

LIMITED PROCEDURES ENGAGEMENT

Central Intermediate Unit 10 Clearfield County, Pennsylvania

January 2017



Commonwealth of Pennsylvania
Department of the Auditor General

Eugene A. DePasquale • Auditor General



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EUGENE A. DePASQUALE
AUDITOR GENERAL

Dr. J. Hugh Dwyer, Executive Director
Central Intermediate Unit 10
345 Link Road
West Decatur, Pennsylvania 16878

Mr. Larry Putt, Board President
Central Intermediate Unit 10
345 Link Road
West Decatur, Pennsylvania 16878

Dear Dr. Dwyer and Mr. Putt:

We conducted a Limited Procedures Engagement (LPE) of the Central Intermediate Unit 10 (IU) 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. §§ 402 and 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 IU have documented board policies and administrative procedures related to the following?
 - Internal controls
 - Budgeting practices
 - The Right-to-Know Law
 - The Sunshine Act
- Were the policies and procedures adequate and appropriate, and have they been properly implemented?
- Did the IU comply with the relevant requirements in the Right-to-Know Law and the Sunshine Act?
- Did the IU take appropriate corrective action to address the observation made in our prior audit, and were the actions taken into effect?

Dr. J. Hugh Dwyer
Mr. Larry Putt
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Our engagement found that the IU properly implemented policies and procedures for the areas mentioned above and complied, in all significant respects, with relevant requirements.

We appreciate the IU'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

January 25, 2017

cc: **CENTRAL INTERMEDIATE UNIT 10** Board of School Directors

Background Information

School Characteristics 2015-16 School Year ^A	
County	Clearfield
Students Served in Public Schools	635
Students Served in Nonpublic Schools	1,147
Total Teachers	53
Total Full or Part-Time Support Staff	162
Total Administrators	21
Number of Participating Schools ^B	33

A - Source: Information provided by the IU administration and is unaudited.

B - Schools include participating school districts, nonpublic schools, and institutions.

Mission Statement^A

As an educational service agency, the CIU #10 promotes and provides for the continuous achievement and advancement of all learners through its role as a resourceful, result-focused partner with schools and communities in Centre, Clearfield, and Clinton counties.

The IU is a legal entity established under the terms of Pennsylvania Law (Act 102, May 4, 1970) to function as a service agency for the following participating school districts, nonpublic schools, and institutions in Centre, Clearfield, and Clinton counties:

