

LIMITED PROCEDURES ENGAGEMENT

Delaware County Intermediate Unit 25 Delaware County, Pennsylvania

March 2018



Commonwealth of Pennsylvania
Department of the Auditor General

Eugene A. DePasquale • Auditor General



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**EUGENE A. DePASQUALE
AUDITOR GENERAL**

Dr. Maria Edelberg, Executive Director
Delaware County Intermediate Unit 25
200 Yale Avenue
Morton, Pennsylvania 19070

Mr. Edward Cardow, Board President
Delaware County Intermediate Unit 25
200 Yale Avenue
Morton, Pennsylvania 19070

Dear Dr. Edelberg and Mr. Cardow:

We conducted a Limited Procedures Engagement (LPE) of the Delaware County Intermediate Unit 25 (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, 2016, 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
 - The Right-to-Know Law
 - The Sunshine Act
 - Retirement Provisions
 - Transportation Operations
- 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 comply with relevant requirements of the Public School Employees' Retirement System Employer's Reference Manual, and did the IU adhere to contracted provisions when calculating and paying severance amounts to retired employees?
- Did the IU ensure compliance with applicable laws and regulations governing transportation operations, and did the IU correctly report transportation data to the Pennsylvania Department of Education?
- Did the IU take appropriate corrective action to address the finding made in our prior audit?

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,



Eugene A. DePasquale
Auditor General

March 22, 2018

cc: **DELAWARE COUNTY INTERMEDIATE UNIT 25** Board of Directors

Background Information

School Characteristics 2017-18 School Year ^A		Mission Statement ^A
County	Delaware	The mission of the Delaware County Intermediate Unit, a regional educational service agency, is to provide leadership in the development and delivery of quality, cost-effective programs and services to school communities.
Students Served in Public Schools	2,969	
Students Served in Nonpublic Schools	15,107	
Total Teachers	256	
Total Full or Part-Time Support Staff	405	
Total Administrators	29	
Number of Participating Schools ^B	15	

A - Source: Information provided by the IU administration and is unaudited.
B - Schools include participating school districts, nonpublic schools, and institutions.

The Delaware County Intermediate Unit 25 (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 in Delaware County:

Participating School Districts

Chester Upland	Chichester
Garnet Valley	Haverford Township
Interboro	Marple Newtown
Penn-Delco	Radnor Township
Ridley	Rose Tree Media
Southeast Delco	Springfield
Upper Darby	Wallingford-Swarthmore
William Penn	

The IU also functions as a service agency for 52 nonpublic schools.

