right-to-Know Law and the Sunshine Law?
- Did the Intermediate Unit take appropriate corrective action to address the findings made in our prior audit, and were the actions taken into effect?

Mr. Robert McTiernan

Mr. Joseph Muracco

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Our engagement found that the Intermediate Unit properly implemented policies and procedures for the areas mentioned above and complied, in all significant respects, with relevant requirements.

We appreciate the Intermediate Unit's cooperation during the conduct of the engagement.

Sincerely,

A handwritten signature in black ink, appearing to read "Eugene A. DePasquale". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Eugene A. DePasquale

Auditor General

December 23, 2015

cc: **NORTHEASTERN EDUCATIONAL INTERMEDIATE UNIT 19**
Board of School Directors

Status of Prior Findings and Observations

Prior Finding No. 1

Errors in Reporting Pupil Transportation Data Resulted in Overcharges of \$183,798 to Member Districts

Prior Finding Condition

Our prior audit of the Intermediate Unit's transportation data for the 2008-09 and 2009-10 school years found errors in reporting the number of days transportation was provided and daily mileage to the Pennsylvania Department of Education (PDE). The errors resulted in overcharges to participating districts of \$183,798 for transportation provided by the Intermediate Unit.

We provided PDE with reports detailing the errors for use in recalculating the transportation costs recovered from participating districts.

Prior Recommendations

Our prior audit finding recommended that the Intermediate Unit should:

1. Review PDE's mileage reporting requirements to ensure data is accurately reported to PDE.
2. Thoroughly reconcile all transportation data for accuracy prior to submission of reports to PDE.
3. Review reports submitted subsequent to our audit period and, if errors are found, submit revised reports to PDE.

We also recommended that PDE should:

4. Recalculate the transportation costs for each participating district and each district's summary of pupil transportation subsidy to ensure costs are properly deducted and that reimbursements were properly paid to the districts.

Current Status

We reviewed Intermediate Unit transportation data, including mileage and days transported, during the 2013-14 school year and compared to reports submitted to PDE. The Intermediate Unit did implement our prior recommendations, and our review found that data submitted to PDE was accurately reported. On October 6, 2015, PDE personnel stated that the adjustments to the participating districts' transportation subsidies resulting from the prior errors are pending and should be completed in the near future. The adjustments had not yet been made at the conclusion of our current engagement.

Prior Finding No. 2

Certification Deficiency

Prior Finding Condition

Our prior audit found an interim Assistant Director of Special Education (Director) was employed from February 1, 2010, through the end of our prior fieldwork without the proper professional certification required by the State Board of Education.

Information regarding the employee in question was submitted to PDE's Bureau of School Leadership and Teacher Quality (BSLTQ) for review. BSLTQ subsequently confirmed the deficiency. The Intermediate Unit was, therefore, subject to subsidy forfeitures of \$1,138 for the 2009-10 school year and \$2,795 for the 2010-11 school year.

Prior Recommendations

Our prior audit finding recommended that the Intermediate Unit should:

Put internal controls and procedures in place to ensure that employees have the appropriate certification to meet such requirements for their assigned positions.

We also recommended that PDE should:

Adjust the Intermediate Unit's allocations to recover the subsidy forfeitures of \$3,933 resulting from the certification deficiency.

Current Status

The Intermediate Unit did implement our prior recommendation.

PDE issued the Director two emergency Supervisor of Special Education permits effective April 1, 2011 and August 1, 2011, which provided the Director proper professional certification for the assignment through the 2011-12 school year. The Director resigned from the Intermediate Unit effective October 12, 2012.

As of November 18, 2012, PDE had not yet adjusted the Intermediate Unit's allocations to recover the subsidy forfeitures of \$3,933.

Distribution List

This letter was initially distributed to the Executive Director of the Intermediate Unit, the Board of School Directors, and the following stakeholders:

The Honorable Tom W. Wolf

Governor
Commonwealth of Pennsylvania
Harrisburg, PA 17120

The Honorable Pedro A. Rivera

Secretary of Education
1010 Harristown Building #2
333 Market Street
Harrisburg, PA 17126

The Honorable Timothy Reese

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This letter is a matter of public record and is available online at www.PaAuditor.gov. Media questions about the letter can be directed to the Pennsylvania Department of the Auditor General, Office of Communications, 229 Finance Building, Harrisburg, PA 17120; via email to: news@PaAuditor.gov.