Participating Schools

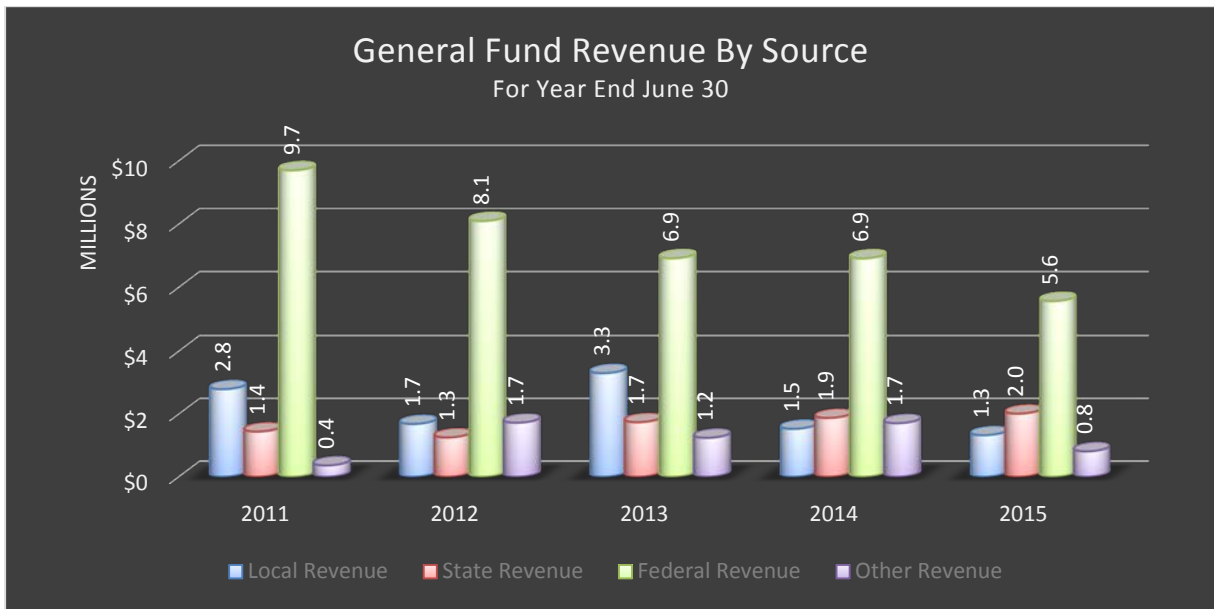
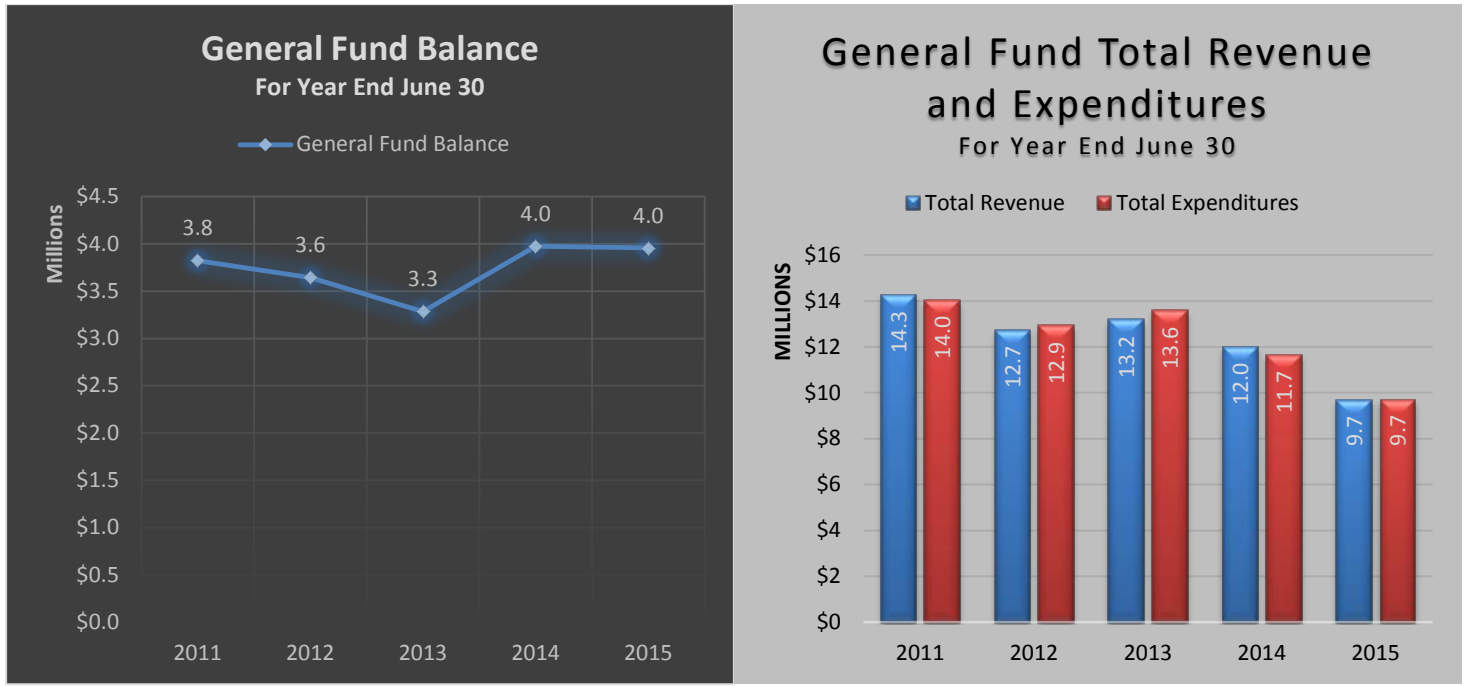
Bald Eagle Area School District	Bellefonte Area School District
Clearfield Area School District	Curwensville Area School District
Glendale School District	Harmony Area School District
Keystone Central School District	Moshannon Valley School District
Penns Valley Area School District	Philipsburg-Osceola Area School District
State College Area School District	West Branch Area School District
Centre Learning Community Charter School	Nittany Valley Charter School
Sugar Valley Rural Charter School	Wonderland Charter School
Young Scholars of Central PA Charter School	Central PA Institute of Science & Technology
Clearfield County Career & Technology Center	Keystone Central Career & Technology Center
Bennett Family Center	Centre County Christian Academy
Clearfield Alliance Christian School	Grace Lutheran Day School
Grace Prep School	Lock Haven Catholic
Nittany Christian School	Our Children's Center
Our Lady of Victory School	St. Francis School
St. John the Evangelist	St. Joseph's Catholic Academy
State College Friends School	