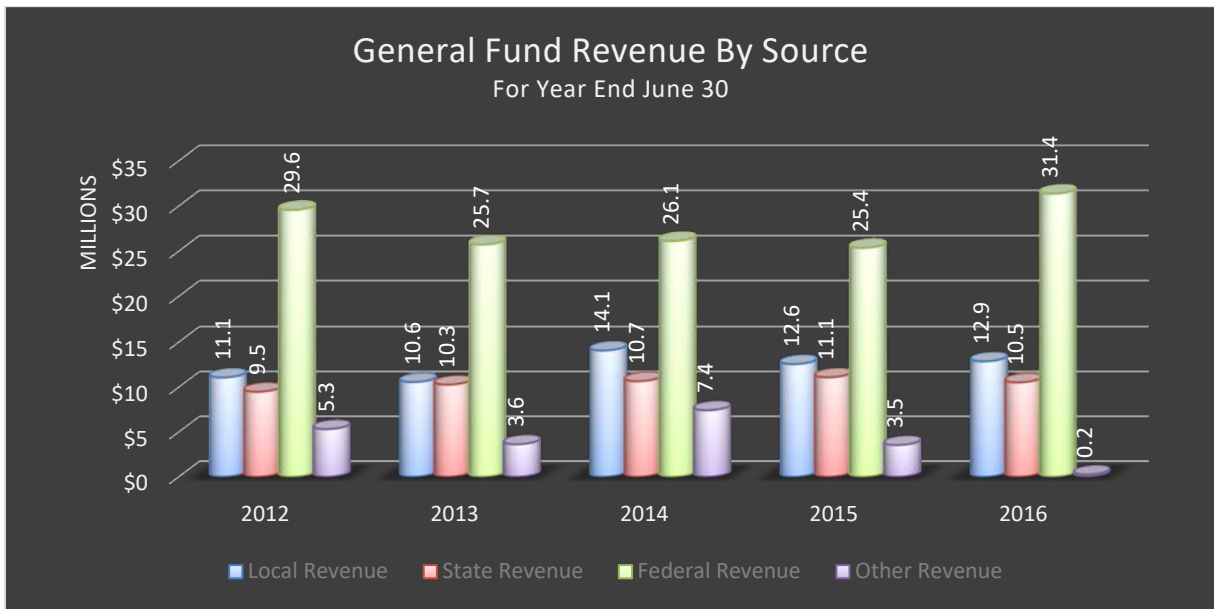
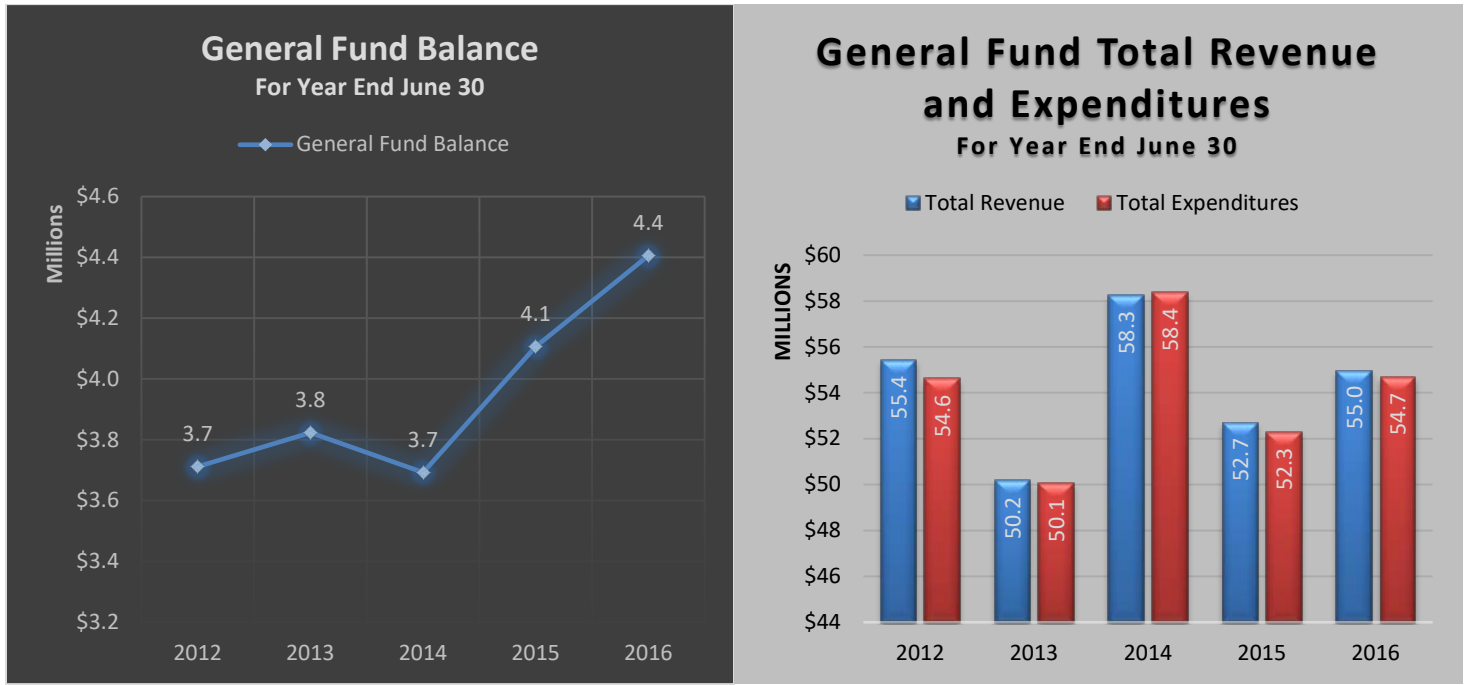
The IU is governed by a 15 member board representing and appointed by the participating schools on a rotating basis.

Academic Information

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 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 Delaware County Intermediate Unit 25 (IU) released on August 14, 2014, resulted in one finding 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.

Auditor General Performance Audit Report Released on August 14, 2014

Prior Finding: School Bus Driver Qualifications Deficiencies

Prior Finding Summary: Our prior audit of the IU school bus drivers' qualifications for the 2013-14 school year found that one individual employed by one of the IU's contractors did not possess the Pennsylvania State Police Criminal Background Checks (known as Act 34 clearance) required by Section 111 of the Public School Code. This deficiency was also noted in the prior audit of the IU.

Prior Recommendations: We recommended that the IU should:

Establish procedures to obtain and retain the required qualifications for all drivers, both local education agency and contracted, who transport students. This procedure should also ensure that the IU's files are up-to-date and complete for all drivers.

Current Status: During our current engagement, we found that the IU did implement our recommendation. On December 5, 2014, the IU established procedures to ensure that staff have all the required qualifications. On January 11, 2018, the former driver obtained an Act 34 clearance and provided it to the IU even though the driver no longer transports students for the IU.

Distribution List

This letter was initially distributed to the Executive Director of the Intermediate Unit, the Board of 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
State Treasurer
Room 129 - Finance Building
Harrisburg, PA 17120

Mrs. Danielle Mariano
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Bureau of Budget and Fiscal Management
Pennsylvania Department of Education
4th Floor, 333 Market Street
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Pennsylvania State Education Association
400 North Third Street - Box 1724
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Mr. Nathan Mains
Executive Director
Pennsylvania School Boards Association
400 Bent Creek Boulevard
Mechanicsburg, PA 17050

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