The IU is governed by a 13 member board appointed by the participating schools on a rotating basis.

Since the IU is a service agency, academic information and graduation rates are not calculated.

Financial Information

The following pages contain financial information about the IU obtained from annual financial data reported to the Pennsylvania Department of Education (PDE) and available on PDE's public website. This information was not audited and is presented for **informational purposes only**.



Status of Prior Audit Findings and Observations

Our prior audit of the IU released on April 3, 2014, resulted in one observation, as shown below. As part of our current engagement, we determined the status of corrective action taken by the IU to implement our prior audit recommendations. We reviewed the IU's written response provided to PDE, interviewed IU personnel, and performed audit procedures as detailed in each status section below.

Auditor General Performance Audit Report Released on April 3, 2014

Prior Observation: Internal Controls Over Student Data are Lacking

Observation Summary: Our prior audit of the IU's controls over data integrity found that internal controls needed to be improved.

Prior Recommendations: We recommended that the IU should:

1. Ensure that employees responsible for data entry into the membership system are familiar with the Pennsylvania Information Management System (PIMS) coding guidelines.
2. Document membership reporting procedures to ensure continuity over its PIMS data submission in the event of a sudden change in personnel or child accounting vendors.

Current Status:

As a result of the observation in the prior audit, the IU created a position titled Data Consultant. An individual with knowledge of and experience with PIMS was hired to fill this position. This individual had previously worked in a public school district as the PIMS/Child Accounting Manager.

A change was made to the process in which data is uploaded to PIMS. The Data Consultant now extracts the templates from the Student Information System and personally uploads them into PIMS. This change has ensured that a person with knowledge and understanding of how the data is used and experienced in recognizing and troubleshooting data errors is the same person responsible for resolving those errors.

A data team has been formed, and the Data Consultant is the Chairperson for that team. The data team meets two to three times per year to discuss data and best practices for the IU. Staff who are responsible for data collection and data entry attend data team meetings.

Training has been provided to staff members who are tasked with entering child accounting data, and communication to resolve data collection and data entry errors as they occur is ongoing.

A monthly reconciliation involving the billing clerk, data entry clerk, and data consultant ensure that data is accurate as entered in the student information system. Discrepancies are reviewed and errors corrected on a monthly basis. The Data Consultant has developed a reference guide to assist data entry staff with coding child accounting information. Resources such as the PIMS Manual and Child Accounting guidelines found on the PDE website are also used as reference guides.

The IU acknowledged that a succession plan was needed to ensure continuity over PIMS data submissions in the event of a sudden change in personnel. Two additional staff members were trained on how to extract PIMS templates from the Student Information System and to upload data to PIMS, as well as what to do in the event errors occur. One of these staff members has left the IU, so plans are in place to train another person to upload data to PIMS.

Based on the information above, we determined the IU has implemented all of our prior audit recommendations.

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 Joe Torsella

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